35th

ANNUAL REPORT 2017-18

Creating value for our stakeholders

Company information

BOARD OF DIRECTORS

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

SECRETARIES

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

Manoj Kumar Ishwar
Senior Manager (Secretarial)

Prabhakaran J. Mudaliar
Executive (Secretarial)

REGISTERED OFFICE

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

CORPORATE OFFICE

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

SUBSIDIARIES

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

COMPANY IDENTIFICATION NO.

CIN – L24100GJ1983PLC006513

STATUTORY AUDITORS

S.R. Batliboi & Co. LLP

WORKS

SODA ASH

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

SALT REFINERIES

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

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

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

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

TEXTILES

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

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

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

ENERGY DIVISION

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

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

BANKERS / FINANCIAL INSTITUTIONS

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

SHARE TRANSFER AGENTS

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

Contents

Annual General Meeting

Thursday, May 31, 2018

Time

9:30 A.M.

Venue

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

Book Closure Date

From Friday, May 25, 2018 to Thursday, May 31, 2018 (Both days inclusive)

Important Communication to Members

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

Dear Shareholders,

During the Fiscal 2018, which was a defining year for businesses in India and across the World economies, India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19. The after effects of demonetisation and GST are now beginning to fade away and the heartening fact is that India's foreign exchange reserves have grown up to US$ 422.53 billion in March 2018.

At GHCL, we continued to remain firmly focused on maintaining our growth momentum based on capacity expansion, launch of new product range and enhancing the capabilities of our people to add to the value we create for our stakeholders. Our revenue for the last financial year was Rs.2942 Crore and the company recommended a dividend of 50% of the face value for the financial year ended March 31, 2018 as a token of gratitude towards its shareholders, who continue to hold faith in GHCL's management and its vision for the company.

Chairman's Message

Despite significant headwinds in textile industry we achieved a PAT of Rs. 367 crore. This has been due to our stellar performance in the Inorganic Segment with highest EBITDA achieving an overall revenue growth of 21% for the year. Our team's operational excellence has resulted in a benchmark capacity utilisation of 97% yielding extra volumes contributing to bottom-line. Our focus is to be the single largest producer of Soda Ash in the country within the next 5 years. On the anvil is a brown- field capacity expansion of 1.25 lakh tonnes by March 2019 and another one in FY 2019-20 and thereafter Greenfield project of 5 lakh tonnes.

The Home Textile industry has been facing headwind and the market sentiment continues to remain challenging due to overcapacity, shift from brick & mortar to e-commerce platforms and rupee- dollar scenario. In the given scheme of things, our focus is to achieve product innovation and operational excellence because of which we launched "Rekoop"- the first fully source-verified recycled PET bedding product line. Other similar product innovations are in the pipeline to overcome the challenges. Our spinning division continues to do well and we have completed the installation of 'Airjet` Spinning project at Madurai as per schedule. We continue to be positive on the sector and look forward to leveraging the opportunities for growth.

Our Consumer products division has been expanding the product portfolio of its brand I-FLO. Apart from Salt, Honey, Spices and Powder Spices we have now ventured into the Premium Honey Category by pioneering the entry of Jujube Honey into the Indian market. The CPD division has been working on rolling out various marketing campaigns to reach out to their prospective buyers and we are significantly increasing our reach by expanding in to newer geographies within India.

Amidst all this, we have single-mindedly focused on being a responsible corporate citizen. We seek to make a tangible positive difference to the communities we live and work in. Through our GHCL Foundation Trust we have implemented projects worth Rs. 22 crore along with our partners on various CSR initiatives, with GHCL contributing almost Rs. 9 crore. The Foundation works across areas of education & skill development, healthcare, agro & animal husbandry, women empowerment and water and sanitation. In the year under review, the GHCL foundation has influenced the lives of over 40000 households in 99 villages. As a recognition for our efforts, the GHCL Foundation Trust was awarded the prestigious Golden Peacock award for Corporate Social Responsibility.

Golden Peacock for Corporate Governance and for Quality are the other accolades which we received. GHCL was also certified as a 'Great Place to Work' in the manufacturing sector in India in 2018 which has been a great motivator.

Our aim is to nurture an efficient organization with improved risk management mechanisms, governance capability and capacity and to translate it into organic growth and sustained profitability. We aim to build a culture of respect, trust, ownership and team work. I am pleased to say that we are witnessing the specific outcomes of our efforts.

I conclude by thanking all our stakeholders - our employees, our investors, various state governments where we have operations, central government and last but not the least, our valuable customers. I also, thank all of you for your continued confidence in us.

Sanjay Dalmia
Chairman

AT GHCL we believe that serving the interests of our stakeholders is an important aspect of doing business responsibly. This comes from creating a balance between economic, environmental and social objectives. Consistent investor interaction opportunities for transparent and seamless dissemination of information, corporate governance, CSR strategy, employee friendly culture, forming strategic partnerships with our vendors and caring for our customers' needs serves our overarching goal of helping people secure their futures. At GHCL, it is our mission to engage with our customers and vendors and achieve customer delight through serviceability and quality with a focus on product and process innovation. On the other hand we also aim to nurture entrepreneurship among our people, protect the environment and give back to the society in more ways than one.

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. We do understand that the growth of our business depends on our stakeholders and endeavour to centralize their needs and requirements. We also understand that the resources are limited and so, we never fall short to seize an opportunity to address issues regarding sustainability and to play our part in reducing our carbon footprint.

GHCL Product Range

Investors

PAT growth in 7 years' + 20% CAGR

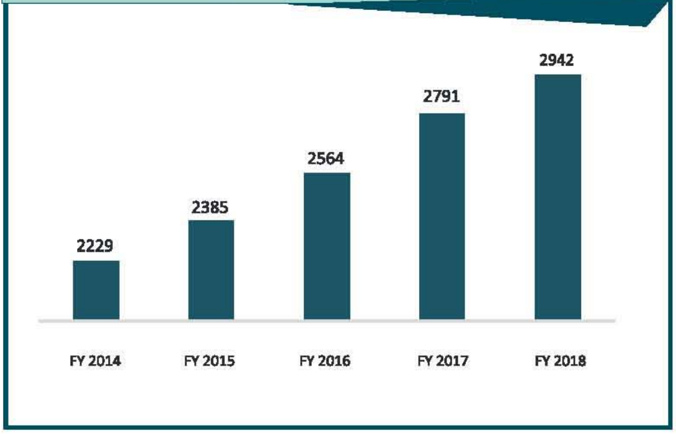
Multifold increase in shareholder payout

Stated Dividend policy
15-20% of Standalone PAT

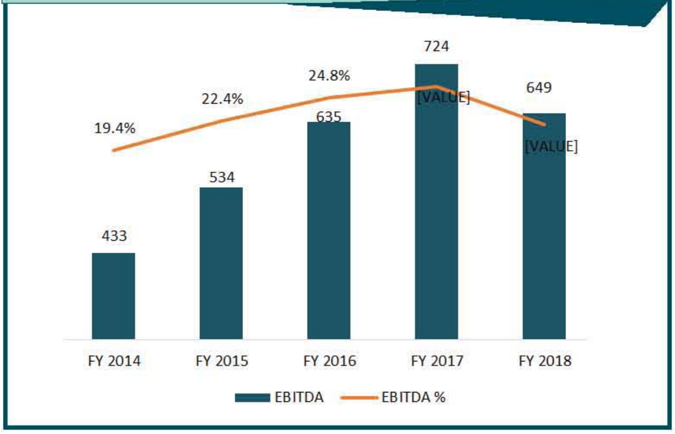
Clear transparent Information, regular conference calls & Investor conferences

Financial Snapshots

REVENUE

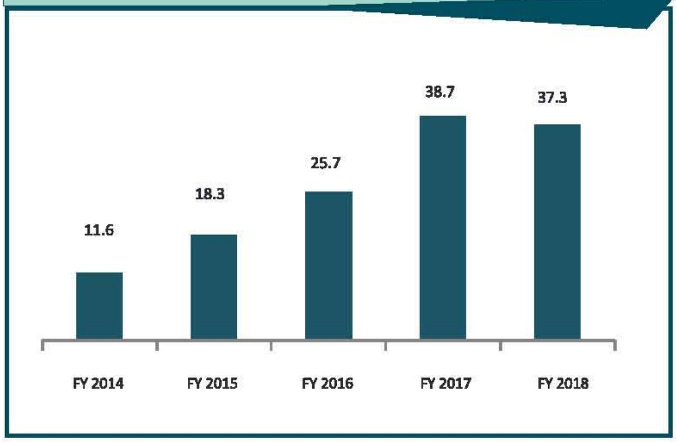


EBITDA & EBITDA %

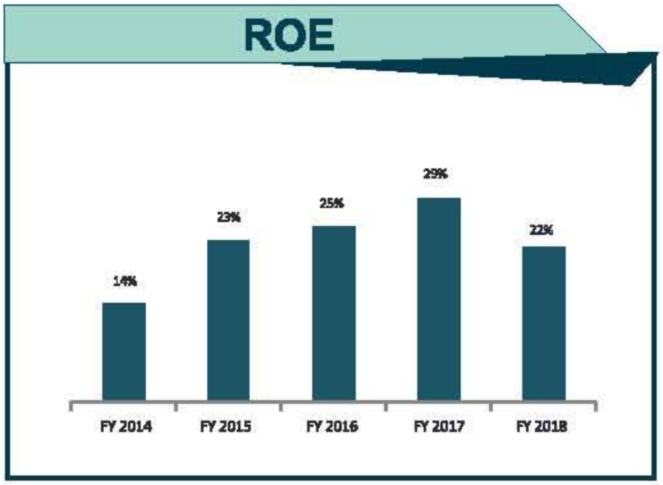


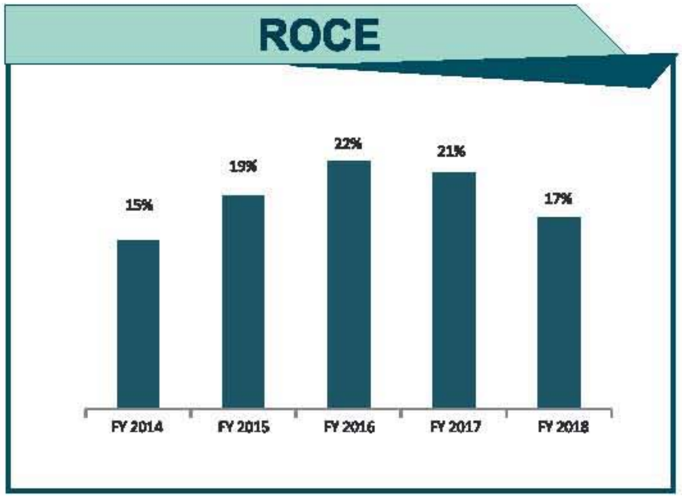
PAT & PAT%

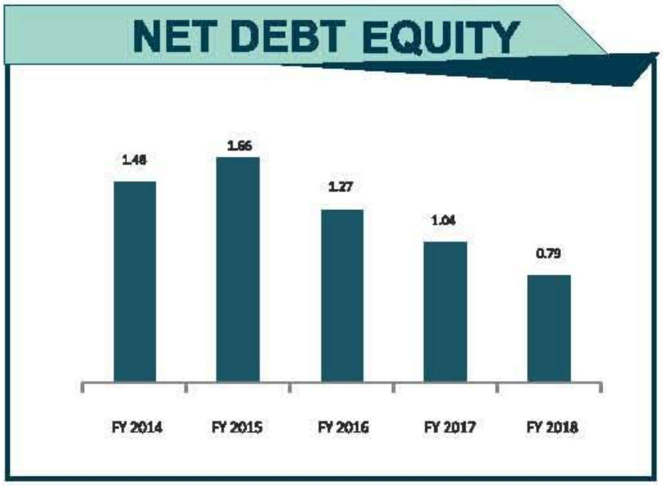
EPS

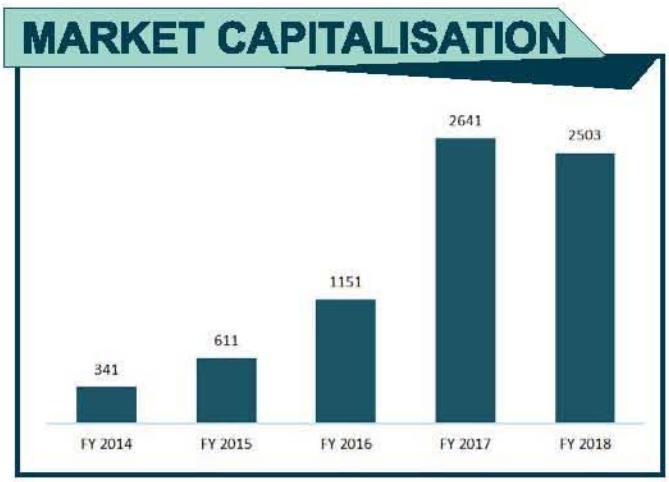


Financial Snapshots



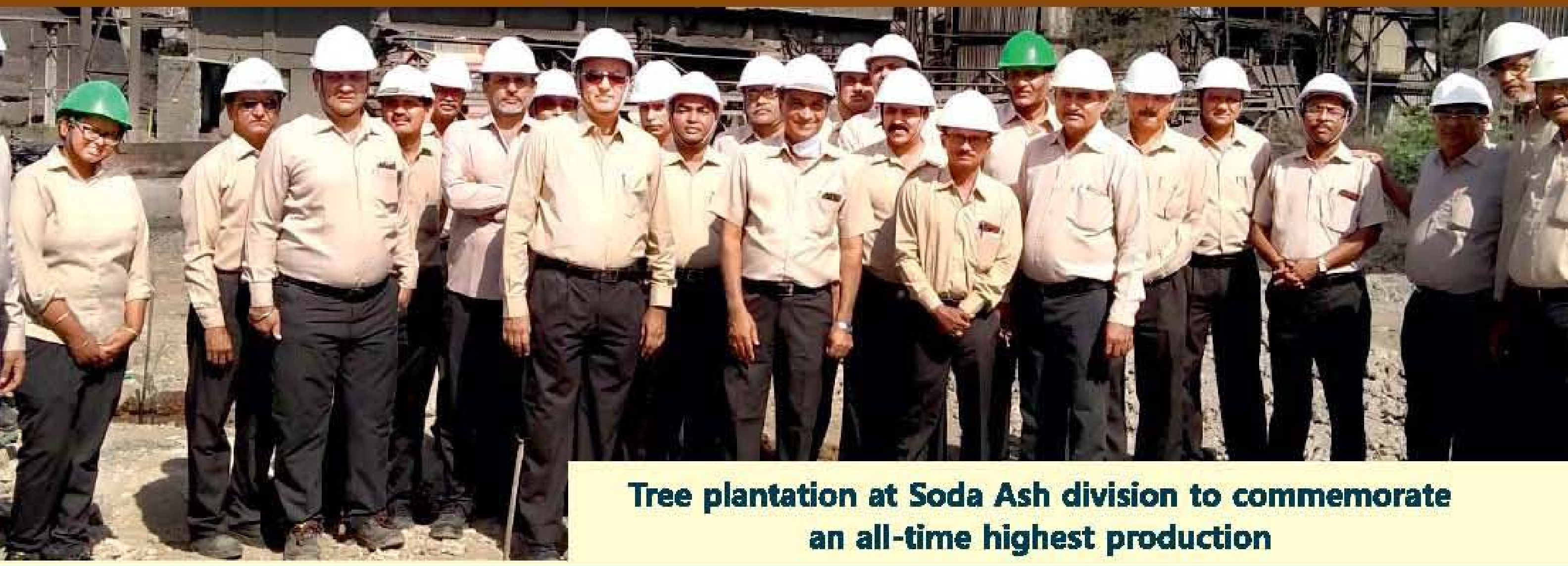






Employees

- Pay for performance & Pay for behaviour
- ESOPS
- Competitive payscale
- Involvement in decision making process
- Providing platform for sharing innovative ideas & practices



Tree plantation at Soda Ash division to commemorate an all-time highest production

GHCL Core Values

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

Respect

Respect means being thoughtful of or showing regard for another person. It focuses on the moral obligation to honour the essential worth and dignity of the individual and thus, prohibits violence, humiliation, manipulation and exploitation.

Trust

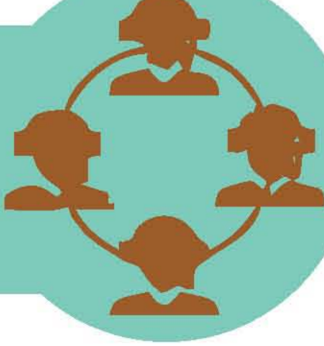
Trust provides confidence in each other's capabilities and intentions of carrying out one's duties diligently & sincerely. It provides a base for transparent communication which fosters the foundation for building relationships among people.

Ownership

Ownership implies that every individual continues to take responsibility of his/her own decisions & actions taken and accepts personal accountabilities to lead business.

Integrated Team work

Integrated Team Work connotes that actions of all individuals irrespective of departments or functions shall strive for achieving together a common purpose or goal, which subordinate the needs of the individual to the needs of the group. In essence, each person in the team puts aside his or her individual or functional needs to work towards the larger group objective.



GHCL is an unique work place which is dotted with its Core Values, defining its culture. Every employee in the company is expected to imbibe its Core Values and interact within the business ecosystem with all its stakeholders accordingly.

Vendors

- Regular Vendor Meets, Training & Education.
- Sharing Information & Priorities.
- Clear & Transparent Communication.
- Enhancing capability and performance of vendors.
- Strategic Partnership for:
  - Innovation
  - Product Improvement
  - Process Improvement
- Working as a team to create value.
- Implementation of our Vendor Portal - Vendex.

Customers

Regular **Distributors / Customer meets** to encourage two way knowledge sharing.

Complete alignment of distributors with GHCL's growth objectives.

Customer index survey (CSI) conducted to monitor our services.

Seeking feedback and prompt redressal of complaints for **customer satisfaction.**

Recognition received from our customers.

Unilever Procurement Partner to Win

Society - GHCL Foundation

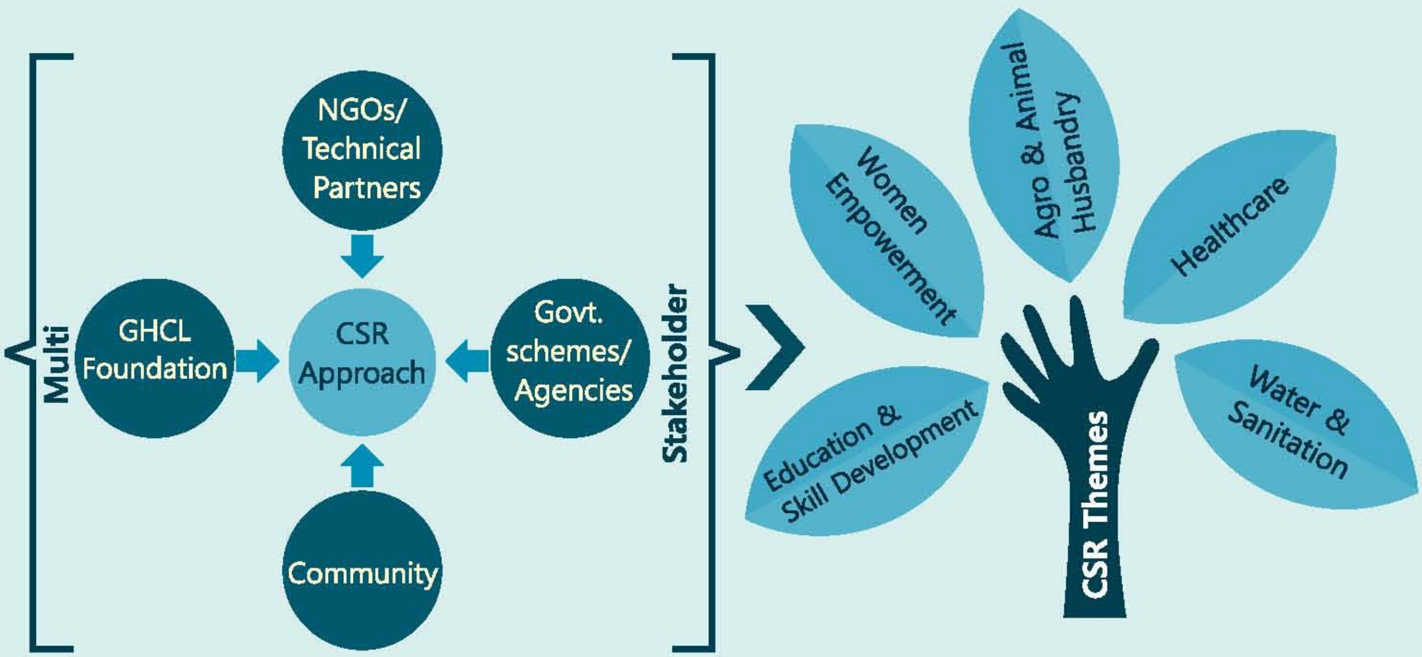
सर्वे भवन्तु सुखिनः
सर्वे सन्तु निरामयाः।
सर्वे भद्राणि पश्यन्तु
मा कश्चित् दुःख भाग्भवेत्।।

Sarve Bhavantu Sukhinah,
Sarve Santu Niramaya
Sarve Bhadrani Pashyantu,
Maa Kaschith Dukhabhag Bhavet

GHCL believes in a multi-stakeholder approach in designing and implementing CSR projects to promote ownership, convergence and sustainability of projects.

Many long lasting projects have delivered the desired objective and minimized dependence on GHCL with an ownership of relevant stakeholders including the beneficiary community.

Themes chosen for our CSR projects are derived out a formal need assessment process and are undertaken in areas where we want to build capacity of the community to be self-reliant and dependent.



CSR Impact

Education & Skill Development

- Impacted 6685 children through education programme.
- Skill Training Institute- 540 nos. trained and 300 placed in jobs

Health

- Eye camps- 1243 benefitted
- Weekly clinic- 4268 treated
- Weekly MMU- 29930 treated
- Cancer detection camps- 140 camps; 4511 women scanned

Agro & Animal Husbandry

- 15 Exposure visits
- Drip & Sprinkler Irrigation- 784.21 Ha & 730 Farmers impacted
- 16295- Organic Manure bags distributed
- 48 Animal camps with 27873 Animals treated
- 1586 artificial insemination undertaken

Women Empowerment

- Formation and capacity, building of Self Help Groups
- 71 SHG- 844 women members

Water and Sanitation

- 351 RRWHS units constructed
- 2566 toilets constructed

CSR Snapshots


Water and Sanitation


Agro & Animal Husbandry


Women Empowerment


Education


Skill Development

Health Care

Awards & Accolades

GOLDEN PEACOCK AWARDS
WINNER OF
SPECIAL COMMENDATION
Corporate Governance
2017

Great Place To Work®
Certified
APR 2018–MAR 2019
INDIA

GOLDEN PEACOCK AWARDS
Winner of National Quality 2018

GOLDEN PEACOCK AWARDS
WINNER
Corporate Social Responsibility
2017

GHCL Limited

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

NOTICE

NOTICE is hereby given that 35th Annual General Meeting of the members of GHCL Limited (CIN: L24100GJ1983PLC006513) will be held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, May 31, 2018 at 9.30 AM to transact the following businesses:

ORDINARY BUSINESS:

Item no. 1: Adoption of audited financial statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2018

"RESOLVED THAT audited Financial Statements and audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2018 along with Directors' Report, Independent Auditors' Report thereon be and are hereby received, considered, approved and adopted."

Item no. 2: Declaration of Dividend for the financial year ended March 31, 2018

"RESOLVED THAT dividend of Rs. 5.00 per equity share, aggregating to Rs. 487116430/- (i.e. 50% on the paid-up equity share capital of the Company) for the financial year ended on 31st March 2018, as recommended by the Board of Directors of the Company, be and is hereby declared."

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

"RESOLVED THAT Mr. Sanjay Dalmia (DIN 00206992), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation."

Item no. 4: Re-appointment of Mr. 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. 5: Ratification for the re-appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company

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

"RESOLVED THAT in line with the resolution passed by the shareholders in their 33rd Annual General Meeting (AGM) held for the financial year 2015-16 appointing M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 30100CE/E300005) for a period of five years and pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies their appointment as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 36th Annual General Meeting to be held for the financial year 2018-19, on a remuneration to be fixed by the Board of directors plus out of pocket expenses as may be incurred by them for the performance of their duties in connection with the audit of the company for the financial year ending March 31, 2019."

SPECIAL BUSINESS:

Item No. 6: Re- Appointment of Mr. Raman Chopra 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. Raman Chopra (DIN: 00954190) be and is hereby re-appointed as a Whole Time Director designated as CFO & Executive Director (Finance) of the Company, for a period of 5 years with effect from April 1, 2018, 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. Raman Chopra, during the course of his employment from time to time on recommendation of Nomination and Remuneration Committee."

Item no. 7: Authorization to borrow money exceeding aggregate of the Paid up Capital and Free Reserves of the company

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

"RESOLVED THAT in supersession of the Special Resolution adopted at the 31st Annual General Meeting held on August 21, 2014 and pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors (including the committee thereof) to borrow moneys in excess of the aggregate of the paid up shares capital and free reserves of the company, provided that the total money borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the company's bankers in the ordinary course of business, shall not be in excess of ₹ 2500 Cr. (Rupees Two Thousand Five Hundred Crores)."

"RESOLVED FURTHER THAT in order to secure the loan taken in line with above authorisation, the Board of Directors of the Company (including the committee thereof) be and is hereby authorised to create a charge, mortgage, hypothecation, pledge or otherwise, in respect of all, or any of the company's assets and do all such acts, deeds and things and executive and certify all such documents and writings as may be necessary, expedient and incidental thereto."

Item no. 8: Creation of charges or mortgages and hypothecations on Company's properties

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

"RESOLVED THAT in supersession to the Special Resolution adopted at the 31st Annual General Meeting held on August 21, 2014 and pursuant to the provisions of Section 180 (1)(a) and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (including the committee thereof), to pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company, in favour of banks, financial institutions, any other lenders or debenture trustees to secure the amount borrowed by the Company from time to time for the due payment of the principal and/or together with interest, additional interest, compound interest, liquidated damages, commitment charges, prepayment or redemption charges, costs, expenses and all other monies payable by the Company in respect of such borrowings provided that the aggregate indebtedness secured by the assets of the Company shall not at any time exceed the limit of Rs. 2500 Cores (Rupees Two Thousand Five Hundred Crores)."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors (including the committee thereof), be and is hereby authorized and empowered to finalize, settle and execute any such formal contract, agreements, documents, deeds, indemnities, guarantees or other legal undertakings as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid."

Registered Office:	By Order of the Board
GHCL HOUSE	For **GHCL LIMITED**
Opp. Punjabi Hall	
Navrangpura,	Sd/-
Ahmedabad - 380009	Bhuwneshwar Mishra
	Sr. General Manager &
	Company Secretary
Dated: April 25, 2018	Membership No.: FCS 5330

NOTES

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

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

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

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

4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, May 25, 2018 to Thursday, May 31, 2018 (both days inclusive).

5. The dividend as recommended by the Board of Directors will be paid to the members on or before 30th day from the date of declaration:
   - **For equity shares held in physical form** - those shareholders whose names will appear in the Register of Members on the close of the day on Thursday, May 24, 2018.
   - **For equity shares held in dematerialised form** - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on close of day on Thursday, May 24, 2018.

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

   a. Mr. Sanjay Dalmia (DOB - March 17, 1944) is Non-executive Chairman of the Company. Mr. Sanjay Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He is also the Chairman of Project Committee and a Member of Nomination & Remuneration 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. Anurag Dalmia and Mr. Neelabh Dalmia, he is not related to any other director or key managerial personal of the Company. He does not hold any shares in the Company.

   b. Mr. Anurag Dalmia (DOB - May 11, 1956) is a Non-executive Vice Chairman 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 532774 equity shares in the Company under his HUF account. He is the Chairman of Business Strategy & Planning Committee and also a member of Project 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.

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

8. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or / change

in such bank details. Further instruction, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depositories Participants.

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

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

The Annual Report along with Notice of AGM for financial year 2017-18 will also be available on the Company's website www.ghcl.co.in.

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

11. Voting through electronic means:

(a) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 35th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

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

(c) During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. May 24, 2018, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.

(d) The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, May 26, 2018 and ends at 5:00 p.m. (IST) on Wednesday, May 30, 2018. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

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

Click on "Shareholders" tab.

Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xiii) Note for Non – Individual Shareholders and Custodians

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

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

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

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

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

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

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

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

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

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

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

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

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

Dividend for the financial year 2010-11, which remains unpaid or unclaimed, is due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in the month of September 2018. Members who have not en-cashed their dividend warrant(s) for the financial year ended March 31, 2011 or any subsequent financial year(s), are requested to lodge their claims with

Registrar and Share Transfer Agent, M/s Link Intime India Private Limited. Shareholders may visit the Company's website www.ghcl.co.in for tracking details of any unpaid or unclaimed amounts, pending transfer to IEPF. Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie against the Company in respect thereof. However, shareholders may claim unclaimed dividend from IEPF Authorities by filing e-form No. IEPF-5.

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

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

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

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

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

Item no. 6

In line with the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on January 31, 2018, had re-appointed Mr. Raman Chopra (DIN: 00954190) as a Whole Time Director designated as CFO & Executive Director (Finance) of the Company for a period of five years with effect from April 1, 2018. The disclosure in accordance with the provisions of Regulation 36 (3) of the Listing Regulations read with Section 102 of the Companies Act, 2013, Secretarial Standard-2 and other applicable provisions, if any, in regard to the re-appointment of Whole Time Director is given below:

Mr. Raman Chopra, aged about 52 years (DOB – November 25, 1965) is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having wide experience in corporate finance, restructuring, strategy and general management. 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 29 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. Mr. Raman Chopra is a Director on the Board of Rosebys Interiors India Limited (under liquidation w.e.f. July 15, 2014) and Dan River Properties LLC, USA, subsidiaries of the Company. He is a member of Compliance Committee, Stakeholders Relationship Committee, Banking & Operations Committee, Business Strategy & Planning Committee and Risk Management Committee of the Company. He is neither a member of 10 Committees nor the Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. Mr. Raman Chopra holds 50,000 equity shares of the Company in his individual name, which were allotted against exercise of stock options. Also, his wife is holding 18,000 equity shares and his son is holding 7,000 equity shares of the Company. Apart from the above, Mr. Chopra is also having 2,00,000 stock options (50,000 stock options under series 1 and 1,50,000 stock options under series 4), which were granted as per the policy of the Company and yet to be vested. Mr. Raman Chopra fulfills the eligibility criteria set out under Part I of Schedule V to the Companies Act, 2013. The remuneration payable to Mr. Raman Chopra is in line with the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time.

1. **Basic Salary**: Rs. 4,70,000 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. Raman Chopra shall also be entitled to the perquisites / allowances covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Club Fee, Personal Accident Insurance, conveyance, Car, Driver and other allowances / perquisites as per the policy of the company. Presently, total value of perquisites / allowances (including HRA, Car & other allowances / perquisites) except retiral benefits are Rs. 6,90,596 per month. However, perquisites / allowances can be structured as per the Company policy.

   The breakup of perquisites / allowance of Mr. Raman Chopra is given below:

2.1 Housing:

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

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

2.2 Medical Reimbursement:

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

2.3 Leave:

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

2.4 Leave Travel Concession:

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

2.5 Club Fee:

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

2.6 Personal Accident Assurance:

Premium on each director not to exceed Rs. 4000 per annum.

2.7 Conveyance:

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

2.8 Telephone:

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

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

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. Raman Chopra shall also be eligible to the following benefits, which is not included in the computation of the perquisites value. However, at present, total value of retiral benefits (Provident Fund, Superannuation & Gratuity) are Rs. 91,460 per month.
   (a) **Provident Fund:** As per Rules of the Company.
   (b) **Superannuation:** As per Rules of the Company.
   (c) **Gratuity:** Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
   (d) **Encashment of Leave:** Encashment of leave at the end of the tenure.

   Current annual salary including perquisites / allowances and other retiral benefits (i.e. Total CTC) of Mr. Raman Chopra is Rs.1,50,24,672 per annum in addition to the annual commission & ESOP 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. Raman Chopra, being CFO & Executive Director (Finance) of the Company, is mainly responsible for the efficient financial management of the Company, which leads to the excellent financial performance of the Company. The Company is currently implementing expansion project in various division and also had successfully completed buyback of equity shares. Hence, at this crucial juncture, the continued service of Mr. Raman Chopra is considered essential for successful completion of the project and smooth operations thereafter. It is also essential for the Company to have his continued services and able leadership for future growth of the Company. Hence, Your Board recommends the above resolution set out in Item No. 6 for your approval. Except Mr. Raman Chopra, none other directors and Key Managerial Personnel and their relatives are interested in the resolution.

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

Item no. 7 & 8

The members of the Company at their 31st Annual General Meeting held on August 21, 2014 approved by way of an Special Resolution under Section 180 (1) (c) of the Companies Act, 2013 borrowings over and above the aggregate of paid up share capital and free reserves of the Company, provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 1500 Crores (Rupees One thousand five hundred crores) apart from temporary loans obtained from the company's bankers in the ordinary course of business. Out of the above limits, the Company had availed borrowing of ₹ 918.18 Crores as on March 31, 2018 from various banks and financial institutions etc. The members of the Company in said Meeting had also empowered to the Board of Directors for creation of charge, mortgage, hypothecation, pledge or otherwise, in respect of all, or any of the company's assets.

Keeping in view the Company's existing and future financial requirements, to support its business operations and capacity expansion, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and the free reserves of the Company. Hence it is proposed to increase the maximum borrowing limits upto ₹ 2500 Crores (Rupees Two thousand five hundred crores) only apart from temporary loans obtained from the company's bankers in the ordinary course of business. Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company. Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the general meeting.

It is, therefore, necessary for the members to pass two Special Resolutions under Section 180(1)(c) & Section 180(1)(a) of the Companies Act, 2013, as set out at Item No. 7 & Item No. 8 of the Notice, respectively. The Board recommends these resolutions for the approval of the members as Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7 & Item No. 8.

Registered Office:	By Order of the Board
GHCL HOUSE	For **GHCL LIMITED**
Opp. Punjabi Hall	
Navrangpura,	Sd/-
Ahmedabad - 380009	Bhuwneshwar Mishra
	Sr. General Manager &
	Company Secretary
Dated: April 25, 2018	Membership No.: FCS 5330

BOARD'S REPORT

To The Members of
GHCL Limited,

We are pleased to present the 35th Annual Report together with the audited financial statements of the company for the financial year ended March 31, 2018.

OPERATIONAL RESULTS

The summary of the financial performance of the Company for the financial year ended March 31, 2018 compared to the previous year ended March 31, 2017 is given below:

(Rs in Crores)

Particulars	Standalone	
	Year ended March 31, 2018	Year ended March 31, 2017
Net Sales /Income	2,992.27	2,980.17
Gross profit before interest and depreciation	649.17	724.39
Finance Cost	124.16	133.77
Profit before depreciation and amortisation - (Cash Profit)	525.00	590.62
Depreciation and Amortisation	109.53	85.69
PBT before exceptional items	415.48	504.93
Exceptional items	-	3.04
Profit before Tax (PBT)	415.48	501.93
Provision for Tax – Current	106.76	113.61
Tax adjustment for earlier years	-89.81	-40.18
Provision for Tax – Deferred	34.02	41.73
Profit after Tax	364.51	386.77
Other comprehensive income (OCI)	3.48	1.39
Total Comprehensive income for the period	367.99	388.16
Balance brought forward from last year	1,142.63	817.87
Appropriations		
Reserve created on account of buy back during the year	2.61	0.55
FVTOCI Reserve	-1.40	-2.65
Interim Dividend	-	15.01
Final Dividend	34.20	35.01
Tax on Dividend	6.96	10.18
Balance carried to Balance Sheet	1,407.04	1,142.63

PERFORMANCE HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

SODA ASH

As per latest estimates of IHS Chemical (Market Advisory Service), the total Global Demand in 2017 was approximately 59 Million Tons against an estimated capacity of approximately 68 million MT. Soda Ash demand remains strong in most global regions other than winter supply issues and China's restriction problems which cause temporary pockets of tightness. There has been an influx of new supply of natural soda ash from Turkey, which is cost-competitive and hence more sustainable than synthetic production; in fact during 2017 Turkey has added 4 streams totaling 2.0 million MT which has caused significant disruption on the supply side. As a result of this cheaper supply, more costly synthetic supply from high-cost producers, particularly in Europe, has come under increasing pressure.

Soda Ash demand in Europe has improved over the last year and is expected to remain stable for some time. However, the supply side is disturbed due to new supplies from Turkey have started having an effect. Delayed commissioning of Kazan's 5th line and high demand/low supplies from China into Asia and East Europe has been helping maintain some balance.

In spite of increasing economic problems that are affecting the financial viability of some operations, China continues to be the largest Soda Ash player in the world, having a capacity of 31 million tpa, which is 46% of the global capacity. Even after various restrictions and disturbances, overall Chinese soda ash output continues ahead of the 2 million MT month mark. Currently, another round of environmental inspections is carrying on in various provinces causing some disruptions and lower rate of operations. As per IHS Chemical report China's operating rates were around 88% in 2017, reporting a production of 27 million tpa and domestic consumption of 25 million tpa, with 1.5 million tpa being exported. Our assumption of domestic growth in China is around 4 to 5% due to downstream improvement, especially flat glass.

US producers continue to enjoy the highly competitive production costs. Around 58% of US Soda Ash production is sold to export markets and shipment volumes have been increasing year by year. US capacity is 13 million tpa and they produced around 12 million tpa of soda ash and their annual production represents 91% operating rate. The US production is stated to have grown by 1% in 2017 where as domestic demand for soda ash also saw a growth of 1% versus 2016. The total domestic consumption was estimated at around 5 million tpa and they exported around 7 million tpa recording 3% growth. 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, in future, US will face competition from Turkey in their traditional markets of South East Asia & Asia Pacific owing to the natural freight advantage that Turkey enjoys over US. In fact US may vacate some of these markets in favour of Turkey in this year.

Globally there is no major mismatch expected between Demand and Supply in soda ash industry, except for temporary disturbance caused due to Turkey's additional volumes.

As regards Domestic Soda Ash market is concerned, after couple of years, the demand has witnessed a growth of 11% in FY 2017-18 as against last year. Indian soda ash markets remain strong with excellent growth in most of the downstream sectors. Our market estimate indicates that the momentum in the downstream demand growth will remain. The coming fiscal should see stable demand for soda ash with the main drivers being a strong detergent and float glass sector followed by a reasonably silicate and chemical sectors.

Total Soda Ash installed capacity in India is 3.5 million tons, with an estimated production of about 3 million tons in last financial year (2017-18). The total size of the Indian soda ash market is about 3.75 million tons and almost all the major industry players are located in the state of Gujarat due to the closeness and ready availability of the main raw materials namely limestone and salt.

At present your Soda Ash plant has a capacity of 9.75 lacs tpa. During the financial year 2017-18 your company has produced

9.37 lacs tons soda ash. This year, the Company has also achieved highest domestic sales i.e. 8.47 lacs tons and total sales of Soda Ash is 8.69 lacs tons including exports.

Our ongoing 1.25 Lacs MT Brownfield expansion is likely to get completed by Q4 FY19. Going forward we are looking at another Brownfield expansion of 1.25 lacs metric ton to be completed over a period of 2 year. Your company is also aggressively working on Greenfield expansion of 5 lacs MTPA which is likely to be completed in 4-5 years.

BI-CARBONATE (BICARB)

During the year, the Company achieved production of Bi-Carbonate 35342 tons against 27677 tons in the previous year. During the year the Company achieved sales of Bi-Carbonate 34888 tons against 27638 tons in the previous year. Your company has doubled the capacity to 60000 MTPA which has been completed in January 2018. The full benefit of the expansion will be achieved in the coming year.

R & D INITIATIVES IN SODA ASH

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

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

We carry out above activities with the help of research department of premier chemical engineering institutes, reputed consultants & in house capabilities. During the year, your company has carried out following activities:

1) **Alternate binder supplier**.

   We had only one briquette plant binder supplier capable of supplying binder suitable for our plant. We worked closely with various vendors and modified their process to manufacture binder confirming to our quality requirements. Now we have three alternate suppliers thereby strengthening our supplier base as well as better quality product.

2) **Reduction of binder consumption.**

   Plant trials with higher viscosity of Pre-gel starch binder in coke briquetting plant have been taken up by working in co-ordination with few suppliers. Initial plant trials have indicated reduction of binder consumption by 1-1.2 %. Further trials are going on.

3) **Value added product from our wastes**.

   In co-ordination with a leading Engineering College of South India, we have developed product equivalent to paver blocks from our wastes viz. fly ash, limestone fines & waste plastics. The blocks are water resistant having properties almost similar and strength equal to concrete. These blocks can be used for constructing path way, canal linings, floorings etc.

4) In close co-ordination with an International agency, exhaustive work has been carried out for improving the efficiency of carbonation towers. Expert guidelines issued by them are in implementation stage.

5) De-bottlenecking of certain carbonation towers has been successfully achieved resulting in increase in tower capacity by 50%.

6) **Lump formation in Refined Sodium Bicarbonate bags**:

   After exhaustive studies and experimentation in association with an international agency through R & D efforts, we have developed solution for preventing soft lump formation in our refined sodium bicarbonate bags. We made changes in manufacturing stage of purge liquor during Refined Sodium Bicarbonate Manufacture resulting in saving of 5 MTPD of internal soda consumption.

7) We have adopted belt filter technology and installed same in our expansion phase for reducing steam consumption in Calciners. Further, high speed filter with technology from Germany is being commissioned. This shall also reduce the steam consumption in Calciners.

   We stand committed in our endeavor to remain focused on our R&D initiatives in line with our Mission and Vision thus creating value for our stakeholders.

TEXTILES

The domestic textile industry in India is projected to reach US$ 250 billion by 2019 as per recent IBEF (India Brand Equity Foundation) report from US$ 150 billion in July 2017. Rising per capita income, favorable demographics and a shift in preference to branded products are likely to boost demand. Textile and apparel exports from India is expected to increase to US$ 82 billion by 2021 from US$ 37 billion in 2017. The Indian Textile Industry contributes to around 10% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. With a production of over 6,000 million kgs, India was the largest producer of cotton in the world in 2016-17. India is also the 2nd largest producer of man-made fibre and filament globally, with a production of over 2 million kgs in 2016-17. India is the second largest supply country with a share of 11% after China, with a share of 39%. Over 25% of the US imports in this industry originate from India.

Rising government focus and favourable policies is leading to growth in the industry. 100% FDI, under the automatic route, is allowed in the sector and US$ 140 billion worth of foreign exchange investments are expected. Under the Union Budget 2018-19, Government of India allocated around US$ 1.1 billion for the textile industry. Huge investments are being made by the government under the Scheme for Integrated Textile Parks (SITP) to the tune of US$ 185 million and the Technology Upgradation Fund Scheme (TUFS) to the tune of US$ 216 million, to encourage more private equity and to train workforce.

Your company has integrated textile manufacturing facilities centring around Spinning on one hand with 1.76 Lakh spindles and 3320 rotors and Home Textiles (Weaving, Processing and Cut & Sew of Bed Textiles) on the other. Our state-of-the art

Home Textiles facility in Vapi, Gujarat comprises of 190 Air Jet looms, 45 million meter of wide width processing capacity, 12 million meter of weaving capacity and 30 million meter of cut & sew. The Home Textiles division has recently increased weaving capacity by 18% and processing capacity by 25%. GHCL has also stepped up its focus on the domestic market and is working with major organized retail stores and brands in India.

The operating performance of the textiles business faced various industry level challenges like oversupply situation in USA resulting in the drop in the prices as well as margin, impact of GST and demonetisation, reduction in duty drawback etc. However, the Company has strengthened its marketing, product development and operating teams and has altered its focus to work around sustainability and innovation – two areas that are clearly competitive advantage drivers and are likely to see a huge improvement in the proliferation of business across geographies, with better margins, in times to come. As informed above, our Home Textile business is well integrated with our spinning business. Our Spinning units situated in Tamil Nadu are considered to be one of the most efficient and modern yarn manufacturing facilities in India. Our spinning units manufacture multiple varieties of yarn ranging from 100% cotton to blended yarns. This part of the business has performed well during the FY2017-18 and we expect that with the new cotton crop and buoyant yarn demand, the coming year should be even better.

The Revenue of Textiles division is at Rs. 1046 Crores during the financial year 2017-18 against Rs. 1229 Crores in 2016-17.

Our belief is that with our strong marketing and product development teams in place and launch of new innovative concepts such as REKOOP and FABFIT, we shall be able to create a differentiation through sustainability and innovation. We anticipate that with the acceptance of these two concepts, this business will not only grow top line and but also improve the profitability.

DIVIDEND

Your Directors are pleased to inform that your Company has a consistent track-record of dividend payment for last 24 years. The Board of Directors in its meeting held on May 19, 2016, had approved a Dividend policy of the Company. As per said policy, dividend pay-out (including tax, if any) will be 15 to 20 % of net profit of the Company.

Pursuant to the Dividend Policy, your Directors are pleased to recommend a dividend of Rs. 5.00 per Equity Share of Rs. 10 each (i.e. 50% on the paid-up capital) for the financial year ended March 31, 2018. Total dividend payout for the financial year 2017-18 shall be Rs. 58.60 crores comprising of dividend amounting to Rs. 48.70 crores and dividend tax of Rs. 9.90 crores. This dividend pay-out amounts to 16.29% of net profit of the Company for the financial year 2017-18 and the same is in line with the approved dividend policy of the Company.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2018 is Rs. 97,42,32,860/- comprising of 9,74,23,286 equity shares of Rs. 10/- each.

Details of changes in the paid-up share capital (after Buyback of equity share capital and Allotment of equity shares against ESOP) are as under:

Sl. No.	Particulars	No. of Equity shares of Rs. 10/- each
1.	No. of Equity Shares as on March 31, 2016 (Pre – Buyback)	10,00,19,286
2.	Less: Shares Bought back (during February 15, 2017 to August 14, 2017)	31,56,000
3.	No. of Equity Shares (Post – Buyback) (i.e. 1-2)	9,68,63,286
4.	Equity Shares allotted against conversion of ESOP (on October 24, 2017) Note: Final Listing & Trading approval was given by BSE & NSE effective from November 10 & November 14, 2017 respectively).	5,60,000
5.	No. of Equity Shares after allotment i.e. present shares (3+4)	**9,74,23,286**

BUYBACK OF SHARES

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

Your Directors are pleased to inform that in line with the said approval, since starting of buyback process, the Company had bought back 31,56,000 equity shares and extinguished the same. Out of which 5,73,438 equity shares were bought back and 546,550 equity shares were extinguished in Financial Year 2016-17 and balance 25,82,562 equity shares are bought back and 26,09,450 equity shares are extinguished during financial year 2017-18. Consequently after said extinguishment of equity shares, the issued & paid-up capital of the Company stands reduced to Rs. 96,86,32,860/- consisting of 9,68,63,286 equity shares (i.e. 10,00,19,286 equity shares minus 31,56,000 equity shares) as on September 30, 2017.

Your Directors are pleased to further inform that the price at which the equity shares were bought back was dependent on the price quoted on the stock exchanges. The highest and lowest price at which equity shares were bought back was Rs. 277.00 and Rs. 233.50 per equity share respectively. The average price (excluding brokerage and other charges) at which the equity shares have been bought back is Rs. 252.04 per equity share and the total amount deployed in the Buyback is Rs. 79.54 crores, which represents 99.43% of the Maximum Buyback Offer Size (excluding transaction cost).

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 October 24, 2017 had granted 2.30 Lacs Stock Options to its 14 employees at an exercise price of Rs. 170 each. Subsequent to the year end, the Nomination and Remuneration Committee in its meeting held on April 25, 2018 had granted 21.30 Lacs

Stock Options to its 58 employees (including three KMPs) at an exercise price of Rs. 150 each. Employees may exercise their options after vesting period, subject to compliance of other terms and conditions of the Scheme approved by the shareholders.

Further, the Committee in its meeting held on October 24, 2017 made allotment of 5.60 lakhs Equity Shares of Rs. 10 each to forty employees (including three KMPs) of the Company against conversion of Stock Options pursuant to GHCL ESOS 2015 – Series -1. Consequent to above allotment of 5.60 lakh Equity Shares, the Issued & Paid-up Capital of the Company stands increased to Rs. 97,42,32,860/- consisting of 9,74,23,286 equity shares of Rs. 10/- each from Rs. 96,86,32,860/- consisting of 9,68,63,286 equity shares of Rs. 10/- each.

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

FINANCE

I. Soda Ash Expansion Loan

After successful completion of Soda Ash Expansion Phase – I, your Company has started Phase – II with a Project Cost of Rs. 300 crores. Your company successfully tied up Term Loan for Rs. 225 Crores for a period of 10 years including moratorium period of 2 years at interest rate of 8.75% p.a. and availed disbursement of Term Loan of Rs. 80 crores during the current year.

II. Capex Program

Your company has also undertaken several Capex program in Home Textile and Yarn Divisions at the project cost of Rs. 88 Crores and your company has successfully tied up term loans for Rs. 58 crores for a period of 10 years including moratorium period of 2 years at an average interest rate of 8.5% p.a. Your company has availed term loan of Rs. 26 crores during the current year for the said capex program.

III. Conversion of Rupee Term Loan into Foreign Currency Loan

During the year, your company successfully converted some of high cost Rupee term loans carrying interest rate at 10% p.a. into Foreign Currency Loan at an average rate of 3.80%.

IV. Short Term Loan

During the year 2017-18 short term requirements were met through Cash Credit / Short Term Loan / Working Capital Demand Loan / Export Packing Credit / Pre-shipment in Foreign Currency / Buyers Credit whereby your company could manage to borrow at Weighted Average Interest rate at 6.32%.

V. Also your company could borrow Long Term Loans which includes Rupee Term Loans and Foreign Currency Loans at an average rate of 8.49%

Thus your company could manage to borrow Long Term Loans and Short Term Loans at an average rate of 7.61%.

Due to efficient cash flow management and timely repayment of interest and principal to various banks, CARE (Credit Analysis & Research Ltd) has upgraded rating from CARE A- to CARE A for long term facilities and from CARE A2+ to CARE A1 for short term facilities of the Company.

During the financial year, your Company has transferred to investors' education and protection fund account (IEPF) a sum of Rs. 32.48 lacs towards unclaimed dividend/unclaimed deposits along with interest thereon.

DEPOSITS

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

AWARDS AND RECOGNITION

Your Directors are pleased to inform that during the financial year 2017-18, your Company has received various awards and recognition. The major ones among them are as follows:

(i) Special Commendation for Golden Peacock Award for Excellence in Corporate Governance for the year 2017.

(ii) Golden Peacock Award for Corporate Social Responsibility – 2017 for the year 2017.

(iii) GHCL Limited has been declared as the Winner of 'Golden Peacock National Quality Award' for the year 2018.

(iv) GHCL Limited achieved 16^{th} rank in Great Place to Work survey among India's Great Place to Work manufacturing sector.

(v) The President of Association Other ways Management & Consultancy France, certify that GHCL Limited has been selected to receive the Green Era Award for Sustainability.

SUBSIDIARIES

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

Pursuant to requirement of Section 136 of the Companies Act, 2013, which has exempted companies from attaching the financial statements of the subsidiary companies along with the Annual Report of the Company. The Company will make available the annual financial statements of the subsidiary company and the related detailed information to any members of the company on receipt of a written request from them at the Registered Office of the Company. The annual financial statements of the subsidiary company will also be kept open for inspection at the Registered Office of the Company on any working day during business hours. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies, associates etc. Details regarding subsidiaries have been provided in note no. 45 (refer page no. 171 of Annual Report) and also in the statement u/s 129(3) of the Companies Act, 2013 (refer page no. 120). The statements are also available on the website of the Company

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Regulation 33 & Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as

Listing Regulations) read with other applicable provisions and prepared in accordance with applicable IND AS, for financial year ended March 31, 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

SECRETARIAL AUDIT REPORT

In line with the requirement of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with other applicable provisions, if any; the Board of Directors of the Company had appointed Mr. S Chandrasekaran, representing Chandrasekaran & Associates, Practicing Company Secretaries, New Delhi, to conduct Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed with the Board's report and formed as part of the Annual Report. This report is self-explanatory and does not call for any further comments.

LISTING OF THE EQUITY SHARES

The equity shares of your Company are listed at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE). The annual listing fees for the year 2017-18 have been paid to all these Stock Exchanges.

DIRECTORS

Mr. Sanjay Dalmia and Mr. Anurag Dalmia directors retire by rotation and being eligible, offer themselves for re-appointment. The Board of Directors in their meeting held on January 31, 2018, had re-appointed Mr. Raman Chopra as a Whole-time Director designated as CFO & Executive Director (Finance) of the Company for a period of five years with effect from April 1, 2018, subject to the approval of the shareholders. The Board recommends their appointments at the ensuing Annual General Meeting.

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

During the year, Mr. Sanjiv Tyagi, one of the Independent Director of the Company, has ceased from the directorship of the Company with effect from October 24, 2017, as per the provisions of Section 167(1) read with Sections 164 (2) of the Companies Act, 2013 on account of his disqualification in other companies. The Board of Directors placed on record their gratitude and appreciation for the immense contribution made by the outgoing director during his tenure as director of the Company.

MEETING OF THE BOARD

During the financial year ended March 31, 2018, the Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision.

During the financial year ended March 31, 2018, four Board Meetings were held on May 20, 2017, July 29, 2017, October 24, 2017 and January 31, 2018. More details about the Board Meetings are mentioned in the Corporate Governance 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 performance of the independent directors was evaluated by the entire Board except the person being evaluation in their meeting held on January 31, 2018. 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 31, 2018, 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.

REMUNERATION POLICY

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

EXTRACTS OF ANNUAL RETURN

The extract of annual return as on the financial year ended March 31, 2018 in Form MGT – 9 is annexed herewith as Annexure-II and forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Sanitation, Vocational training institute, Education, Agro Based Livelihood, Health, cancer early detection camps, Rain Water Harvesting, Woman Empowerment, Animal Husbandry etc. These projects are covered under Schedule VII of the Companies Act, 2013. Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rules thereto, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted to monitor CSR related activities, comprising of Mr. Mahesh Kumar Kheria as the Chairman of the Committee, Mr. Neelabh Dalmia and Mr. R S Jalan as members of the Committee. Subsequent to the year end, the Board of Directors in its meeting held on April 25, 2018, has reconstituted CSR Committee comprising of Mrs. Vijaylaxmi Joshi as the Chairperson of the Committee, and Mr. Mahesh Kumar Kheria, Mr. Neelabh Dalmia, Mr. R S Jalan and Mr. Raman Chopra as members of the Committee. The Annual Report of CSR activities are annexed herewith as Annexure-III and forming part of this Report

BUSINESS RESPONSIBILITY REPORTING

As per Regulation 34 (2) (f) of the Listing Regulations, listed companies shall submit, as part of their Annual Reports, Business Responsibility Report, describing the initiatives taken by them from an environmental, social and governance perspective, in the prescribed format. At present this provision is applicable to top 500 listed companies, based on market capitalisation as on March 31, 2018. As on March 31, 2017, GHCL Limited was on 456th position under NSE list and on 462nd position under BSE list. Hence, this clause was first time applicable to GHCL Limited in the last year. But, based on market capitalisation as on March 31, 2018, GHCL Limited is not part of the list of top 500 listed companies of NSE & BSE. However, your company will continue to publish Business Responsibility Report (BRR), for the purpose of establishing and strengthening the norms of Corporate Governance and setting the highest principle envisaged by SEBI under BRR reporting. The Business Responsibility Report of the Company for the financial year ended on March 31, 2018 is annexed herewith as Annexure-IV and forming part of this Report.

COMPOSITION OF AUDIT COMMITTEE

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

COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

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

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As a conscious and vigilant organization, GHCL Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and fearless working environment, GHCL Limited has established the "Whistle Blower Policy". The Board of Directors in its meeting held on May 28, 2014, had approved the Whistle Blower Policy, which is effective from October 1, 2014 & the same has been duly amended effective from December 1, 2015. Mr. Mahesh Kumar Kheria, Independent Director of the Company 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. 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. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a Certificate from the CFO. All Related Party Transactions are placed before the Audit Committee and also before the Board.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any material pecuniary relationships or transactions vis-a-vis the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RISK MANAGEMENT POLICY

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

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

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

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

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

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

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

STATUTORY AUDITORS

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

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, 2018. Hence, they do not call for any further explanation or comment U/s 134 (3) (f) of the Companies Act, 2013.

COST AUDITORS

The Board has appointed M/s R J Goel & Company, Cost Accountants, New Delhi as Cost Auditors of the Company for all its divisions (i.e. Soda Ash, Yarn and Home Textile) for the financial year 2018-19.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a. in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit and loss of the Company for the financial year ended March 31, 2018;

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, 2018 have been prepared by them on a going concern basis;

e. proper Internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively; and

f. proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGMENT

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

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

SANJAY DALMIA
Chairman

Date : April 25, 2018
Place : New Delhi

ANNEXURE - I TO THE BOARD'S REPORT

Disclosure under Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 read with SEBI (Share Based Employees Benefits) Regulations, 2014 regarding details of the GHCL Limited Employees Stock Option Scheme 2015 (GHCL ESOS 2015), for the financial year ended March 31, 2018.

Sl. No.	**Particulars**	**GHCL ESOS 2015 – Grant 1**	**GHCL ESOS 2015 – Grant 2**	**GHCL ESOS 2015 – Grant 3 (Part - A)**	**GHCL ESOS 2015 – Grant 3 (Part - B)**
		(Date of grant – May 19, 2016)	(Date of grant – January 31, 2017)	(Date of grant – October 24, 2017)	(Date of grant – October 24, 2017)
1	Total no. of options in force (as on April 1, 2017)	11,70,000	30,000	0	0
2	Options granted during the year	0	0	50,000	1,80,000
3	Options vested during the year	5,75,000	30,000	0	0
4	Options exercised during the year	5,60,000	0	0	0
5	The total number of shares arising as result of exercise of option	5,60,000	0	0	0
6	Options lapsed during the year	40,000	0	0	50,000
7	The exercise price	Rs. 100 per share	Rs. 100 per share	Rs. 170 per share	Rs. 170 per share
8	Variation of terms of option	No variation	No variation	No variation	No variation
9	Money realised by exercise of options (Rs. In Crore)	5.60	0	0	0
10	Total number of options in force	5,70,000	30,000	50,000	1,30,000
11	Employee wise details of options granted to:				
	(i) Key Managerial Personnel	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
	(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
11	Pricing formula	The exercise price may vary for each Grant. Exercise price will be determined by the Committee at the time of each grant, in conformity with the 'Guidance Note on Accounting for employee share-based Payments' or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time. Committee may determine exercise price which may be at discount to the market value but shall not be less than the face value of shares.			
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Ind-AS 33.	0.23	0.00	0.00	0.01
13	Difference between the employees compensation cost based intrinsic value of the stock and the fair value of the year and its impact on profits and EPS of the Company (Rs. in Crores)	2.62	0.40	0.30	0.19
14	a) Weighted average exercise price of options	Rs. 100.00	Rs. 100.00	Rs. 170.00	Rs. 170.00
	b) Weighted average fair value of options	Rs. 76.23	Rs. 201.67	Rs. 116.90	Rs. 128.69
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
	(i) Risk free interest rate	7.47%	6.40%	6.762%	6.762%
	(ii) Expected life	2 years (for 50% vesting) & 3 years (for balance 50% vesting)	2 years (for 50% vesting) & 3 years (for balance 50% vesting)	2 years (for 50% vesting) & 3 years (for balance 50% vesting)	3 years (for 50% vesting) & 4 years (for balance 50% vesting)
	(iii) Expected volatility	50.00%	39.30%	36.77%	36.77%
	(iv) Expected dividend	Rs. 5/- per share	-	-	-
	(v) Market price of the underlying share on grant date*	Rs. 148.10	Rs. 286.05	Rs. 251.05	Rs. 251.05
	*The closing price of the Company's share on the date previous to the grant on NSE, being Exchange which had higher trading.				

ANNEXURE - II TO THE BOARD'S REPORT

EXTRACTS OF ANNUAL RETURN

as on the financial year ended March 31, 2018
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

FORM NO. MGT - 9

I. Registration and other details

CIN	L24100GJ1983PLC006513
Registration Date	14-10-1983
Name of the Company	GHCL LIMITED
Category /Sub-Category of the Company	Company Limited by Shares
Address of the Registered Office and contact details	"GHCL House"Opp. Punjabi Hall, navrangpura, Ahmedabad -380009 Tel.No. 079-39324100, 079-26427818
Whether listed Company	Yes
Name, Address and contact details of the Registrar 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	65.05
Cotton Fabrics & Furnishing	139	20.39
Cotton Yarn	131	14.56

III. Particulars of holding, subsidiary companies

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

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

i) Category -wise shareholding

	Category of Shareholders	No. of Shares held at the beginning of the year (i.e.April 1, 2017)				No. of Shares held at the end of the year (i.e. March 31, 2018)				% 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%	532774	0	532774	0.55%	0.01%
b)	Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
c)	State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d)	Bodies Corporate	12287714	0	12287714	12.35%	12287714	0	12287714	12.61%	0.26%
e)	Financial Institutions/ Banks	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%	0.00%
	Sub- Total (A)(1):-	**12985488**	**0**	**12985488**	**13.05%**	**12985488**	**0**	**12985488**	**13.33%**	**0.27%**

Category of Shareholders	No. of Shares held at the beginning of the year (i.e.April 1, 2017)				No. of Shares held at the end of the year (i.e. March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) Individuals (Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00%	0	0	0	0.00%	0.00%
b) Other- Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c) Bodies Corporate	5507900	0	5507900	5.54%	5507900	0	5507900	5.65%	0.12%
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**	**5.54%**	**5507900**	**0**	**5507900**	**5.65%**	**0.12%**
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**18493388**	**0**	**18493388**	**18.59%**	**18493388**	**0**	**18493388**	**18.98%**	**0.39%**
B. Public shareholding									
(1) Institutions									
a) Mutual Funds/ UTI	2523170	14200	2537370	2.55%	9899443	4300	9903743	10.17%	7.61%
b) Financial Institutions/ Banks	399074	43684	442758	0.45%	144874	11304	156178	0.16%	-0.28%
c) Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) State Government(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
e) Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f) Insurance Companies (Including LIC)	3767906	0	3767906	3.79%	3312824	0	3312824	3.40%	-0.39%
g) Foreign Portfolio Investors (including Foreign Institutional Investors)	18168009	500	18168509	18.26%	16326175	500	16326675	16.76%	-1.51%
h) Foreign Venture Capital Investors	0	0	0	0.00%	0	0	0	0.00%	0.00%
i) Any Other (specify)									
Foreign Mutual Fund	678042	0	678042	0.68%	528683	0	528683	0.54%	-0.14%
Sub-Total (B)(1) :-	**25536201**	**58384**	**25594585**	**25.73%**	**30211999**	**16,104**	**30228103**	**31.03%**	**5.30%**
(2) Non - Institutions									
a) Bodies Corporate	26626293	90298	26716591	26.86%	20509254	83570	20592824	21.14%	-5.72%
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%	
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	11459630	2764879	14224509	14.30%	12660076	2035161	14695237	15.08%	0.78%
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	11080607	98600	11179207	11.24%	9541557	0	9541557	9.79%	-1.44%
c) Any Other (specify)									
i) IEPF	0	0	0	0.00%	695428	0	695428	0.71%	0.71%
ii) Non Resident Indians(Repat)	510819	832314	1343133	1.35%	651173	797414	1448587	1.49%	0.14%
iii) Non Resident Indians (Non Repat)	136797	3549	140346	0.14%	168343	3549	171892	0.18%	0.04%
iv) Foreing Companies	0	3900	3900	0.00%	0	3900	3900	0.00%	0.00%
v) Clearing Member	511981	0	511981	0.51%	505205	0	505205	0.52%	0.00%
vi) Directors & relatives	110843	100	110943	0.11%	110843	100	110943	0.11%	0.00%
vii) Trusts	580	0	580	0.00%	1580	0	1580	0.00%	0.00%
viii) Hindu Undivided Family	1153573	0	1153573	1.16%	934642	0	934642	0.96%	-0.20%
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)	**51591123**	**3793640**	**55384763**	**55.68%**	**45778101**	**2923694**	**48701795**	**49.99%**	**-5.69%**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**77127324**	**3852024**	**80979348**	**81.41%**	**75990100**	**2939798**	**78929898**	**81.02%**	**-0.39%**
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	0	0	0	0.00%	0	0	0	0.00%	0.00%
GRAND TOTAL (A)+(B)+(C)	**95620712**	**3852024**	**99472736**	**100.00%**	**94483488**	**2939798**	**97423286**	**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, 2017)			Shareholding at the end of the year (i.e. March 31, 2018)			% Change in share-holding during the year
		No. of Shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares pledged/ encum-bered to total shares	
1	Gems Commercial Company Ltd	2940207	2.96%	0	2940207	3.02%	0	0.06%
2	Banjax Limited	2789700	2.80%	0	2789700	2.86%	0	0.06%
3	Hexabond Limited	2718200	2.73%	0	2718200	2.79%	0	0.06%
4	Oval Investment Private Limited	2588848	2.60%	0	2588848	2.66%	0	0.05%
5	Lhonak International Private Limited	1365599	1.37%	0	1365599	1.40%	0	0.03%
6	Hindustan Commercial Company Limited	790286	0.79%	0	790286	0.81%	0	0.02%
7	Moderate Investment and Commercial Enterprises Limited	614050	0.62%	0	614050	0.63%	0	0.01%
8	International Resources Limited	611147	0.61%	0	611147	0.63%	0	0.01%
9	Anurag Dalmia (HUF)	532774	0.54%	0	532774	0.55%	0	0.01%
10	Carissa Investments Pvt Ltd	481752	0.48%	0	481752	0.49%	0	0.01%
11	Golden Tobacco Limited	416578	0.42%	0	416578	0.43%	0	0.01%
12	Harvatex Engineering and Processing Co. Ltd.	415723	0.42%	0	415723	0.43%	0	0.01%
13	Excellent Commercial Enterprises and Investment Ltd.	377800	0.38%	0	377800	0.39%	0	0.01%
14	Carefree Investment Company Limited	302150	0.30%	0	302150	0.31%	0	0.01%
15	Anurag Trading Leasing and Investment Co. Pvt. Ltd.	287200	0.29%	0	287200	0.29%	0	0.01%
16	Divine Leasing And Finance Ltd.	249304	0.25%	0	249304	0.26%	0	0.01%
17	WGF Financial Services Ltd	378807	0.38%	0	378807	0.39%	0	0.01%
18	Dalmia Finance Ltd	200244	0.20%	0	200244	0.21%	0	0.00%
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	0.00%
21	Archana Trading and Investment Co. Pvt. Ltd.	132848	0.13%	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%
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	78	0.00%	0	0.00%
41	Dear Investment Pvt Ltd	55	0.00%	0	55	0.00%	0	0.00%
	Total	**18493388**	**18.59%**	**0**	**18493388**	**18.98%**	**0**	**0.39%**

iii) **Change in Promoters Shareholding**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (i.e. April 1, 2017)		Transactions during the year 2017-18		Cumulative Shareholding at the end of the year (i.e. March 31, 2018)	
		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	GEMS COMMERCIAL COMPANY LIMITED	2940207	2.96%			2940207	3.02%
	AT THE END OF THE YEAR					**2940207**	**3.02%**
2	BANJAX LIMITED	2789700	2.80%			2789700	2.86%
	AT THE END OF THE YEAR					**2789700**	**2.86%**
3	HEXABOND LIMITED	2718200	2.73%			2718200	2.79%
	AT THE END OF THE YEAR					**2718200**	**2.79%**
4	OVAL INVESTMENT PVT.LTD.	2588848	2.60%			2588848	2.66%
	AT THE END OF THE YEAR					**2588848**	**2.66%**
5	LHONAK ENTERNATIONAL PRIVATE LIMITED	1365599	1.37%			1365599	1.40%
	AT THE END OF THE YEAR					**1365599**	**1.40%**
6	HINDUSTAN COMMERCIAL COMPANY LIMITED	790286	0.79%			790286	0.81%
	AT THE END OF THE YEAR					**790286**	**0.81%**
7	MODERATE INVESTMENT AND COMMERCIAL ENTERPRISES LTD	614050	0.62%			614050	0.63%
	AT THE END OF THE YEAR					**614050**	**0.63%**
8	INTERNATIONAL RESOURCES LIMITED	611147	0.61%			611147	0.63%
	AT THE END OF THE YEAR					**611147**	**0.63%**
9	ANURAG DALMIA	532774	0.54%			532774	0.55%
	AT THE END OF THE YEAR					**532774**	**0.55%**
10	CARISSA INVESTMENT PRIVATE LIMITED	481752	0.48%			481752	0.49%
	AT THE END OF THE YEAR					**481752**	**0.49%**
11	GOLDEN TOBACCO LIMITED	416578	0.42%			416578	0.43%
	AT THE END OF THE YEAR					**416578**	**0.43%**
12	HARVATEX ENGINEERING AND PROCESSING COMPANYLIMITED	415723	0.42%			415723	0.43%
	AT THE END OF THE YEAR					**415723**	**0.43%**
13	WGF FINANCIAL SERVICES LTD	378807	0.38%			378807	0.39%
	AT THE END OF THE YEAR					**378807**	**0.39%**
14	EXCELLENT COMMERCIAL ENTERPRISES AND INVESTMENT LTD.	377800	0.38%			377800	0.39%
	AT THE END OF THE YEAR					**377800**	**0.39%**
15	CAREFREE INVESTMENT COMPANY LIMITED	302150	0.30%			302150	0.31%
	AT THE END OF THE YEAR					**302150**	**0.31%**
16	ANURAG TRADING LEASING AND INVESTMENT COMPANYPRIVATE LTD	287200	0.29%			287200	0.29%
	AT THE END OF THE YEAR					**287200**	**0.29%**
17	DIVINE LEASING AND FINANCE LIMITED	249304	0.25%			249304	0.26%
	AT THE END OF THE YEAR					**249304**	**0.26%**
18	DALMIA FINANCE LTD	200244	0.20%			200244	0.21%
	AT THE END OF THE YEAR					**200244**	**0.21%**
19	RAM KRISHNA DALMIA FOUNDATION	165000	0.17%			165000	0.17%
	AT THE END OF THE YEAR					**165000**	**0.17%**
20	ARCHANA TRADING AND INVESTMENT COMPANY PRIVATE LIMITED	132848	0.13%			132848	0.14%
	AT THE END OF THE YEAR					**132848**	**0.14%**
21	BHARATPUR INVESTMENT LIMITED	38842	0.04%			38842	0.04%
	AT THE END OF THE YEAR					**38842**	**0.04%**

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (i.e. April 1, 2017)		Transactions during the year 2017-18		Cumulative Shareholding at the end of the year (i.e. March 31, 2018)	
		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
22	SANJAY TRADING INVESTMENT COMPANY PRIVATE LIMITED	29100	0.03%			29100	0.03%
	AT THE END OF THE YEAR					**29100**	**0.03%**
23	GENERAL EXPORTS AND CREDITS LIMITED	17000	0.02%			17000	0.02%
	AT THE END OF THE YEAR					**17000**	**0.02%**
24	PASHUPATINATH COMMERCIAL PVT. LTD.	15000	0.02%			15000	0.02%
	AT THE END OF THE YEAR					**15000**	**0.02%**
25	SOVEREIGN COMMERCIAL PVT.LTD.	6000	0.01%			6000	0.01%
	AT THE END OF THE YEAR					**6000**	**0.01%**
26	DALMIA HOUSING FINANCE LIMITED	5707	0.01%			5707	0.01%
	AT THE END OF THE YEAR					**5707**	**0.01%**
27	TRISHUL COMMERCIAL PVT.LTD.	5100	0.01%			5100	0.01%
	AT THE END OF THE YEAR					**5100**	**0.01%**
28	SWASTIK COMMERCIAL PVT.LTD.	3700	0.00%			3700	0.00%
	AT THE END OF THE YEAR					**3700**	**0.00%**
29	ALANKAR COMMERCIAL PRIVATE LIMITED	2600	0.00%			2600	0.00%
	AT THE END OF THE YEAR					**2600**	**0.00%**
30	RICKLUNSFORD TRADE AND INDUSTRIAL INVESTMENT LTD	1960	0.00%			1960	0.00%
	AT THE END OF THE YEAR					**1960**	**0.00%**
31	CHIRAWA INVESTMENT LIMITED	1860	0.00%			1860	0.00%
	AT THE END OF THE YEAR					**1860**	**0.00%**
32	MOURYA FINANCE LIMITED	1860	0.00%			1860	0.00%
	AT THE END OF THE YEAR					**1860**	**0.00%**
33	LAKSHMI VISHNU INVESTMENT LIMITED	1860	0.00%			1860	0.00%
	AT THE END OF THE YEAR					**1860**	**0.00%**
34	SIKAR INVESTMENT COMPANY LIMITED	1800	0.00%			1800	0.00%
	AT THE END OF THE YEAR					**1800**	**0.00%**
35	ANTARCTICA INVESTMENT PVT LTD	768	0.00%			768	0.00%
	AT THE END OF THE YEAR					**768**	**0.00%**
36	COMOSUM INVESTMENT PVT LTD	701	0.00%			701	0.00%
	AT THE END OF THE YEAR					**701**	**0.00%**
37	LOVELY INVESTMENT PVT LTD	645	0.00%			645	0.00%
	AT THE END OF THE YEAR					**645**	**0.00%**
38	ALTAR INVESTMENT P LTD	318	0.00%			318	0.00%
	AT THE END OF THE YEAR					**318**	**0.00%**
39	ILAC INVESTMENT PRIVATE LIMITED	217	0.00%			217	0.00%
	AT THE END OF THE YEAR					**217**	**0.00%**
40	HOTEX COMPANY LTD	78	0.00%			78	0.00%
	AT THE END OF THE YEAR					**78**	**0.00%**
41	DEAR INVESTMENT P. LTD.	55	0.00%			55	0.00%
	AT THE END OF THE YEAR					**55**	**0.00%**

Note:

1. At the beginning of the year the paid up share capital was Rs. 99,47,27,360/- comprising of 9,94,72,736 equity shares of Rs. 10/- each and at the end of the year the paid up capital was Rs.97,42,32,860/- comprising of 9,74,23,286 equity shares of Rs. 10/- each. The change in paid up share capital was due to buyback and allotment of new equity shares against exercise of stock options. Hence, due to said changes in paid up share capital, the percentage of promoter & promoter group has changed.
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.

IV. Shareholding Pattern of Top Ten Shareholders

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (i.e. April 1, 2017)		Transactions during the year 2017-18		Cumulative Shareholding at the end of the year (i.e. March 31, 2018)	
		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	ARES DIVERSIFIED	4932182	4.96%			4932182	5.06%
	AT THE END OF THE YEAR					4932182	5.06%
2	NOBLE COMMUNICATIONS PRIVATE LIMITED	0	0.00%			0	0.00%
	Purchased			31 Mar 2018	3713751	3713751	3.81%
	AT THE END OF THE YEAR					3713751	3.81%
3	LIFE INSURANCE CORPORATION OF INDIA	3138105	3.15%			3138105	3.22%
	AT THE END OF THE YEAR					3138105	3.22%
4	HYPNOS FUND LIMITED	0	0.00%			0	0.00%
	Purchased			23 Mar 2018	3100000	3100000	3.18%
	AT THE END OF THE YEAR					3100000	3.18%
5	EOS MULTI STRATEGY FUND LTD	2916484	2.93%			2916484	2.99%
	Purchased			03 Nov 2017	20000	2936484	3.01%
	Purchased			10 Nov 2017	10000	2946484	3.02%
	AT THE END OF THE YEAR					2946484	3.02%
6	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND	0	0.00%			0	0.00%
	Purchased			01 Dec 2017	82600	82600	0.08%
	Purchased			08 Dec 2017	564000	646600	0.66%
	Purchased			15 Dec 2017	455285	1101885	1.13%
	Purchased			22 Dec 2017	767000	1868885	1.92%
	Purchased			29 Dec 2017	184000	2052885	2.11%
	Purchased			05 Jan 2018	70000	2122885	2.18%
	Purchased			12 Jan 2018	57222	2180107	2.24%
	Purchased			19 Jan 2018	264000	2444107	2.51%
	Purchased			26 Jan 2018	246300	2690407	2.76%
	Purchased			09 Mar 2018	123500	2813907	2.89%
	Purchased			23 Mar 2018	67100	2881007	2.96%
	AT THE END OF THE YEAR					2881007	2.96%
7	FRANKLIN INDIA SMALLER COMPANIES FUND	2261227	2.27%			2261227	2.32%
	Purchase			05 May 2017	200000	2461227	2.53%
	AT THE END OF THE YEAR					2461227	2.53%
8	DSP BLACKROCK SMALL CAP FUND	0	0.00%			0	0.00%
	Purchased			01 Dec 2017	1006258	1006258	1.03%
	Purchased			29 Dec 2017	77739	1083997	1.11%
	Purchased			05 Jan 2018	413976	1497973	1.54%
	Purchased			12 Jan 2018	100	1498073	1.54%
	Purchased			19 Jan 2018	30440	1528513	1.57%
	Purchased			26 Jan 2018	138000	1666513	1.71%
	Purchased			02 Feb 2018	397401	2063914	2.12%
	Purchased			09 Feb 2018	151184	2215098	2.27%
	AT THE END OF THE YEAR					2215098	2.27%
9	SURESH KUMAR AGARWAL	2097084	2.11%			2097084	2.15%
	AT THE END OF THE YEAR					2097084	2.15%
10	J. P. FINANCIAL SERVICES PVT. LTD.	4938751	4.96%			4938751	5.07%
	Sell			16 Mar 2018	(2938751)	2000000	2.05%
	Sell			23 Mar 2018	(1040000)	960000	0.99%

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year (i.e. April 1, 2017)		Transactions during the year 2017-18		Cumulative Shareholding at the end of the year (i.e. March 31, 2018)	
		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
	Purchased			31 Mar 2018	933000	1893000	1.94%
	AT THE END OF THE YEAR					1893000	1.94%
11	VARANASI COMMERCIAL LTD.	2993000	3.01%			2993000	3.07%
	Sell			16 Mar 2018	(1100000)	1893000	1.94%
	Sell			31 Mar 2018	(668000)	1225000	1.26%
	AT THE END OF THE YEAR					1225000	1.26%
12	INDIANIVESH CAPITALS LIMITED .	2806186	2.82%			2806186	2.88%
	Purchased			07 Apr 2017	122298	2928484	3.01%
	Purchased			14 Apr 2017	16000	2944484	3.02%
	Purchased			21 Apr 2017	100000	3044484	3.13%
	Purchased			12 May 2017	12191	3056675	3.14%
	Sell			26 May 2017	(65000)	2991675	3.07%
	Purchased			02 Jun 2017	500000	3491675	3.58%
	Purchased			09 Jun 2017	200	3491875	3.58%
	Sell			16 Jun 2017	(14000)	3477875	3.57%
	Sell			23 Jun 2017	(11000)	3466875	3.56%
	Purchased			14 Jul 2017	51838	3518713	3.61%
	Purchased			21 Jul 2017	174236	3692949	3.79%
	Sell			28 Jul 2017	(32349)	3660600	3.76%
	Purchased			04 Aug 2017	68291	3728891	3.83%
	Purchased			11 Aug 2017	15518	3744409	3.84%
	Sell			08 Sep 2017	(2278243)	1466166	1.50%
	Sell			15 Sep 2017	(340000)	1126166	1.16%
	Sell			06 Oct 2017	(5473)	1120693	1.15%
	Sell			13 Oct 2017	(4727)	1115966	1.15%
	Sell			27 Oct 2017	(249766)	866200	0.89%
	Purchased			03 Nov 2017	6874	873074	0.90%
	Purchased			10 Nov 2017	32303	905377	0.93%
	Purchased			24 Nov 2017	31074	936451	0.96%
	Purchased			01 Dec 2017	10243	946694	0.97%
	Purchased			08 Dec 2017	6974	953668	0.98%
	Purchased			15 Dec 2017	62509	1016177	1.04%
	Purchased			26 Jan 2018	600	1016777	1.04%
	Purchased			02 Feb 2018	44000	1060777	1.09%
	Sell			09 Feb 2018	(125000)	935777	0.96%
	Sell			16 Feb 2018	(600)	935177	0.96%
	Purchased			02 Mar 2018	50000	985177	1.01%
	Purchased			31 Mar 2018	8000	993177	1.02%
	AT THE END OF THE YEAR					993177	1.02%

Note:

1. At the beginning of the year, the paid up share capital was Rs. 99,47,27,360/- comprising of 9,94,72,736 equity shares of Rs. 10/- each and at the end of the year the paid up capital was Rs.97,42,32,860/- comprising of 9,74,23,286 equity shares of Rs. 10/- each. The change in paid up share capital was due to buyback and allotment of new equity shares against exercise of stock options. Hence, due to said changes in paid up share capital, the percentage of top ten shareholders has changed.

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 Managerial Personnel (KMP):**

Sl. No.	Name of the Directors / KMP	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Ravi Shanker Jalan - Managing Director ***				
	At the beginning of the year	85843	0.09%	85843	0.09%
	Shares purchased during the year (Allotment against conversion of Stock Options)	0	0.00%	100000	0.10%
	At the end of the year			**185843**	**0.19%**
	***In addition to the above, Mr. Jalan is also holding 100 equity shares in his HUF account.**				
2	**Mr. Raman Chopra - CFO & Executive Director (Finance)****				
	At the beginning of the year	0	0.00%	0	0.00%
	Shares purchased during the year (Allotment against conversion of Stock Options)	0	0.00%	50000	0.05%
	At the end of the year			**50000**	**0.05%**

**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 2017-18.

Apart from the above, Mr. Anurag Dalmia, one of the promoter director, was holding 532774 shares in his HUF account at the beginning of the year as well as at the end of the year 2017-18.

V. INDEBTEDNESS

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

	Secured Loans, excluding deposits	Unsecured Loans	Deposits	Total Indebtedness Crores
Indebtedness at the beginning of the financial year				
i) Long Term Debt	916.67	0	0	**916.67**
ii) Short Term Debt	514.02	0	0	**514.02**
Total (i+ii)	**1430.69**	**0**	**0**	**1430.69**
Change in Indebtedness during the financial year				
Addition	237.84	115.35	0	**353.19**
Reduction	470.32	0	0	**470.32**
Net Change	**-232.48**	**115.35**	**0**	**-117.13**
Indebtedness at the end of the financial year				
i) Long Term Debt	888.79	25	0	**913.79**
ii) Short Term Debt	309.41	90.35	0	**399.76**
Total (i+ii)	**1198.21**	**115.35**	**0**	**1313.56**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Mr. Ravi Shanker Jalan - Managing Director	Mr. Raman Chopra - CFO & Executive Director (Finance)	Total Amount (Rs. Lakhs)
	Gross Salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	219.49	116.01	**335.50**
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.40	0.40	**0.79**

Sr. No.	Particulars of Remuneration	Mr. Ravi Shanker Jalan - Managing Director	Mr. Raman Chopra - CFO & Executive Director (Finance)	Total Amount (Rs. Lakhs)
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	**0.00**
2	Stock Options*	49.00	24.50	**73.50**
3	Sweat Equity	0.00	0.00	**0.00**
4	Commission (for FY 2017-18, will be paid in FY 2018-19)	0	0	
	- as % of profit	525.00	310.00	**835.00**
	others, specify	0.00	0.00	
5	Others:	0.00	0.00	
	PF	10.75	6.35	**17.11**
	Superannuation	1.50	1.50	**3.00**
	Gratuity	4.30	2.55	**6.85**
	Company provided & maintained car	16.63	13.08	**29.71**
	Medical Expenses Reimbursement	0.15	0.15	**0.30**
	Leave Travel Expenses Reimbursement	0.00	0.00	**0.00**
	Total (A)	**827.22**	**474.54**	**1361.76**
	Ceiling as per the Act	4324.80		

In addition above remuneration, Mr. Raman Chopra will be entitled for Rs. 33382.00 as an arrear against his salary in the month of April 2018.

* In addition to the above, Mr. R S Jalan, Managing Director & Mr. Raman Chopra, CFO & Executive Director (Finance) are holding 1 lakh and 50 thousand stock options respectively, which was granted by the Nomination & Remuneration Committee in their meeting held on May 19, 2016 at the exercise price of Rs. 100 per share. Subsequent to the year end, the Nomination and Remuneration Committee in their meeting held on April 25, 2018 has granted 3 lakh stock options to Mr. R S Jalan and 1.50 lakh stock options to Mr. Raman Chopra at the exercise price of Rs. 150 per share.

B. **Remuneration to other Directors**

1	**Independent Directors**								
Sr. No.	**Particulars of Remuneration**	**Name of Directors**							**Total Amount Rs. Lakhs**
		Dr. Bhupendra Chandra Jain	**Mr. Mahesh Kumar Kheria**	**Mr. Girish Chandra Srivastava**	**Mr. Sanjiv Tyagi**	**Mr. Kamalkishore Chandravadan Jani**	**Mrs. Vijaylaxmi Joshi**	**Mr. Lavanya Rastogi**	
	Fee for attending Board/ Committee Meeting	4.80	2.80	3.60	1.60	4.80	2.80	1.60	**22.00**
	Commission	28.00	24.00	25.00	0.00	27.00	24.00	20.00	**148.00**
	Total (B)(1)	**32.80**	**26.80**	**28.60**	**1.60**	**31.80**	**26.80**	**21.60**	**170.00**

2	**Other Non-Executive Directors**	**Name of Directors**			
		Mr. Sanjay Dalmia	**Mr. Anurag Dalmia**	**Mr. Neelabh Dalmia**	
	Fee for attending Board/ Committee Meeting	2.00	1.60	2.00	**5.60**
	Commission	60.00	50.00	40.00	**150.00**
	Total (B)(2)	**62.00**	**51.60**	**42.00**	**155.60**
	Total(B)=(B)(1)+(B)(2)				**325.60**
	Total Managerial Remuneration (Non - Executive Director)				**325.60**
	Overall Ceiling as per the Act	432.48			

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	**Total Amount Rs. Lakhs**
	Gross Salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	35.31	**35.31**
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	0.42	**0.42**
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	**0.00**
2	Stock Options*	4.90	**4.90**
3	Sweat Equity	0.00	**0.00**
4	Commission	0.00	
	- as % of profit	0.00	**0.00**
	others, specify	0.00	**0.00**
5	Others:	0.00	
	PF	1.69	**1.69**
	Superannuation	1.50	**1.50**
	Gratuity	0.68	**0.68**
	Company provided & maintained car	4.08	**4.08**
	Medical Expenses Reimbursement	0.15	**0.15**
	Leave Travel Expenses Reimbursement	0	**0**
	Total (C)	**48.73**	**48.73**

* In addition to the above, Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary is holding 10000 stock options, which was granted by the Nomination & Remuneration Committee in their meeting held on May 19, 2016 at the exercise price of Rs. 100 per share. Subsequent to the year end, the Nomination and Remuneration Committee in their meeting held on April 25, 2018 has granted 30 thousand stock options to Mr. Bhuwneshwar Mishra at the exercise price of Rs. 150 per share.

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				

NIL

ANNEXURE III - TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

CSR Report for the financial year ended March 31, 2018 [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.india.com
2	The Composition of the CSR Committee	We have a board committee namely Corporate Social Responsibility (CSR) Committee comprising of following three directors:
		(1) Mr. Mahesh Kumar Kheria - Independent Director (Chairman) (2) Mr. Neelabh Dalmia - Non- Executive Directors (3) Mr. R S Jalan - Managing Director
3	Average net profit of the Company for last three financial years:	378.46 Crores
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	7.57 Crores
5	Details of CSR spend for the financial year	
a.	Total amount spent for the financial year	8.61 Crores
b.	Amount unspent, if any	Nil
c.	Manner in which the amount spent during the financial year	Manner in which the amount is spent and details are provided as given below:

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or programs	Amount spent on the Project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			Local Area / Districts(State)	₹ Crores	₹ Crores	₹ Crores	₹ Crores
1	Roof Rain Water Harvesting and Village Water Distribution System under Coastal Area Development Project	Water Resource Development Programme (Drinking water)	All manufacturing site of GHCL Ltd. in the state of Gujarat (1) Sutrapada, Dist. Gir Somnath (2) Rajula, Dist. Amreli (3) Ghogha, Dist. Bhavnagar (4) Bhilad, Dist. Valsad	0.70	0.71	0.71	Amount directly spent through implementing agencies*
2.1	Drip Irrigation, Sprinkler Irrigation, Training and other various activities	Agro based livelihood		1.97	1.23	1.23	Do
2.2	Vocational Training Centre	Skill based livelihood		0.54	0.95	0.95	Do
3	Animal Treatment Camp and Artificial Insemination center	Animal Husbandry		0.02	0.46	0.46	Do
4.1	Mobile Dispensary, Health camps, Vaccination and Eye camps;	Health & Sanitation		3.40	3.63	3.63	Do
4.2	Toilet Blocks and Awareness Programme as part of Swachh Bharat Abhiyaan						

Sr. No.	Projects / Activities	Sector	Locations	Amount Outlay (Budget) Project or programs	Amount spent on the Project or programs	Cumulative Expenditure upto reporting period	Amount spent: Direct or through implementing agency
			Local Area / Districts(State)	₹ Crores	₹ Crores	₹ Crores	₹ Crores
5	Site School near Mining area, Uniform, Scholarship and financial support for higher studies	Education		0.60	0.53	0.53	Do
6	Formation of Self Help Group (SHG) and Training Programme	Women Empowerment		0.19	0.16	0.16	Do
7	Street light, Road repairing, construction of school boundary, Eradication Hunger Peoples	Rural Development		0.27	0.14	0.14	Do
8	Establishment & Assets	Establishment & Assets		0.90	0.80	0.80	Do
	Total			**8.59**	**8.61**	**8.61**	
	***Amount spent through Implementing Agencies (GHCL Foundation Trust) of Rs. 8.57 Crores and Direct Rs. 0.04 Crores** The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.						

For GHCL Limited

R S Jalan
Managing Director
DIN- 00121260

Mahesh Kumar Kheria
Chairman of CSR Committee
DIN- 00161680

ANNEXURE IV TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure Taken

1 Installation of one number of high speed rotary drum filter 800TPD which resulted into reduction in steam consumption in calciner at Soda Ash Unit.

2 Installation of Variable Frequency Drive for DSA blower with saving of about 50% in energy with respect to earlier power consumption at Soda Ash Unit.

3 Replacement of conventional tube light by Energy efficient LED tube lights at Soda Ash unit.

4 New policy being followed that all the new motors procurement shall be energy efficient ones.

5 Reduction in energy consumption through optimizatin of machine suction in auto coner department and replacing existing v-belt to cogged belt in all awesat at Paravai Unit.

6 Reduction in energy consumption through reduction of air leakage in blow room to auto coner and cylinder speed optimization carding at Manaparai Unit.

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

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

2 Installation of sixth CFBC boiler (Capacity 200 MTPH) with all drives having Variable Frequency drive which shall reduce the energy consumption.

3 Installation of Energy Efficient Transformer at Paravai Unit.

B. POWER & FUEL CONSUMED

		Year ended March 31,2018	Year ended March 31,2017
1	**Electricity**		
(i)	Purchased Units (crores kwh)	**7.08**	6.23
	Total amount (Rs. crores)	**41.47**	41.81
	Rate per Unit (Rs.)	**5.86**	6.71
(ii)	Own Generation		
	(a) Through DG		
	Units (crores kwh)	**1.77**	2.31
	Units per ltr of Diesel Oil	**4.32**	4.20
	Cost per Unit (Rs.)	**6.64**	6.44
	(b) Through GTG		
	Units (crores kwh)	**0.56**	0.07
	Units per SCM of Gas	**3.78**	2.38
	Cost per Unit (Rs.)	**10.90**	14.22
	(c) Through TG		
	Units (crores kwh)	**24.39**	20.79
	Cost per Unit (Rs.)	**3.18**	3.50
	(b) Through Windmill		
	Units (crores kwh)	**5.39**	5.37
	Total amount (Rs. crores)	**20.11**	22.71
	Rate per Unit (Rs.)	**3.73**	4.23
2	**Coal**		
	Quantity (MT)	**3,05,149**	3,05,089
	Total Cost (Rs. crores)	**205.74**	168.53
	Average Rate (Rs/MT)	**6,742**	5,524

		Year ended March 31,2018	Year ended March 31,2017
3	**Lignite**		
	Quantity (MT)	**1,67,100**	1,00,214
	Total Cost (Rs. crores)	**58.40**	33.79
	Average Rate (Rs/MT)	**3,495**	3,372
4	**Petroleum Coke**		
	Quantity (MT)	**31,914**	30,039
	Total Cost (Rs. crores)	**25.97**	19.87
	Average Rate (Rs/MT)	**8,136**	6,614
5	**Consumption per Unit of Production**		

	Production (MT)	Electricity (kwh/MT) Year ended March 31, 2018	Year ended March 31, 2017
Soda Ash	9,36,972	**263.77**	266.17
Salt	40,772	**26.91**	23.06
Yarn	24,027	**4.52**	4.22
Cloth (Fabric '000 Meters)	24,958	**1.41**	1.04
Coal -Soda Ash (MT/MT)	9,36,972	**0.31**	0.34
Lignite - Soda Ash (MT/MT)	9,36,972	**0.17**	0.12
Petroleum Coke - Soda Ash (MT/MT)	9,36,972	**0.03**	0.04

C. TECHNOLOGY ABSORPTION

1 Research & Development

a) Reduction of binder consumption at Soda Ash Unit:

Plant trials with higher viscosity of Pre-gel starch binder in coke briquetting plant have been taken up by working in co-ordination with few suppliers. Initial plant trials have indicated reduction of binder consumption by 1-1.2 %. Further trials are going on.

b) Lump formation in Refined Sodium Bicarbonate bags at Soda Ash Unit:

After exhaustive studies and experimentation in association with M/S Niochim through R & D efforts , we have developed solution for preventing soft lump formation in our refined sodium bicarbonate bags by making changes in manufacturing stage of purge liquor during Refined Sodium Bicarbonate Manufacture resulting in saving of 5 MTPD of internal soda consumption.

c) Project to develop process for purifying raw brine without use of soda ash has been identified and preliminary work has started.

2 Future Action Plan

a) Increase capacity of old carbonation towers from 150 MTPD to 250 MTPD. M/S Niochim, Ukraine visit is planned for feasibility studies.

3 Technology -Absorption ,Adoption and Innovation

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

4 Information Regarding Technology imported during last three year

High speed filter technology from M/S Andritz Germany

D. FOREIGN EXCHANGE EARNING AND OUTGO

	For the Year Ended 31st March, 2018 (Rs. in Crores)	For the Year Ended 31st March, 2017 (Rs. in Crores)
Earnings	587.12	701.69
Outgo (Includes CIF value of imports)	563.31	481.77

ANNEXURE V TO THE DIRECTORS REPORT

DISCLOSURE OF MANAGERIAL REMUNERATION

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 2017-18 as well as the percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary is as under:

Name of the Director	Ratio to Median Remuneration	% Change in remuneration over previous year
Non Executive Director		
Mr Sanjay Dalmia	34.09	-0.64
Mr. Anurag Dalmia	28.37	0.00
Mr. Neelabh Dalmia	23.09	-1.87
Dr. B C Jain	18.03	-1.80
Mr. G C Srivatava	15.72	-3.38
Mr. Mahesh Kumar Kheria	14.73	-9.46
Mr. Sanjiv Tyagi	0.88	-94.12
Mr.Lavanya Rastogi	11.88	-4.42
Mrs. Vijaylaxmi Joshi	14.73	NA
Mr. K C Jani	17.48	0.63
Executive Directors		
Mr. R S Jalan	455.10	6.34
Mr. Raman Chopra	261.94	9.72

Note: For above calculation, remuneration includes siting fee and commission. Commission relates to the financial year ended 31st March 2018, which will be paid during FY2018-19.
The Percentage increase in remuneration of Mr. Bhuweneshwar Mishra, General Manager & Company Secretary is -2.90%

B. Percentage increase in median remuneration in the FY 2017-18: 0.37%

C. Number of Permanent employees on the roll of the company as on 31st March 2018 3992

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

	% change in remuneration
Average percentile increase in Salary of employees other than managerial personnel	-2.44%
Average percentile increase in remuneration of managerial personnel	2.07%

E. Affirmation:

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

F. Justification for Average increase in Salary

For the year 2017-18, Board has decided to appreciate significantly by paying higher commission to managerial personnel as they have steered the company successfully in tough market conditions.

Sl. No.	Name	Age	Designation	Total Remunerations Including Share Value	Qualification	Exp. (Years)	Date of commence-ment of Employment	Previous Employment / Position held	Remark
Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014									
List of Top Ten Employees and other Employees who have been paid Rs. 8.5 Lacs or above per month during the year 2017-18									
Employment during full year									
1	R S Jalan	60	Managing Director	8,27,80,167	B Com, FCA	34	7-Jun-02	Sree Meenakshi Mills / Exec. Director	
2	Raman Chopra	52	CFO & Executive Director - Finance	4,76,46,240	B Com, FCA	29	1-Oct-03	Dalmia Brothers Pvt Ltd / VP-Spl. Proj.	
3	Sunil Bhatnagar	59	President - Marketing	1,93,43,140	B Com , LLB, DIM	34	16-Aug-93	Ballarpur Inustries, Dy. Mgr - Mktg	
4	N N Radia	62	COO - Soda Ash	1,68,01,267	BE -Mechnical	35	16-Jan-86	Tata Chemicals Ltd. / Shift In Charge	
5	V Chandramouli	58	Sr. Vice President - Finance	1,28,80,797	B Com, CA	30	14-Dec-92	Mafatlal Ind. Ltd / Manager - F&A	
7	Sachin Kulkarni	45	COO-Home Textile	1,28,01,656	B. Tech-Textiles, DBM	23	5-Dec-16	Welspun Ltd/Sr. VP-Operations	
6	M Sivabala-subramanian	57	Sr Vice President - Oprns.(Yarn Divn)	1,26,33,996	BE -Textiles	33	17-May-95	Loyal Textile Mills Ltd / Manager-QA	
8	Manu Kapur**	54	President & CEO	1,17,76,489	MA (History) PG Diploma in International Trade - IIFT Delhi	28	10-Jul-17	J C Penney Purchasing India Pvt Limited / Vice President & Regional Director -South Asia	
9	Neeraj Jalan	43	Sr. Vice President - Home Textiles	87,00,376	CA	18	3-Sep-98	Capman Cap. Markets Ltd / Backoffice Incharge	
10	Rajesh Tripathi	51	Vice President - Human Resource	77,87,136	M Sc, PGHR, PG Psychology, GAMP	21	15-Nov-07	Panacea Biotec Ltd/ DGM- HR	
* *Gross remuneration includes the Commission and / or VPP entitlement for the year 2017-18 will be paid in 2018-19									
** Mr Manu Kapur joined on July 10, 2017 as CEO Home Textile.									
Joining during the year									
One Employee has joined with CTC of Rs.8. 5 Lacs or above per month during 2017-18									
Separation during the year									
Mr Neeraj Kumar Jalan left on 21/12/2017									

Business Responsibility Report – 2017-18

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company**: *L24100GJ1983PLC006513*
2. **Name of the Company**: *GHCL Limited*
3. **Registered address**:*"GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380 009 (Gujarat)*
4. **Website**: *www.ghcl.co.in*
   E-mail id: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
5. **Financial Year reported**: 2017-18
6. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

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

7. **List three key products/services that the Company manufactures/provides (as in balance sheet)**

1. In-organic Chemicals: Soda Ash – (Dense grade and Light grade), Sodium Bicarbonate, Industrial and Edible Salt;
2. Textiles: Home Textile products like Bed Sheets, Bed Covers, Top of Bed Products, Valance and Yarn Manufacturing.

8. **Total number of locations where business activity is undertaken by the Company**
   (a) **Number of International Locations (Provide details of major 5):** USA
   (b) **Number of National Locations**: All India
9. **Markets served by the Company – Local/State/National/ International**: All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital** (INR) : 97,42,32,860
2. **Total Turnover** (INR in Crore) : 2,992.27
3. **Total profit after taxes** (INR in Crore) : 364.51
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax** (%): Total spend on CSR during financial year 2017-18 is Rs. 8.76 Cr which is in compliance of Section 135 read with Schedule VII of the Companies Act, 2013. The 2% of the average profit for the last three years Rs. 6.89 Cr.

Achievements and Recognition:

- During the financial year 2017-18, GHCL Limited has been selected for Special Commendation for **Golden Peacock Award for Excellence in Corporate Governance 2017.**
- GHCL Limited own the **Golden Peacock Award for Corporate Social Responsibility – 2017** for the year 2017. This has established the credential of GHCL in the area of CSR.
- **GHCL Limited** has been declared as the **Winner of 'Golden Peacock National Quality Award'** for the year 2018.
- GHCL Limited recognised as one of India's best work place in manufacturing 2018.
- The President of Association Other ways Management & Consultancy France, certify that GHCL Limited has been selected to receive the ***Green Era Award for Sustainability***.

5. **List of activities in which expenditure in 4 above has been incurred**: -
   i. Roof Rain Water Harvesting and Village Water Distribution System under Coastal Area Development Project;
   ii. Agriculture livelihood enhancement programme which is being done by drip Irrigations, Sprinkler Irrigation, promotion of organic product, bio pesticide, agricultural nutrition product, training-exposure and other various activities;
   iii. Vocational Training Centre;
   iv. Animal Treatment Camp and Artificial Insemination center;
   v. Mobile Dispensary, Health camps, Vaccination and Eye camps, Cancer early detection camp
   vi. Toilet Blocks and Awareness Programme as part of Swachh Bharat Abhiyaan;
   vii. Site School near Mining area, Uniform, Scholarship and financial support for higher studies, Anganwadi Quality improvement programme and offer a bridge course to enhance education level;
   viii. Formation of Self Help Group (SHG) and Training Programme
   ix. Office Salary, miscellaneous expenses, general expenses.
   x. Contribution to a hospital for purchase of medical equipment in Firozabad, Uttar Pradesh.

SECTION C: OTHER DETAILS

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

   Yes. Company has a subsidiary in the name of *"Grace Home Fashion LLC"* based in USA.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   This is the second year for GHCL Limited to publish Business Responsibility Report. GHCL would encourage its subsidiary to participate in the business responsibility initiatives and conduct their business in an ethical, transparent and accountable manner.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

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

Less than 30%.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

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

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

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

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

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

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
2.	Has the policy being formulated in consultation with the relevant stakeholders?	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. The policies are based on the “National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business” released by the Ministry of Corporate Affairs.								
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. All the Nine Policies are approved by the Board in their meeting held on January 31, 2017 and signed by the Managing Director.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes. The Managing Director through the functional heads of the departments / unit heads of the company are empowered to ensure the implementation of the policy. The Company Secretary is authorised to monitor and evaluate the compliance of the policy and submit his report to the Board / committee periodically.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	http://ghcl.co.in/investors/brr-policies								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of GHCL. The BR policies are communicated through this report. Company will also explore other formal channels to communicate with other relevant stakeholders.								
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The BR Policies shall be evaluated internally. Policies pertaining to Health, Safety and Environment have also been audited by external agencies.								

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

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

3. **Governance related to BR:**

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

The BR performance of the company shall be assessed annually.

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

The Business Responsibility Report for the financial year 2017-18 which forms part of the Company's annual report for the financial year 2017-18. The Business Responsibility Report can be accessed at: **http://ghcl.co.in/investors/brr-report**

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

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

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

The measurement of ethical behaviour revolves around

a. Fairness to all stakeholders;

b. Transparency in all business dealings;

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

d. Understanding and discharging societal responsibility;

e. Long term thinking;

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

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

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

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

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

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

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

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

Stakeholder	Complaints Received during F Y 2017-18	Complaints Resolved during F Y 2017-18	Complaints Resolved (%)
Investors Complaints	35@	35	100
Consumers' Complaints			
Soda Ash Division	12	12	100
Home Textiles Division	11	11	100
Yarn	25	25	100
Consumer Products	8	8	100
Total	**91**	**91**	**100**

@ One complaint was pertaining to FY 2016-17 resolved during the year.

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

GHCL, as an organisation is committed towards ensuring sustainable practices across its divisions as enunciated in the GHCL vision. We have initiated our journey towards sustainability in a concerted manner with implementation of the principles into our core of decision making. The key focus of sustainability is to promote safe & healthy working environment for our direct & in-direct employees, resource optimisation, conservation of natural resources, socio-economic up-liftment of neighbouring communities and effective management of stakeholder relations throughout our products and services value chain.

We continuously endeavour to work closely with our supply chain to encourage best practices and minimise impacts right from sourcing raw materials to delivering our products to customers. Our efforts are to continuously engage with customers & suppliers to gain regular feedback and improvise our products and services in tandem with the market trends, demands and sustainable practices.

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

At GHCL, we are aware that the manufacturing process will involve environmental impacts in terms of extraction of natural resources, emissions, effluent and waste. We are conscious of our activities and endeavour to minimise these impacts both environmental & social by reducing footprints of our activities in alignment with the social fabric within which we deal with our relevant stakeholders. We continuously put efforts to improvise our products and services to have minimal impacts. Some of our products which highlights our step forward in the direction of sustainability are:

S. No	Product/ Services	Division	Sustainability aspect
1	REKOOP Bedding	Home Textile	Made of cotton with polyester fibres obtained from recycling of PET bottles aided with Traceability (Launched in March 2018)
2	Self-Fabric Bags	Home Textile	Biodegradable Fabric bags used in place of PVC bags
3	Bricks made on waste from SA division	Soda Ash Division	Recycling fly ash generated from Boilers
4	Briquettes Use in place of metallurgical coke	Soda Ash Division	Reducing natural resource consumption – Metallurgical coke
5	Transportation services for loose Soda Ash via Bulkers	Soda Ash Division	Reducing the usage of plastic bags

In addition, the Home Textile division manufactures products like Bed Sheets, Bed Covers, Top of Bed Products, Valance and Yarn Manufacturing is Fair Trade Standards (FLO) certified which ensures sustainable farming practices and fair trade in the value chain. In addition, HT Division also follows DETOX guidelines ensuring that the chemicals and dyes sourced are environment friendly. The facility is OEKO-TEX® certified that restrict the use of harmful substances in our manufacturing processes.

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

At GHCL, we constantly adopt measures to reduce the overall resource consumption. We strive to enhance efficiency and reduce resource consumption in the entire value chain wherever possible. We have taken various initiatives to promote conservation of energy and water across our operations:

Energy conservation initiatives:

- Periodic energy audits at sites
- Proactive maintenance of equipment
- Installation of VFDs (Variable Frequency Drives)
- LED fixtures, etc.

Water Conservation initiatives:

- Using treated sewage water for green belt development in Soda Ash division
- Using treated sewage water for humidification in Yarn division

Specific Energy Consumption (KWH/MT)			
	2017-18	2016-17	2015-16
Divisions	(KWH/MT)		
Soda Ash	263.8	266.1	260.6
Home Textile	3465.73	2681.97	2557.58
Yarn	4520	4220	4070
CPD	30	22.72	23.23

Specific Water Consumption (KL/MT)			
Divisions	2017-18	2016-17	2015-16
Soda Ash	8.33	8.40	8.31
Home Textile	113.11	73.65	72.12
Yarn	2.93	3.11	2.48
CPD	3.0	3.0	3.5

Increase in specific consumption of energy and water in case of Home Textile is related to lower volume of production.

Material Consumption:

The material consumption across businesses has been given below:

Material Consumption (in MT)				
Division	Major Raw Material	2017-18	2016-17	2015-16
Soda Ash (till Feb)	Salt	1635714	1391467	1324913
	Limestone	1805215	1543898	1406488
	Coal	287413	279261	279935
	Lignite	161421	99884	136895
Home Textile	Yarn	9865.99	13269.58	11881.38
Yarn	Cotton & Manmade fibre	27287	26276	26515
CPD	Raw salt	45227	54697	67502

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

At GHCL, we continuously take measure to evolve and improve the process throughout the value chain. Some of the efforts undertaken across various divisions are given below:

Soda Ash division:

- Belt filters have been installed for reducing the moisture content from 19.7% to 18.5% in bicarbonate cake which in turn has reduced overall steam consumption.
- Installation of VFD (Variable Frequency Drive) in Dense plant cooling blower has reduced its energy consumption by 60%.
- Transportation of loose soda ash via bulkers to reduce the usage of plastic bags

Home Textile division:

- One unit of 1000 cubic feet per minute (CFM) Screw Compressor with VFD has been installed which leads to a lesser energy consumption.
- DETOX guidelines are followed ensuring the chemicals and dyes sources are environment friendly.

Yarn Division:

Around 1% of cotton is sourced under Better Cotton Initiative and going forwards we intend to expand the BCI/ organic cotton sourcing.

Consumer Products division:

The higher Horse Power blowers has been installed with VFD which consumes lower energy.

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

GHCL has a limited control in the full life cycle of the products. We ensure from our ends the products and services provided have taken into account the environmental and social concerns.

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

Yes.

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

Yes. We do have systems in place for integrating sustainability in sourcing decision. At GHCL, the suppliers and vendors are one of the key stakeholders and have strong bearing on overall performance outcome of the company. We have GHCL code of conduct for suppliers & vendors, and have established process for vendor selection. We regularly engage with our suppliers and vendors and encourage them to adopt policies & practices that are more sustainable.

We have also developed Green Procurement policy for Soda Ash Division to ensure that the products and services has minimal environmental impacts and embeds green sourcing considerations in the decision making.

For transportation inbound (raw material) and outbound (finished product) we ensure that the trucks are covered with tarpaulin to ensure no spillage or dust generation during the movement. Sprinklers or dry fog systems have been installed to reduce dust emissions at material handling areas within the plant in Soda Ash Division. As a preference wherever possible Bulkers are used for transportation which helps in pollution prevention, minimization of waste, eliminating the efforts of packaging, loading and unloading.

For our textile segment, cotton and synthetic fibre are the basic raw material. We are a member of Better Cotton Initiative (BCI), and therefore ensure the cotton we use in our production comes from responsible sources that enables reduction of environmental & social impact from its production. In case of home textile, we are procuring the yarn/fabric, which is Oeko-Tex 100 / GOTS (Global Organic Textile Standard) certified. We are the 2nd Home Textile Company in India, which is certified by STeP (sustainable textile production). We are also first company in India to produce MIG (Made in Green) label in product which is a traceable consumer label for sustainable textiles.

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

Yes.

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

GHCL prefers and promotes to procure goods and services locally or from small scale providers. In all the businesses more than 72% vendors are local which represents suppliers from the same state as that of our operations. The percentage share of the local vendors for procuring goods or services has increased over the past few years for Home Textile division.

For our Soda Ash Division key raw material such as limestone and salt are locally sourced including transportation services for the material movement. Further we intend to increase the product basket of local suppliers by implementing purchase concepts such as Vendor Managed Inventory (VMI) at supplier’s end, frequent vendor meets and interactions. For transportation contractors, GHCL is trying to introduce higher capacity vehicles for efficient deliveries and cost competitiveness.

In our Consumer Product Business, we prefer to source raw materials locally like honey and spices. We engage with suppliers who are committed towards social upliftment like buying directly from tribal community, discarding the middlemen between farmers and buyers, etc.

Through our skill development initiative under the aegis of CSR strategy, we enhance skill sets of the local community making them employable both within GHCL and outside. Two vocational training centres are running in Bhilad and Kaprada providing trainings in industrial stitching, quality check & packing through which around 70% trained people have been placed in nearby industries.

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

At GHCL, our objective is not just limited to waste reduction but also on intelligent recycling of waste. We reuse the waste as an alternate source of raw material. We regularly monitor the waste generated and focus on identifying areas for its reduction, reuse and recycle. Mentioned below are the examples of various divisions’ efforts on recycling & reusing of waste streams:

Soda Ash:

- All of coke fines generated during process is recycled to manufacture briquette from in house developed briquette plant which has replaced usage of metallurgical coke.
- <5 % of fly ash waste is utilised for manufacturing fly ash brick, paver block & used for construction.
- <5% Usable item is recovered from scrap in salvage yard.

Home Textile:

Installed Caustic Recovery plant, recovering caustic around 92-95% by volume.

Yarn:

- Around 50% of the waste cotton is recycled.
- Sewage water treatment and use treated water for humidification of plant

Consumer Product:

- All raw salt and refined circuits at Vedaranyam are closely designed to avoid water spillage & leak.
- Water used for cleaning raw salt is reused by sending the exhausted water back to salt pans which acts as brine for regenerating the salt.
- Utilising 100% of the sludge generated to make bunds in the effluent treatment yard at Chennai Refinery.

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

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

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

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

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

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

1. Please indicate the Total number of employees - ***3992***

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - ***4423***

3. Please indicate the Number of permanent women employees - ***253***

4. Please indicate the Number of permanent employees with disabilities - ***25***

5. Do you have an employee association that is recognized by management – ***7***

6. What percentage of your permanent employees is members of this recognized employee association? – ***91%***

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year –

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

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

Particulars	Executives	Factory Workers
(a) Permanent Employees	95%	100%
(b) Permanent Women Employees	85%	100%
(c) Casual/Temporary/ Contractual Employees	90%	85%
(d) Employees with Disabilities	100%	80%

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

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

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

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

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

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

   Yes.

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

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

   GHCL has taken initiative for the capacity building of underprivileged communities which is the most critical of all the activities planned and executed. This is done with both men and women to improve their latent knowledge so that they play their role effectively and efficiently. Support extended from GHCL as planned has also tapered down as the program scaled up by farmers. Attention was also paid to ensure that farming households also diversify and strengthen their existing livelihood portfolios.

   Supporting farmers by way of augmenting dairy through breed improvement program, Animal health initiatives, feeding practices etc. and holding camps at regular intervals were planned and executed. Higher production of dung has helped farmers try out going for vermicomposting and manure preparations to reduce their dependence on outside fertilizers. The animal-Agriculture linkage is the critical one and is integrated as part of the sustainable initiatives of GHCL Foundation .

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

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

Principle 5: Businesses should respect and promote human rights.

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

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

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

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

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

   GHCL has not received any complaints related to human rights during financial year 2017-18.

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

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

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

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

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

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

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

   At GHCL, we are aware of the fast depleting natural resources and are making efforts to judiciously and efficiently use the available resources in our operations. We are striving continuously to minimise our energy and resource consumption and hence reducing our environmental footprint. As a continuous effort we are venturing initiatives that will not only help us achieve higher production but also reduced energy /resource consumption.

   We are enhancing the green belt surrounding our operations by planting trees. Moreover, 45% of the power consumption of yarn division is met through the renewable energy source i.e. wind power. Overall, yarn division owns 20 wind turbines totaling to 25.2 MW.

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

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

   Yes. Potential environmental risks are identified at business level through SWOT analysis. The identified risks are assessed. Relevant action plans are prepared for the mitigation of risks and it is periodically reviewed. The organization has also adopted ISO 14001 which guides the organization as and when required. Aspect-Impact analysis with rating system is in place for assessing operational environmental impacts at site. The Impact register is periodically reviewed for keeping it updated and for improving environmental performance. Environmental Management Plan (EMP) are in place for mitigating the environmental impacts thus reducing operational environmental risks.

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

   GHCL Limited has taken various initiatives to promote renewable energy and installed Windmill with the capacity of 25.2 MW in yarn division. Out of 20 wind turbines, 3 wind energy generator of capacity of 6.3MW are installed under REC scheme. In 2017-2018 152.15 lac units are generated under REC scheme and all the units are consumed by our yarn division. In 2016-2017 142.68 lac units have been generated.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   At GHCL, we undertake initiatives across divisions to improve energy efficiency, increase renewable energy portfolio, etc. We have also laid huge emphasis on clean energy and have installed 25.2 MW Wind Mill capacity thereby meeting more than 40% of energy requirements in the Yarn Division. Further, 2.10 MW Wind Mill capacity is also installed at Home Textile, Vapi showing our commitment towards adoption of green energy measures in overall operations.

We have employed Reverse Osmosis technology in Soda Ash Division as tertiary treatment to generate good quality permeate in order to replace fresh water requirement. Some of our environmental friendly initiatives include:

Soda Ash:

- Replacement of conventional lightings with the LED lights.
- Insulation of heated equipment & steam pipes to avoid heat losses to atmosphere
- New procurement policy which ensures the energy efficient motor procurement.

Home Textile:

- We have consolidated compressed air generation by installing one bigger capacity compressor by replacing 4 Nos. smaller capacity compressors.
- Usage of natural sunlight in textile process warehouse eliminating/reducing use of artificial lights during daytime.

Consumer Products:

- Use of treated sewage for green belt development

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

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

   Yes. The emissions/waste generated by the Company for Financial Year 2017-18 are within permissible limits given by CPCB/SPCB(s).

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

   As on 31 March, 2018, there is no pending show cause or legal notice received from CPCB or SPCB, to the best of the Company's knowledge and understanding.

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

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

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

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

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

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

   Yes. During the financial year 2017-18, GHCL has participated in various discussion / initiatives taken by trade associations and chambers on the issues pertaining to Governance and Administration, Economic Reforms and sustainable business principles.

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

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

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

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

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

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

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

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

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

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

   Yes. During current financial year PWC has conducted impact assessment and covered following locations.

Sutrapada block: Gir Somnath district	Soda Ash plant
Bhavnagar block: Bhavnagar district	Lignite mines
Pot Albert Victor: Amreli district	Textile manufacturing unit

The objective of the impact assessment was commissioned to carry out a comprehensive evaluation of CSR programmes implemented by GHCL through GHCL Foundation Trust, across their project locations in the State of Gujarat, in order to understand the direct and indirect impacts of the CSR interventions on its beneficiaries.

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

The direct contribution of GHCL Limited to the community development is Rs. 4.03 crore during year 2017-18. This amount was spent under the broad categories of:

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

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

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

In most operations at the village level from among the villagers, the Panchayat is the body with which GHCL interacts and initiates the first round of dialogue and discussion. It also works with the existing ATMA groups in the villages and also creates its own farmer's groups under certain projects. This group called the Learning Groups manages the project and provides opportunities to its members to take part in the initiatives. On occasions, the learning groups also provide inputs to shape the project and make the same more effective. The community certainly plays an important advisory role in deciding and shaping the direction of the project.

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

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

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

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

Nil

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

NA

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

No.

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

Yes.

MANAGEMENT DISCUSSION AND ANALYSIS 2018

DISCLAIMER:

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

MANAGEMENT DISCUSSION AND ANALYSIS

The management of GHCL Limited presents the analysis of division-wise performance of the Company for the financial year ended March 31, 2018 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

REVIEW OF ECONOMY

The International Monetary Fund (IMF), in its January 2018 World Economic Outlook stated that stronger momentum experienced in 2017 is expected to carry into 2018 and 2019, with global growth revised up to 3.9 percent for both years. IMF further stated that for the two-year forecast horizon, the upward revisions to the global outlook result mainly from advanced economies, where growth is now expected to exceed 2 percent in 2018 and 2019. Key emerging market and developing economies, including Brazil, China, and South Africa, also posted third-quarter growth stronger than the forecasts. However, risks to the global growth forecast appear broadly balanced in the near term, but remain skewed to the downside over the medium term. On the downside, rich asset valuations raise the possibility of a financial market correction, which could dampen growth and confidence. Inward-looking policies, geopolitical tensions, and political uncertainty in some countries also pose downside risks.

Demonetization drive had impacted the Indian businesses directly or indirectly in terms of impact on demand but the impact of demonetization was majorly seen on small businesses as these were highly driven by cash transactions. Even though the impact of demonetization was mostly over by mid-2017, the implementation of the GST created fresh challenges in the informal sector, which is affecting supply chains, especially those in which small traders were suppliers of intermediates to larger manufacturing companies.

As per the second advance estimates released by the Central Statistical Office (CSO), growth in GDP during 2017-18 was estimated at 6.6% as compared to the growth rate of 7.1% in 2016-17. As per said CSO data, various sectors such as ‘public administration, defense and other services’, ‘trade, hotels, transport, communication and services related to broadcasting’, ‘electricity, gas, water supply and other utility services’ and ‘financial, real estate and professional services’ are likely to register growth rate of over 7%. The growth in agriculture, forestry and fishing sector has been estimated to be 3%, mining and quarrying at 3%, ‘electricity, gas, water supply and other utility services’ at 6.6%, ‘manufacturing’ at 5.1% and ‘construction’ at 4.3% in 2017-18.

According to Economic Survey 2017-18, Foreign exchange reserves are at comfortable levels and have risen from US$ 370 billion at the end of March 2017 to around US$ 409 billion as on December 29, 2017 and are well above standard norms for reserve adequacy. Despite moderation in India’s exports, India’s external sector position has been comfortable since 2013-14, continued to be so in the first half of 2017-18, despite some rise in the Current Account Deficit (CAD) in the first quarter of 2017-18, with a relatively lower CAD in the second quarter. India‘s CAD stood at US$7.2 billion (1.2 percent of GDP) in Q2 of 2017-18, narrowing sharply from US$ 15.0 billion (2.5 percent of GDP) in the preceding quarter. Capital flows have remained strong during the last few years. Total Foreign Direct Investment (FDI) inflow grew by 8 per cent i.e. USD 60.08 billion in 2016-17 in comparison to USD 55.56 billion of the previous year. In 1st half of 2017-18, the FDI inflow was around USD 33.75 billion.

On the Ease of doing Business, India has leapt 30 ranks over its previous rank of 130 in the World Bank‘s latest Doing Business Report 2018. Credit rating company Moody‘s Investors Service has also raised India‘s rating from the lowest investment grade of Baa3 to Baa2. This upgradation has been made possible due to several measures undertaken by the Government including implementation of the Goods and Services Tax, Insolvency and Bankruptcy Code, and announcement of bank recapitalization etc. Apart from that Government is focusing on a number of reforms to boost industrial growth, which includes Make in India programme, Start-up India and Intellectual Rights Policy etc. However, there are some concerns have been expressed about growing protectionist tendencies in some countries, but it remains to be seen as to how the situation unfolds. Further, the possibility of an increase in crude oil prices in the international market remain a cause of concern in India, which could have dampening effect on Indian GDP growth in the coming year.

COMPANY PERFORMANCE- PERFORMANCE HIGHLIGHTS

- Revenue for the financial year ended 31st March 2018 is around Rs. 2992.27 Crore as against Rs. 2980.17 Crore for the previous Financial Year ended 31st March 2017.
- Profit before financial expenses and depreciation for the financial year ended 31st March 2018 is Rs. 649.17 Crore as compared to Rs. 724.42 Crore for the previous Financial Year ended 31st March 2017.
- PBT (Profit Before Tax) for the financial year ended 31st March, 2018 is at Rs. 415.48 Crore against Rs. 501.93 Crore for the previous Financial Year ended 31st March 2017.

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 Demand in 2017 was approximately 59 Million Tons against an estimated capacity of approximately 68 million MT. Soda Ash demand remains strong in most global regions other than winter supply issues and China's restriction problems which cause temporary pockets of tightness. As per our estimates the Global Soda Ash industry has been steadily growing at about 2%. During the current year, Soda Ash demand in Europe has improved over the last year and is expected to remain stable for some time. Indian subcontinent has also registered a healthy growth.

SUPPLY

Turkey is the new major player in the Global Soda Ash market, with locally-based Ciner Group already added 2.0 million TPA soda ash capacities to the market in 2017 which is cost competitive and hence more sustainable. Turkey may have the fourth largest natural resources, following China (if confirmed), the US and Botswana. As a result of this cheaper supply, more costly synthetic supply from high-cost producers, particularly in Europe, has come under increasing pressure. Currently there are 3 producers of Soda Ash in Turkey, with a total nameplate capacity of 5.4 million TPA including 1.4 million TPA Synthetic Soda Ash capacity. Material flow from Turkey, especially from the new facilities, have started moving into various parts of Europe/China/Asia Pacific including India causing some degree of oversupply and price moderation. Delayed commissioning of Kazan's 5th line and high demand/low supplies from China into Asia and East Europe has been helping maintain some balance.

In spite of increasing economic problems that are affecting the financial viability of some operations, China continues to be the largest Soda Ash player in the world, having a capacity of 31 million tpa, which is 46% of the global capacity. Even after various restrictions and disturbances, overall Chinese soda ash output continues ahead of the 2 million MT month mark. Currently, another round of environmental inspections is carrying on in various provinces causing some disruptions and lower rate of operations. As per IHS Chemical report China's operating rates were around 88% in 2017, reporting a production of 27 million tpa and domestic consumption of 25 million tpa, with 1.5 million tpa being exported. Our assumption of domestic growth in China is around 4 to 5% due to downstream improvement, especially flat glass.

The Chinese economy remains stable with reasonable growth prospects for the coming year. However, China's faces risks from international uncertainties and excess factory capacity this year also. Exports are much lower than previous years and there is decline of around 23% compared to previous year.

US producers continue to enjoy the highly competitive production costs. Around 58% of US Soda Ash production is sold to export markets and shipment volumes have been increasing year by year. US capacity is 13million tpa of which they produced around 12 million tpa of soda ash and their annual production represents 91% operating rate. The US production is stated to have grown by 1% in 2017 where as domestic demand for soda ash also saw a growth of 1% versus 2016. The total domestic consumption was estimated at around 5 million tpa and they exported 7 million tpa recording 3% growth. 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, in future, US will face competition from Turkey in their traditional markets of South East Asia & Asia Pacific owing to the natural freight advantage that Turkey enjoys over US. In fact US may vacate some of these markets in favour of Turkey in this year.

INDUSTRY OUTLOOK

Global

The world estimated 2017 distribution of soda ash by end use is as under;

Glass	55%
Detergent & Soap formulations	16%
Chemical	9%
Alumina /Metals and mining	6%
Pulp & Paper	1%
Others (Environmental Protection/ Effluent treatment etc.)	13%

Currently, the soda ash world is in a wait and watch mode regarding effect of the Turkish expansion. However, major producers feel that strong demand growth of soda ash in most global regions along with lower activity in China will keep markets balanced. A new development is the tariff imposition on various imports by the US – Soda Ash market watchers in countries from China to EU nations are assessing the situation for possible impact on soda ash downstream sectors and soda ash itself but these are early days. The outlook for Global Demand are being clouded by a feared rise in US trade protectionism.

INDIAN SCENARIO

India's factory output grew at a robust pace for the third straight month, at 7.5% in January, while retail inflation surprisingly slowed for the second consecutive month to 4.4% in February, significantly that the economy may be set on a strong recovery path. In December, the index of industrial production (IIP) grew 7.1%, while consumer price index (CPI) based inflation had slowed to 5.1% in January. The economy regained its momentum in the December Quarter, recovering from disruptions caused by demonetization and implementation of the goods and services tax, to expand to 7.2%, the fastest in five quarters. As regards Soda Ash is concerned, after couple of years Domestic Soda Ash demand has witnessed a growth of 11% in FY 2017-18 as against last year. Indian soda ash markets remain strong with excellent growth in most of the downstream sectors.

Our market estimate indicates that the momentum in the downstream demand growth will remain. The coming fiscal should see stable demand for soda ash with the main drivers being a strong detergent and float glass sector followed by a reasonably silicate and chemical sectors.

The Indian Soda Ash market constitutes of two varieties – Light grade (used in detergent industry) & Dense grade (used in Glass industry), with a share of 60% and 40% respectively. Total installed capacity in India was 3.5 million tpa. With an estimated production of about 3 million tpa in last financial year (2017-18) the capacity utilization was of around 88%.

The total size of the Indian soda ash market is about 3.75 million tpa and almost all the major industry players are located in the state of Gujarat due to the closeness and ready availability of the main raw materials namely limestone and salt.

Sourcing of these Key raw materials like Lime Stone & Salt are posing a major challenge 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 Indian producer of soda ash is well-poised to tap opportunities in both the Detergents & the Glass industries. The total soda ash business contributes about 65% of total Indian standalone revenue.

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

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

Our ongoing 1.25 Lacs MT Brownfield expansion is likely to get completed by Q4 FY19. Going forward we are looking at another Brownfield expansion of 1.25 lacs metric ton to be completed over a period of 2 years. Your company is also aggressively working on Greenfield expansion of 5 lacs MTPA which is likely to be completed in 4-5 years.

OPPORTUNITY AND CONCERNS

The Indian industry suffers from the weaknesses of concentration of 97% capacity in Gujarat and the cost of transport to markets in South and East India, which constitutes about 25% of the National consumption, is high as compared to the ocean freights to South and East India where product is imported from US/China/Kenya and Europe. Currently around 20% of the Indian demand is being met by cheap imports. Import price variance continues to be extremely high.

With the completion of our Sodium Bicarbonate expansion in January 2018, we expect to tap a higher market share of this business. Also our 1.25 Lakh MT brownfield expansion that is likely to complete in Q4FY19 will also propel growth for the company. GHCL has been able to maintain a domestic market share through a combination of market development, pro-active Direct Customer Relationship management Satisfaction Initiatives (CSI) and the speedy response to the needs of the market place.

CONSUMER PRODUCTS BUSINESS:

FMCG sector is one of the biggest sectors in the Indian economy with food and beverages attributing 19% of the segment. Raising awareness, easier access and changing life styles have been the key growth drivers for the sector. The rural FMCG market in India is touted to bloom at a CAGR of 14.6% whilst the urban market is anticipated to rise at 25%. Even though urban markets generate 40% of the revenue of the FMCG segment, the semi-urban and rural markets have blossomed at a noticeably quicker rate. With an ever-increasing demand for branded products in India, Rural consumption has increased owing to an amalgamation of Increasing Incomes and Higher Aspiration levels, which, together, shall sky-rocket the revenues of FMCG companies. An Increased degree of brand consciousness, augmented by an increase in modern retail shall result in the accelerating growth of the organised sector. Online portals are expected to act as the fulcrum for companies attempting to foray into the hinterlands. And at the eye of the storm shall be the Internet, facilitating a largely inexpensive, yet immensely convenient and effective means to increase an organisation's reach.

Our Consumer Products Division (CPD) is looking towards expanding its product portfolio i.e. Salt, Honey, Spices and Powder Spices under the brand i-FLO.CPD ventured into the Premium Honey Category by pioneering the entry of Jujube Honey into Indian market shelves as i-FLO Indian Jujube Honey. Under powdered spices category, Turmeric, Chilli, Coriander & Black Pepper Powder SKUs were introduced. In Blended Spices Powder Category, Sambar Powder, Rasam Powder, Chana Masala, Garam Masala, Chicken Masala, Mutton Masala, Fish Curry Masala, Biryani Masala and Lemon Rice Powder SKUs are in pipeline to hit the stores pretty soon.

Marketing strategies consisting of a plethora of campaigns are being envisioned and devised to reach out to existing as well as prospective buyers in the best possible ways. CPD is also looking at strengthening infrastructure and increasing geographical coverage.

The New Plant at Thiruporur Salt Refinery is now operational and production is in full swing. It is expected to achieve an unparalleled production rate. New vibro screens were introduced at the plant to increase production efficiency even more whilst also spiralling down quality issues. The "Pick Fill and Sealing Machine" (PFS) operation is pneumatic with hydraulic movement and the sequential operations are programmed and controlled by PLC. The processed finished product is untouched by human and packed in standee pouches. It is hygienically handled and packed in secondary carton boxes. GHCL – CPD is the first in India to pack salt variant in fully automated pick fill and seal machine. The machine is installed at a controlled atmosphere with access control with the capacity of 1.5 – 2.0 MTPH. Further, i-FLO triple refined salt manufacturing facility is accredited with "Halal certification" and "ISO 22000:2005" for Food Safety and Quality Management Systems. Also, Mechanization of salt works at Veda Salt Works resulted in a growth in raw salt output for secondary processing.

Given the aforementioned developments, this year is set to be pivotal for GHCL CPD. This year would be defining in GHCL's endeavour to grow into one of the leading FMCG companies in the country. In this strive, we, the CPD shall look to put our best foot forward.

TEXTILES – OUTLOOK & GROWTH

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

Textile and apparel exports from India are expected to increase to US$ 82 billion by 2021 from US$ 37 billion in 2017. Readymade garments remain the largest contributor to total textile and apparel exports from India, contributing 48% of the total. Yarn and made ups were the other major contributors with shares of 14% and 13% respectively.

The Indian Textile Industry contributes to around 10% of industry output in value terms, 2% of India's GDP and to 15% of the country's export earnings. With a production of over 6,000 million kgs, India was the largest producer of cotton in the world in 2016-17. India is also the 2nd largest producer of man-made fiber and filament globally, with a production of over 2 million kgs in 2016-17.

The fundamental strengths of the textile industry in India are i) the abundant availability of raw materials such as cotton, wool, silk and jute, ii) its strong production base of products made with natural fibers like cotton, jute, silk and wool and synthetic / man-made fibers like polyester, viscose, nylon and acrylic, iii) the comparative advantage in terms of skilled manpower (with over 45 million people, the industry is one of the largest source of employment generation in the country) and iv) the cost of production relative to major textile producers in the rest of the world

The Global Bed Linen and Bed Spreads segment under Home Textiles reached 49 billion dollars in 2015 and is projected to increase to US$ 61 billion by 2020. The two largest consumption markets are EU-28 at US$ 17 billion in 2015 (36% share), projected to reach US$ 21 billion by 2020 and the US - 11 billion dollars (24% share) in 2015, projected to reach US$ 13 billion by 2020. India is the second largest supply country with a share of 11% after China, with a share of 39%. Over 25% of the US imports in this industry originate from India.

GHCL - TEXTILES

GHCL Limited has integrated textile manufacturing facilities centering around Spinning on one hand and Home Textiles (Weaving, Processing and Cut & Sew of Bed Textiles) on the other. The Revenue of Textiles division is at Rs. 1046 Crores during the financial year 2017-18 against Rs. 1229 Crores in 2016-17.

GHCL's 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 Integrated well with 1.76 Lakh spindles and 3320 rotors in our Spinning units located in Tamil Nadu. The Home Textiles division has recently increased weaving capacity by 18% and processing capacity by 25%.

Excellent product development capabilities has put GHCL in forefront of major markets internationally, mainly North America, Australia, Middle East, UK and Europe. GHCL has also stepped up its focus on the domestic market and is working with major organized retail stores and brands in India.

The operating performance of the home textiles business faced various industry level challenges like oversupply situation in USA resulting in the drop in the prices as well as margin, impact of GST and demonetisation, reduction in duty drawback etc. However, the Company has strengthened its marketing, product development and operating teams and has altered its focus to work around sustainability and innovation – two areas that are clearly competitive advantage drivers and are likely to see a huge improvement in the proliferation of business across geographies, with better margins, in times to come.

Home textile products of the Company are primarily exported worldwide and some of our valued customers Bed Bath & Beyond, Kohl's, J C Penney, TJX Group, QVC, Casper, Gerber, Burts Bees, Revman International and CHF Industries in the United States, Hudson Bay in Canada, House of Fraser, The White Company and Miles Home Fashions in the UK and Myers, Pillow Talk and Canningvale in Australia.

In keeping with our focus on sustainability and innovation, we have recently launched a sustainable, traceable bedding concept, christened REKOOP. This line comprises of bed sheets, duvet covers and comforters made by blending cotton with recycled polyester made from PET bottles. We have partnered with Reliance Industries Ltd., for sourcing their ecofriendly 'Recron Green Gold Fiber' for this concept and with Applied DNA Sciences in Stony Brook New York, for the molecular tagging of the fiber. "Rekoop" is the first fully source-verified recycled PET bedding product line which uses CertainT, Applied DNA's proprietary traceability system that tags, tests and tracks the original r-PET pellets to finished products. This platform provides customers and brands with the highest level of trust in terms of the authenticity of their products. The customer today is increasingly becoming ecologically conscious and is shifting to making purchase decisions that support the environment

We have also developed another concept called new FABFIT, which aims to reduce the SKUs of Fitted Sheets from 6 to 3, thereby according retailers enhanced shelf space availability, the ability to manage their inventory better and the possibility of increasing the width or depth of their assortment.

GHCL's spinning units in Tamil Nadu are considered to be one of the most efficient and modern yarn manufacturing facilities in India. Spinning units manufacture multiple varieties of yarn ranging from 100% cotton to other blended yarns. The overall yarn market is showing buoyant demand with positive indications from export markets as well. We are gradually moving towards developing Value Added Capabilities that will make this business even more sustainable.

OPPORTUNITIES, THREATS AND RISK MITIGANTS

Rising government focus and favourable policies is leading to growth in the industry. 100% FDI, under the automatic route, is allowed in the sector and US$ 140 billion worth of foreign exchange investments are expected. Under the Union Budget 2018-19, Government of India allocated around US$ 1.1 billion for the textile industry. Huge investments are being made by the government under the Scheme for Integrated Textile Parks (SITP) to the tune of US$ 185 million and the Technology Upgradation Fund Scheme (TUFS) to the tune of US$ 216 million, to encourage more private equity and to train workforce.

A further opportunity for India could come by with the Trump administration's recently released list of Chinese products representing about US$ 50 billion worth of annual imports to the US, which will be subject to punitive tariffs.

India Home Textile continues to remain under the pressure of oversupply situation from domestic suppliers and we believe it will take some time for the industry to come up to optimum capacity Utilisation levels.

INTERNAL CONTROLS AND RISK MANAGEMENT

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

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

HUMAN RESOURCE DEVELOPMENT IN GHCL

The Company has 3992 employees on its permanent rolls as on 31st of March 2018, each committed towards discharging their roles and responsibilities to enable the organization to meet its short and long term objectives. The employees of GHCL have always been willing to go an extra mile to bring in process improvements, innovation and creativity at work place and improve upon cost and time management. In the year 2017-18, employees were successful in completing many projects and process initiatives resulting in higher work efficiency within the organization. In order to improve the employability of its people, the Organization provided various avenues to learn and experiment which resulted in, greater job satisfaction and motivation among the workforce.

The Human Resource function over the last few years has been relentlessly working towards making GHCL the best place to work for its employees. GHCL has been certified as the **'16th Great Place to Work' in manufacturing sector in India in 2018**. This achievement has motivated us to work even harder in order to achieve greater heights

The year 2017-18 witnessed the organization sparing no measures in upholding its values in all its thoughts, activities and transactions internally or in dealing with its external stakeholders or the society in general. The four core values, **Respect, Ownership, Trust and Integrated Teamwork** have been the guiding principles for the HR function also while conducting all people related operations and these values have contributed tremendously in creating a unique organizational culture and corporate identity for GHCL. As a practice, we regularly revisit our existing policies so that they are in sync with our values as well as the law of the land.

We have taken a lead in the market in creating a culture which has become our USP by virtue of HR practices which have been adopted in the last few years. We are constantly making efforts to step up and our endeavor is to strengthen our USP i.e. our culture so that it gives us immense support in making GHCL formidable in the business market. All such practices that contribute to our Values & beliefs are being provided due support through various practices.

To reinstate the practice of propagating our Core Values and motivating employees to follow them, the employees who exhibit the core values in their behavior are identified as Core Value champions and are rewarded suitably. To reach to such a conclusion, the HR function undertakes organization-wide survey on Core Value adherence twice a year and the top scorers are rewarded subsequently. Further to this, the organisation also assimilates feedback from external business associates, i.e. its customers and vendors on GHCL core values as well.

GHCL has also created a level playing field for itself by introducing digitization of its Human Resource practices. We already have an Employee Self Service portal for building efficiency and limiting the use of natural resources like paper. Additionally, recruitment and selection process and Performance Management System have been digitized to a great extent to build efficiency and bring transparency into the system.

Learning & Development is another key focus of our Human Resource department. To promote sustainability in human processes and meet talent demands in future, we have undertaken the process of identifying talent and grooming them for future leadership positions. This will help in building efficiency in the day to day running of the organization and the benefits can be reaped in years to come.

HR also played a pivotal role during the year in the propagation of the Mission and Vision of the company. The Mission and Vision was rolled out through different mediums in order to create a clarity and alignment in the minds of all the employees of GHCL. Various training programs were organized on serviceability and collaboration throughout the year. Through these programs, the employees were encouraged to think beyond profit earning and towards sustainability by building competencies of serviceability and collaboration. This has inspired them to adopt a stakeholder friendly approach, for both internal as well as external customers. For providing such programs, the HR function identified the best faculty and training agencies based on their credentials and experience in delivering successful programs in similar organizations.

GHCL being an employee centric organization supports not only its employees but also extends full support to their family by providing financial support for the professional education of their employees' children. In case of deceased employees, the company provides financial assistance to the dependents and provides education to support their children's' education.

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

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

GHCL's HR function remains open to adopting new and innovative HR initiatives which have been proved effective in successful organizations or develop such initiatives on its own to maintain company's human capital as willing and competent to contribute towards achieving its business objectives. The strategy of HR function is always aligned with the long term business strategy of the organization and almost all HR initiatives are developed keeping that aspect in mind. To sum up, the human resources function has been, during the year 2017-18, able to provide strategic HR support to the organization as well as the individual employees in a very effective way. The HR function is committed to improve all its processes based on the results and feedback and ensure that its manpower remains its greatest asset.

CSR Initiatives

GHCL Foundation Trust has been involved with various developmental initiatives at various locations in and around our business establishments. GHCL Foundation influences the lives and livelihood of over 40000 households in the 99 villages. During the year, it has also made efforts to go beyond the area of its business interest so as to usher in a development design that will impact many more households in future.

The need-based intervention of GHCL Foundation Trust follows a strategic and programmatic focus. The work is carried on across areas of education, community health, vocational training, and livelihood. The Foundation works with children in schools, women and men in agriculture and animal husbandry and with households and village governance units in areas like drinking water and sanitation.

Education programs are being run across all the four locations with varying degrees of intensity and programmatic focus. We work with children from the pre-school level to higher secondary level. Limestone mining laborers and their children are the main target segment for site schools. In the year 2017-18, total 118 students have benefited from these site schools. Regular schooling has begun for more than 80 students by enrolling them in nearby schools. Introduction of remedial classes is a new approach towards education where the programme has been designed to enrich learning. This education program in Sutrapada has impacted a total of 5343 students and 191 students in the Salt division.

Our skill training institutes provide training to the youth and make them employable. We have been able to ensure that these trained youth obtain skilled jobs in industries and contribute to the income of their households.

In FY 2017-18, in Jafrabad VTC,166 students were enrolled, out of which, 66 students were suitably placed; in Vapi 98 students were trained out of which 79 students were placed; in Kaprada, 276 students were trained and 155 placed.

Health initiatives continue along the preventive and curative front. On the preventive front, our company has carried out a massive drive to ensure that households have access to toilets. GHCL has been recognized as the largest contributor to this movement not just in the district but also in the region. In FY 17-18, GHCL covered 707 families under sanitation programme. 250 toilet units were constructed in the Salt division, 150 units in lignite division and 140 units at the Vapi location. Besides, the Foundation also conducted hygiene awareness trainings for users in Sutrapada.

GHCL also worked towards ensuring the supply of potable drinking water through piped community-managed water systems. Through this single intervention, we reached a significant population and have worked on their preventive point. Women acknowledged that such interventions have reduced their drudgery and have given them the dignity that they deserve. In 2017-18, the Foundation constructed total 351 RRWHS units; 251 in Sutrapada and 100 RRWHS in Salt division.

On the curative front, the Mobile Clinics continue to reach out to the villagers almost on a weekly basis. During the reporting year, MMUs reached 18780 patients in Sutrapada, 11150 patients in the salt division and 32 patients in lignite division.

We also conducted eye camps and camps to identify diseases among women and the elderly. A total of 1243 people participated in the eye camps, of which 286 people were sent for cataract surgery. 4268 patients benefited from our weekly clinic initiative at lignite division.

Early detection of cancer in married women has now become a full-fledged campaign in Sutrapada, Rajula location. Early detection of cancer in rural women helps to mitigate the risk. In 17-18, a total of 140 camps were arranged where 4511 females were scanned, of which 331 females were sent to referral camps.1264 females participated in cancer camps at the salt division.

Our efforts in agriculture particularly at the farm gate have continued unabated and have reached all the locations in Sutrapada. We have carried out supplies of organic manure; reached farmers through micro irrigation schemes; plantation of horticulture species like coconut and mangoes, promotion of micronutrient, promotion of bio-pesticide. In 17-18, the foundation could arrange for 15 exposure visits for farmers. Foundation has also helped the farmers get organic manure to improve soil fertility. A total of 16000 organic manure bags have been dispatch in the reporting year. Moreover, 200 farmers have been given agricultural demonstrations so that they experiment with new varieties of seeds in their fields. Foundation has distributed 29637 saplings for horticulture promotion. In order to promote bio-pesticide, the foundation has sold 6226 agriculture innovation kits which contain the bio-pesticide, micronutrient product and fungal resistant products. Besides, in 17-18, the foundation gave 2000 kitchen garden kits to farmers to improve their level of nutrition.

We ensured breed improvement initiatives through artificial insemination programme and conducted cattle health camps. Our endeavor is to build the inherent capacity of the farmers through knowledge transfer and training. GHCL also extended its support to the promotion of entrepreneur model for subsidy-based input supply for animal husbandry activity. A total of 48 animal treatment camps were organised where 27873 animals were treated. For breed improvement programme, the foundation facilitated Artificial insemination of 1586 animals. The Foundation also provided fodder seed support to 751 farmers and 513 farmers were given supplementary nutrition product.

In almost every initiative, we engaged with various government departments. GHCL Foundation is associated with Sir Ratan Tata Trust, the CADP unit of the Government, the State Rural Development Department for implementing the Swachh Bharat Mission, the Gujarat Green Revolution Company for reaching out to farmers, and with Water Saving Technologies and solution. The Foundation has successfully promoted drip irrigation to 250 farmers which covered 171 hectors of land and sprinkler irrigation to 800 farmers which covered 613 hectors of land.

During the year, GHCL Foundation hired services of National experts (PWC) to look into and conduct an evaluation of its CSR initiatives. The findings were encouraging and provided us with a scope to enlarge the programme in future. Besides, the Foundation also carried out baseline survey for animal husbandry projects in order to enhance the capacity of the project. This year, the foundation has expanded their working area to Madurai (Tamil Nadu) and Kaprada (Vapi). The process was initiated because of the need assessment of the location conducted by PWC. The CSR activities will start from the next year based on the suggestions of the need assessment report.

The year has also been quite rewarding for us. The work done during the year has yielded significant results and recognition. The GHCL Foundation Trust bagged the prestigious Golden peacock award for corporate social responsibility under the Chairmanship of Justice (Dr.) Arijit Pasayat, former Judge, Supreme Court of India.

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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

1. Company's Philosophy on Code of Corporate Governance

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

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

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

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

The credential of the Company in the field of Corporate Governance, CSR, Sustainability, Quality Product and Value Systems are recognised by various independent institutions and the same is evidenced from the following awards:

(i) Special Commendation for Golden Peacock Award for Excellence in Corporate Governance for the year 2017.

(ii) Golden Peacock Award for Corporate Social Responsibility – 2017 for the year 2017.

(iii) GHCL Limited has been declared as the Winner of 'Golden Peacock National Quality Award' for the year 2018.

(iv) GHCL Limited achieved 16th rank in Great Place to Work survey among India's Great Place to Work manufacturing sector.

(v) The President of Association Otherways Management & Consultancy France, certify that GHCL Limited has been selected to receive the Green Era Award for Sustainability.

2. Board of Directors

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

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

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

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

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

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

2.1 Composition:

The Composition of the Board as on March 31, 2018 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2018			
Category	**Name of Directors**	**No. of Directors**	**% of total number of Directors**
Promoter - Non Executive Director	Mr. Sanjay Dalmia	3	27.27%
	Mr. Anurag Dalmia		
	Mr. Neelabh Dalmia		
Non - Executive - Independent Director	Dr. B C Jain	6	54.55%
	Mrs. Vijaylaxmi Joshi		
	Mr. K C Jani		
	Mr. G. C. Srivastava		
	Mr. Mahesh Kumar Kheria		
	Mr. Lavanya Rastogi		
Managing Director / Executive Director	Mr. R S Jalan – Managing Director	2	18.18%
	Mr. Raman Chopra – CFO & Executive Director (Finance)		
	Total No. of Directors	**11**	**100%**

Note: During the year, Mr. Sanjiv Tyagi, one of the Independent Director of the Company, has ceased from the directorship of the Company with effect from October 24, 2017, as per the provisions of Section 167(1) read with Sections 164 (2) of the Companies Act, 2013 on account of his disqualification in other companies.

The Board of GHCL Limited is having an optimum combination of executive and non-executive directors and the Board consists of 11 Directors, 9 of whom are Non - Executive Directors 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 6 Independent Directors. All of the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

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

With an objective to ensure maximum presence of our Independent Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item 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, 2018, four Board Meetings were held on May 20, 2017, July 29, 2017, October 24, 2017, and January 31, 2018. 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, 2018 is given herein below:

Sl. No.	Name	Date of Board Meeting & Attendance				AGM Attendance (June 29, 2017)
		May 20, 2017	July 29, 2017	October 24, 2017	January 31, 2018	
1	Mr. Sanjay Dalmia	No	Yes	Yes	Yes	No
2	Mr. Anurag Dalmia	Yes	Yes	Yes	Yes	No
3	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes
4	Dr. B C Jain	Yes	Yes	Yes	Yes	Yes
5	Mr. G. C. Srivastava	Yes	Yes	Yes	Yes	No
6	Mrs. Vijaylaxmi Joshi	Yes	Yes	Yes	Yes	No
7	Mr. Mahesh Kumar Kheria	Yes	Yes	Yes	Yes	No
8	Mr. Sanjiv Tyagi	Yes	Yes	N/A	N/A	No
9	Shri K C Jani	Yes	Yes	Yes	Yes	Yes
10	Shri Lavanya Rastogi	Yes	Yes	No	Yes	No
11	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes
12	Mr. Raman Chopra	Yes	Yes	Yes	Yes	Yes

Note:

1. The word N/A denotes that person was not a member of the Board of the Company at the date of the relevant Board Meeting.
2. Mr. Sanjay Dalmia and Mr. Anurag Dalmia, directors retiring by rotation and are eligible for re-appointment. The Board of Directors in their meeting held on January 31, 2018, had re-appointed Mr. Raman Chopra as CFO & Executive Director (Finance) of the Company for a period of five years with effect from April 1, 2018, subject to the approval of the shareholders. 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, 2018 and the same is reproduced herein below:

Sl. No.	Name of the Director	Director Identification Number (DIN)	No. of Directorship in other Indian Public Limited Companies*	No. of committee positions held as Chairman in other Public Companies**	No. of Committee positions held as Member in other Public Companies**
1	Mr. Sanjay Dalmia	00206992	-	-	-
2	Mr. Anurag Dalmia	00120710	-	-	-
3	Mr. Neelabh Dalmia	00121760	-	-	-
4	Dr. B C Jain	00319666	-	-	-
5	Mr. K C Jani	02535299	1	-	-
6	Mr. Mahesh Kumar Kheria	00161680	-	-	-
7	Mr. G. C. Srivastava	02194331	1	-	-
8	Mr. Lavanya Rastogi	01744049	1	-	-
9	Mrs. Vijaylaxmi Joshi	00032055	1	-	1
10	Mr. R S Jalan	00121260	-	-	-
11	Mr. Raman Chopra	00954190	1	-	-

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

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

During the financial year ended March 31, 2018, the Company has not entered into any material transactions with its Non-Executive Directors except related party transactions which are reported in annual report. The Company has also received declaration from Independent Directors confirming their independence, accordingly requirement of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations are duly complied with.

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

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

2.2 Independent Directors' Meeting

During the year under review, the Independent Directors met on January 31, 2018, 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. Mr. Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He is also the Chairman of the Project Committee and a member of Nomination & Remuneration Committee of the Company.

Mr. Anurag Dalmia:

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

Mr. Neelabh Dalmia:

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

Dr. B C Jain

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

Mr. G C Srivastava

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

Mr. Mahesh Kumar Kheria

Mr. Mahesh Kumar Kheria (DOB – July 18, 1955) is a Non-Executive Independent Director of the Company. He is a Director of the Company since February 27, 1998. Mr. Kheria is a graduate in commerce and his area of specialization is Finance & Marketing. He has very wide industrial experience and long association with the Company. Mr. Kheria is the Chairman of the Stakeholders Relationship Committee and CSR Committee and also a member of the Risk Management Committee of the Company. He was a member of the Audit Committee of the Company till July 29, 2017. Mr. Kheria is also the Ombudsperson to administer and effectively implement the “Whistle Blower Policy” of the Company.

Mr. K C Jani

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

Mr. Lavanya Rastogi

Mr. Lavanya Rastogi (DOB – March 8, 1981) is a Non-Executive Independent Director of the Company. He is a Director of the Company since November 24, 2014. A distinguished alumnus of Harvard Business School, Lavanya is a thought leader in the field of entrepreneurship, leadership and global economy. Currently he is CEO of LV Futures Group - a diversified group with investments in areas of IT, Digital Media, Sports, Real Estate, Education & Health Care, headquartered in USA. In 2009, Academy for Global Business Advancement (AGBA) awarded him the “Distinguished Young Entrepreneur Award”. He has been an active face in many trade association and industry chambers including NASSCOM, North Carolina Technology Association (NCTA), FICCI, Austin Technology Council (ATC), Entrepreneurs’ Organization (EO), India American Chamber of Commerce (IACCGH), World Affairs Council of Houston, etc. He is a member of Business Strategy & Planning Committee of the Company.

Mrs. Vijaylaxmi Joshi

Mrs. Vijaylaxmi Joshi (DOB – August 1, 1958) is a Non-Executive Independent Director of the Company. She is a Director of the Company since April 20, 2017. Mrs. Vijaylaxmi Joshi is a 1980 batch IAS officer of the Gujarat cadre and she had served in various posts in the State and in the Centre including Joint and Additional Secretary in the Commerce Ministry; Secretary in the Ministry of Panchayati Raj. She had also been appointed as Officer on Special Duty in the Ministry of Drinking Water and Sanitation. Lastly, she was head of the Swachh Bharat Abhiyan, the Clean India programme. Under State level, she had also been deputed as Managing Director of Government Company such as Gujarat Mineral Development Corporation Ltd. At present, Mrs. Joshi is also a Director on the Board of Adani Enterprises Limited. She is a member of the Audit Committee of the Company w.e.f. July 29, 2017.

Mr. R S Jalan

Mr. R S Jalan (DOB - October 10, 1957) is Managing Director of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Corporate Finance and Textiles business. Mr. R S Jalan has more than three decades of Industrial experience. He is the Chairman of Compliance Committee and also a member of Stakeholders Relationship Committee, Banking & Operations Committee, CSR Committee, Business Strategy & Planning Committee 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 29 years of Industrial experience. Before elevated to Executive Director (Finance) with effect from April 1, 2008, he was CFO of the

Company from October 30, 2007. Before taking charge of finance, he had successfully established the Home Textile plant at Vapi. He is a member of Compliance Committee, Stakeholders Relationship Committee, Banking & Operations Committee, Business Strategy & Planning Committee 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, 2018, there were four independent directors having expertise in financial and accounting areas, as members of the Committee. Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. During the year, the Board had reconstituted the Audit Committee in their meeting held on July 29, 2017 and accordingly adequate intimation was given to the Stock Exchanges in this regard. Mr. Bhuwneshwar Mishra, Secretary of the Company acts as Secretary to the Committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors.

Terms of Reference:

The role of the Audit Committee shall include the following:

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

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

c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;

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

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

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

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

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

h. Scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

During the financial year ended March 31, 2018, the Audit Committee of the Board met four times and the gap between any two meetings of the Audit Committee is not more than 120 days, ensuring compliance with the requirement of Regulation 18 of the Listing Regulations and the Companies Act 2013. The adequate quorums were present at every Audit Committee Meeting. The Composition of Audit Committee and attendance of members at the meetings are given herein below:

	Name of the Audit Committee Members				
	Dr. B C Jain -Chairman of the Committee	Mrs. Vijaylaxmi Joshi	Mr. K C Jani	Mr. G C Srivastava	Mr. Mahesh Kumar Kheria
Category	Independent Director (Expertise in Finance, Banking & Accounting)	Independent Director - (Ex –IAS)	Non-Executive - Independent Director (Expertise in Finance, Banking & Corporate Governance)	Independent Director (Expertise in Tax & Accounting)	Independent Director (Expertise in Finance & Marketing)
Date of the Meeting					
May 20, 2017	Yes	N/A	Yes	Yes	Yes
July 29, 2017	Yes	N/A	Yes	Yes	Yes
October 24,2017	Yes	Yes	Yes	Yes	N/A
January 31, 2018	Yes	Yes	Yes	Yes	N/A
Whether attended Last AGM (Yes/No)	Yes	No	Yes	No	No

Note:

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

2. The Board of Directors had reconstituted the Audit Committee in their meeting held on July 29, 2017 and appointed Mrs. Vijaylaxmi Joshi as a member of the Committee in place of Mr. Mahesh Kumar Kheria.

The Company has complied with the requirements of Regulation 18 of the Listing Regulations as regards composition of the Audit Committee. Dr. B C Jain, Chairman of the Audit Committee is a qualified Chartered Accountant and an expert in Finance, Banking and Accounting. He was present in the 34th Annual General Meeting held on June 29, 2017 to answer the queries of shareholders.

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

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

(ii) Nomination & Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Nomination & Remuneration Committee of the Company was constituted as early as in 1995. Nomination & Remuneration Committee of the Board is constituted as per Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2018, Nomination & Remuneration Committee comprises of three non-executive directors including two Independent Directors and also the Chairman of this Committee is an Independent Director.

During the year, Mr. Sanjiv Tyagi, one of the members of the Committee, ceased from the directorship of the Company with effect from October 24, 2017 and accordingly, he also ceased from the membership of the Nomination

& Remuneration Committee. The Board decided not to appoint any other directors as a member of the Committee in his place as the existing composition is in line with the statutory requirements even after cessation of Mr. Sanjiv Tyagi. Accordingly, adequate intimation was given to the Stock Exchanges in this regard.

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

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

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

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

During the financial year ended March 31, 2018, the Nomination & Remuneration Committee met three times on May 20, 2017, October 24, 2017 and January 31, 2018. The Nomination & Remuneration Committee of the Board comprises of Non-Executive Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE NOMINATION & REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2018

	Name of the Nomination & Remuneration Committee Members			
	Mr. K C Jani – Chairman of the Committee	Mr. Sanjay Dalmia	Dr. B C Jain	Mr. Sanjiv Tyagi*
Category of Director	Non-Executive - Independent Director (Expertise in Finance, Banking & Corporate Governance)	Non- Executive Director (Industrialist)	Non - Executive - Independent Director (Expertise in Finance Banking & Accounting)	Non -Executive - Independent Director (Expertise in Management)
Date of the Meeting				
May 20, 2017	Yes	No	Yes	Yes
October 24, 2017	Yes	Yes	Yes	N/A
January 31, 2018	Yes	Yes	Yes	N/A
Whether attended Last AGM (Yes/ No)	Yes	No	Yes	No

Note:

*Mr. Sanjiv Tyagi, one of the members of the Committee, ceased from the directorship of the Company with effect from October 24, 2017 and accordingly, he also ceased from the membership of the Nomination & Remuneration Committee.

Remuneration Policy:

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

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

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

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

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

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

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

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

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

Details of remuneration, commission and sitting fee paid/ payable to the Directors of the Company for the financial year ended March 31, 2018 are given below:

Non-Whole time Directors		**(in Rupees)**
Name	**Sitting Fees**	**Commission**
Mr. Sanjay Dalmia	2,00,000	60,00,000
Mr. Anurag Dalmia	1,60,000	50,00,000
Mr. Neelabh Dalmia	2,00,000	40,00,000
Dr. B. C. Jain	4,80,000	28,00,000
Mr. G. C. Srivastava	3,60,000	25,00,000
Mrs. Vijaylaxmi Joshi	2,80,000	24,00,000
Mr. Sanjiv Tyagi	1,60,000	-
Mr. Mahesh Kumar Kheria	2,80,000	24,00,000
Mr. K C Jani	4,80,000	27,00,000
Mr. Lavanya Rastogi	1,60,000	20,00,000
TOTAL	**27,60,000**	**2,98,00,000**

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

Managing Director / Whole Time Director (in Rupees)			
Name	**Salary and other perquisites**	**Commission**	**Total**
Mr. R S Jalan, Managing Director	3,02,80,167	5,25,00,000	8,27,80,167
Mr. Raman Chopra, CFO & Executive Director (Finance)	1,66,46,240	3,10,00,000	4,76,46,240
Total	**4,69,26,407**	**8,35,00,000**	**13,04,26,407**

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

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

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

Performance Evaluation:

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

The performance of the independent directors was evaluated by the entire Board except the person being evaluation in their meeting held on January 31, 2018. 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 31, 2018, 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:

The Board had constituted the Stakeholders Relationship Committee. The committee expedite the process of redressal of complaints like non-transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. The committee regularly viewed the complaints filed online at SEBI Complaints Redressal System (SCORES) and action taken report (ATR) thereon. Generally the Committee meet once in a week to expedite all matters relating to Shareholders / Investors Grievances received and pending during the previous week. Total fifty meetings of the Stakeholders Relationship Committee were held during the financial year ended March 31, 2018.

The composition of Committee as on March 31, 2018 is as under:

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

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

Status of total complaints received (including 6 complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2018:

Sl. No.	Type of Complaints	No. of Complaints pending as on March 31, 2017	Total No. of Complaints received during the financial year ended March 31, 2018	Total No. of Complaints resolved during the financial year ended March 31, 2018	No. of Complaints pending as on March 31, 2018
1	Non-receipt of dividend	0	29	29	0
2	Share transfer including Demat request	1	4	5	0
3	Non receipt of Annual Report	0	1	1	0
	Total	**1**	**34**	**35**	**0**

Note: There is no complaint pending as on March 31, 2018. However, there might be some complaints pending at court or at the end of shareholders due to non-submission of the information desired by RTA.

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

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

(iv) Banking and Operations Committee

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

The composition of the Banking and Operations Committee as on March 31, 2018 is as under:

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

(v) Project Committee

This Committee was constituted to review and recommend proposals relating to new projects, expansion, modernization, diversification, acquisitions, various kind of compromise, arrangement or amalgamation, restructuring of business of the Company and/or its subsidiaries. The composition of the Project Committee as on March 31, 2018 is as under:

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

(vi) Corporate Social Responsibility (CSR) Committee & CSR activities

The Board of Directors had voluntarily constituted the Corporate Social Responsibility (CSR) Committee in their meeting held on January 28, 2013. Subsequently it is made mandatory, pursuant to Section 135 of the Companies Act, 2013. This Committee was constituted to strengthen and monitor CSR policy of the Company. Further, CSR Committee of the Board meets the criteria prescribed by Section 135 of the Companies Act, 2013, which states that every CSR Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an Independent Director. The Board of Directors had reconstituted the CSR Committee in their meeting held on October 24, 2017 and appointed Mr. Mahesh Kumar Kheria as the Chairman of the Committee in place of Mr. Sanjiv Tyagi. Accordingly, adequate intimation was given to the Stock Exchanges in this regard.

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. The CSR initiatives of the Company has been recognised by the independent institution and awarded 'Golden Peacock Award for Corporate Social Responsibility' for the year 2017.

During the financial year ended March 31, 2018, the CSR Committee met only once on May 18, 2017. The CSR Committee of the Board comprises of following three Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2018				
	Name of the CSR Committee Members			
	Mr. Mahesh Kumar Kheria Chairman of the Committee	Mr. Neelabh Dalmia	Mr. R S Jalan	Mr. Sanjiv Tyagi
Category of Director	Independent Director (Expertise in Finance & Marketing)	Non-executive Director (Expertise in Finance & Industry)	Managing Director (Specialization in Operations, Finance, Marketing & HR)	Non- Executive - Independent Director (Expertise in Management)
Date of the Meeting				
May 18, 2017	N/A	Yes	Yes	Yes

Note: *Mr. Sanjiv Tyagi has been ceased from the directorship of the Company with effect from October 24, 2017 and accordingly, he also ceased from the CSR Committee. The Board had appointed Mr. Mahesh Kumar Kheria as the Chairman of the Committee in his place.

(vii) Compliance Committee

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

During the financial year ended March 31, 2018, the Compliance Committee met on April 13, 2017. The Compliance Committee of the Board comprises of following members including three Directors & one Company Secretary and the details of meeting attended by the members are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE COMPLIANCE COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2018				
	Name of the Compliance Committee Members			
	Mr. R S Jalan - Chairman	Mr. Neelabh Dalmia	Mr. Raman Chopra	Mr. Bhuwneshwar Mishra
Category of Members	Managing Director (Specialization in Operations, Finance, Marketing & HR)	Non-executive Director (Expertise in Finance & Industry)	CFO & Executive Director (Finance)	Sr. General Manager and Company Secretary
Date of the Meeting				
April 13, 2017	Yes	Yes	Yes	Yes

(viii) Business Strategy & Planning Committee

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

The Business Strategy & Planning Committee of the Board comprises of five Directors comprises of Executive & Non-executive Directors. The composition of the Business Strategy & Planning Committee as on March 31, 2018 is as under:

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

(ix) Risk Management Committee

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

The composition of the Risk Management Committee as on March 31, 2018 is as under:

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

4. General Body Meeting:

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

Financial Year	Date	Time	Venue
2016-17	June 29, 2017	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2015-16	July 19, 2016	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2014-15	July 23, 2015	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
34th AGM	June 29, 2017	No Special Resolution
33rd AGM	July 19, 2016	No Special Resolution
32nd AGM	July 23, 2015	a) Approval of Employees Stock Option Scheme 2015 & Issue of Securities. b) Approval of extending benefits of Employees Stock Option Scheme- 2015 to the employees of subsidiary/associate company(ies).

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

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2017-18, 2016-17 and 2015-16.

(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 34th Annual General Meeting. All the 7 resolutions were passed with the requisite majority by combined result of the Remote e-voting and polls through ballot paper of the shareholders.

5. Means of communication:

PUBLICATION OF UNAUDITED QUARTERLY / HALF YEARLY RESULTS AND RELATED MATTERS							
Sl. No.	**Particulars**		**Quarter - I**	**Quarter - II**	**Quarter - III**	**Quarter - IV**	**Financial Year ended March 31, 2018 (Audited)**
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 31, 2017	October 25, 2017	February 1, 2018	April 26, 2018	April 26, 2018
		The Hindu - Business Line	July 31, 2017	October 25, 2017	February 1, 2018	April 26, 2018	April 26, 2018

PUBLICATION OF UNAUDITED QUARTERLY / HALF YEARLY RESULTS AND RELATED MATTERS							
Sl. No.	**Particulars**		**Quarter - I**	**Quarter - II**	**Quarter - III**	**Quarter - IV**	**Financial Year ended March 31, 2018 (Audited)**
2	Vernacular Newspapers in which quarterly results were published / to be published	The Economic Times – Gujarati	July 31, 2017	October 25, 2017	February 1, 2018	April 26, 2018	April 26, 2018
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, 2018 (Audited)**
	Name of Stock Exchange(s)	**Website Address(es)**	**Date of Filing of Results**				
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	July 29, 2017	October 24, 2017	January 31, 2018	April 25, 2018	April 25, 2018
	BSE Limited (BSE)	www.bseindia.com	July 29, 2017	October 21, 2017	January 31, 2018	April 25, 2018	April 25, 2018
5	Presentation made to institutional investors or to the analysts	During the year under review, conference call and /or Investors meeting were facilitated on May 22, 2017, July 31, 2017, October 24, 2017 and February 2, 2018, to discuss the financials and / or other business update of the Company, with the investors / analysts. Copy of the presentation and /or transcripts, wherever available regarding said Investors' conference / meetings held with the management were filed with the Stock Exchanges and the same were also uploaded with the website of the Company.					

6. General shareholder's Information:

GENERAL SHAREHOLDER INFORMATION				
Sl. No.	**Particulars**	**Details**		
1	Annual General Meeting	Thursday, May 31, 2018	9.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380006
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2018)	By 2nd week of August 2018		
	Financial Reporting for - Quarter - II (ending September 30, 2018)	By 2nd week of November 2018		
	Financial Reporting for - Quarter - III (ending December 31, 2018)	By 2nd week of February 2019		
	Financial Reporting for - Quarter - IV (ending March 31, 2019)	By 4th week of May 2019		
	Financial Year of the Company is for a period of 12 months commencing from 1st April and ending on 31st March.			
3	Date of Book Closure	Friday, May 25, 2018 to Thursday , May 31, 2018 (both days inclusive)		
4	Dividend Payment Date	Dividend of Rs.5.00 per share (i.e. 50% on the paid-up capital) will be paid on or after Monday, June 4, 2018, if approved by the members in the ensuing Annual General Meeting.		

GENERAL SHAREHOLDER INFORMATION				
Sl. No.	Particulars	Details		
5	Listing on Stock Exchanges	Name & Address of Stock Exchanges	Stock Code	ISIN WITH NSDL & CDSL
		BSE Limited, (BSE) Phiroze, Jeejeebhoy, Dalal Street, Mumbai - 400 001	500171	INE 539 A01019
		National Stock Exchange of India Limited, (NSE) "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019
6	Listing fees:	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2018		
7	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited, C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083.Tel No: +912249186000 Fax: +912249186060 (Email : rnt.helpdesk@linkintime.co.in)		
8	**Outstanding GDRs / ADRs / Warrants or any convertible instruments:**			
	Not applicable			
9	**Commodity price risk or foreign exchange risk and hedging activities:**			
	Senior management monitors commodity price risk & foreign exchange risk and based on the expert advice takes step for hedging.			
10	**Address for Correspondence**			
	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or annual report or any other query relating to shares be addressed to ***Link Intime India Private Limited, C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083.Tel No: +912249186000 Fax: +912249186060 (Email : rnt.helpdesk@linkintime.co.in***)			
	For General Correspondence: **GHCL Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-39324100, Fax: 079-26423623 (Email : secretarial@ghcl.co.in)**			
11	**Dematerialization of Shares and Liquidity:** 96.98% of the Company's total equity shares representing 9,44,83,488 equity shares were held in dematerialized form as on March 31, 2018. After buyback of equity shares & allotment of equity shares against Stock Option, total paid-up capital of the Company as on March 31, 2018 is 9,74,23,286 equity shares of Rs. 10 each. The trading in the Company's shares is permitted only in dematerialized form with effect from October 28, 2000 as per notification issued by SEBI.			
12	As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/ re- appointment are given in Notice to the ensuing Annual General Meeting.			

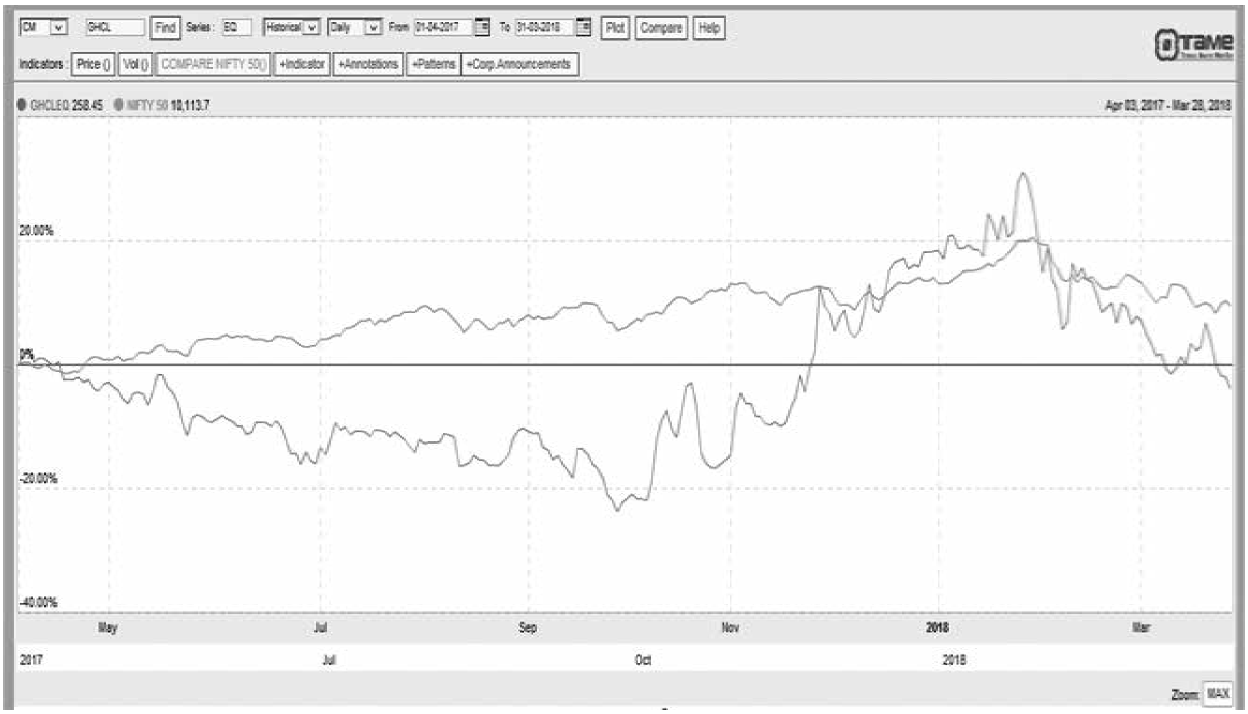
7. Corporate Benefits to Shareholders

Dividend declared for last 10 years		
Financial Year	**Dividend**	**Dividend (Rs. per Share)**
2007-08	24.00%	2.40
2008-09	20.00%	2.00
2009-10	20.00%	2.00
2010-11	20.00%	2.00
2011-12	20.00%	2.00
2012-13	20.00%	2.00
2013-14	20.00%	2.00
2014-15	22.00%	2.20
2015-16	35.00%	3.50
2016-17	50.00%	5.00*
*Interim dividend @ Rs.1.50 per share & Final dividend @ Rs. 3.50 per share.		
Equity share of paid up value of Rs. 10 per share.		

8. **Month-wise stock market data (BSE & NSE) relating to equity shares of the company for the financial year ended March 31, 2018**

MARKET PRICE DATA						
Month of the financial year 2017-18	BSE, MUMBAI			NSE, MUMBAI		
	Share Price			Share Price		
	High	Low	Traded Quantity	High	Low	Traded Quantity
April 2017	279.00	256.30	6,02,225	279.70	256.25	32,70,865
May 2017	266.50	231.95	11,35,337	266.85	235.00	47,82,232
June 2017	250.25	225.00	8,03,794	249.95	224.00	24,26,330
July 2017	247.00	227.30	3,89,988	246.80	227.50	32,67,600
August 2017	245.55	219.15	5,84,596	246.00	217.80	39,58,605
September 2017	243.00	203.65	7,87,676	242.80	204.00	46,14,612
October 2017	265.90	209.00	56,96,801	266.50	209.00	2,91,32,066
November 2017	314.05	228.00	59,10,060	314.40	228.60	3,68,60,430
December 2017	324.00	277.70	30,74,742	324.40	278.10	1,90,88,853
January 2018	357.50	305.00	29,07,084	357.40	304.00	1,56,76,131
February 2018	321.05	267.60	13,65,026	321.00	266.60	65,96,057
March 2018	293.00	256.00	89,25,904	293.35	256.00	1,05,58,683

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



10. Shareholders Reference

Unclaimed Dividend

Pursuant to Section 124 of the Companies Act, 2013 read with provisions of Investors Education & protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016 (as amended), all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, 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/Investors/Shareholders Information/Transfer of Equity Shares to IEPF.

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 2009-10 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 2009-10. The Company used to send individual reminders to all the members at their registered address whose dividend have remained unclaimed, before transferring the monies to the IEPF. The information on unclaimed dividend is also posted on the website of the Company.

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

Financial Year	Date of Meeting	Due for Transfer to IEPF
2010-11	02-09-2011	September 2018
2011-12	20-09-2012	September 2019
2012-13	26-09-2013	September 2020
2013-14	21-08-2014	August 2021
2014-15	23-07-2015	July 2022
2015-16	19-07-2016	July 2023
2016-17 (Interim Dividend)	31-01-2017	January 2024
2016-17 (Final Dividend)	29-06-2017	June 2024

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2018

No. of Shares held of Rs. 10 each between		No. of share-holders	% of total share-holders	No. of shares	% of total shares
From	To				
1	500	59732	90.20%	7501622	7.70%
501	1000	3391	5.12%	2840899	2.92%
1001	2000	1531	2.31%	2393091	2.46%
2001	3000	483	0.73%	1238823	1.27%
3001	4000	213	0.32%	776606	0.80%
4001	5000	223	0.34%	1067286	1.09%
5001	10000	291	0.44%	2136347	2.19%
10001	Above	360	0.54%	79468612	81.57%
		66224	**100.00%**	**97423286**	**100.00**

SHAREHOLDING PATTERN AS ON 31ST MARCH 2018

	Category	No. of shares held	% of share-holding
A	**Promoters & Promoters Group Holding**		
1	**Promoters**		
	Indian Promoters	12820488	13.16%
	Foreign Promoters	5507900	5.65%
2	**Others**		
	Trust	165000	0.17%
	Sub-Total	**18493388**	**18.98%**
B	**Non-promoters Holding**		
3	**Institutional Investors**		
	Mutual Funds	9903743	10.17%
	Banks, Financial Institutions	156178	0.16%
	Insurance Companies (including LIC)	3312824	3.40%
	Foreign Portfolio Investors (including FIIs)	16326675	16.76%
	Foreign Mutual Fund	528683	0.54%
	Government Companies (i.e. IEPF)	695428	0.71%
	Sub-Total	**30923531**	**31.74%**
4	**Non-institutional Investors**		
	Bodies Corporate	20592824	21.14%
	Indian public (Individuals & HUF)	25021436	25.68%
	NRIs, OCBs, Foreign Companies & Foreign Nationals	1624379	1.67%
	Other Directors & relatives	260943	0.27%
	Others (Trusts & Clearing Members)	506785	0.52%
	Sub-Total	**48006367**	**49.28%**
	Grand Total	**99423286**	**100.00%**

Plant Locations:

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

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

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

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

12. Disclosures:

12.1 Disclosure on materially significant related party transactions

No transactions of a material nature have been entered into by the Company with its promoters, Directors, or the management or relatives etc. that may have potential conflict of interest of the Company. However, the management furnishes the details of related party transactions on quarterly basis before the Audit Committee / Board of Directors meetings, which are in conformity with the Ind-AS. The particulars of transactions between the Company and the related parties for the year ended March 31, 2018, are disclosed in the notes to the accounts in this Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

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

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

12.3 Vigil mechanism / Whistle Blower Policy

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

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

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

The details of Ombudsperson is given below:

Name: Mr. Mahesh Kumar Kheria

Email ID: mkheria@rediffmail.com

Mobile No.: 09313743974

Address: A-45, Sector-51, Noida-201301

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

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

12.4 Disclosures regarding web link of the Company

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

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

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

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

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

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

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

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

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

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

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

14. Code of Conduct:

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

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

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

16. Share Capital & Reconciliation of Share Capital Audit

In line with the Board of Director's approval dated January 31, 2017, the Company had bought back 31,56,000 Equity Shares during February 15, 2017 to August 14, 017 and extinguished the same. During the year, Nomination and Remuneration Committee of the Company at its meeting held on October 24, 2017 made allotment of 5,60,000 Equity Shares of Rs. 10 each against exercise of the Stock Options by the eligible employees of the Company. Consequently, after said buyback & allotment of equity shares, the issued & paid-up capital of the Company is Rs. 97,42,32,860/- consisting 9,74,23,286 equity shares of Rs. 10 each as on March 31, 2018.

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, 2018.

For GHCL LIMITED

Date: April 25, 2018

R S Jalan
Managing Director
DIN: 00121260

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

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

The Board of Directors
GHCL Ltd.

We the undersigned certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2018 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

Date: April 25, 2018

R S Jalan
Managing Director
DIN: 00121260

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

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

To the Members of GHCL Limited

1. The Corporate Governance Report prepared by GHCL Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

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

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

Auditor's Responsibility

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

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

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

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

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

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

   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that at least one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following meetings held from April 1, 2017 to March 31, 2018:

      (a) Board of Directors meeting;
      (b) Audit committee;
      (c) Annual General meeting;
      (d) Nomination and remuneration committee;
      (e) Stakeholders Relationship Committee;
      (f) Banking and operations committee
      (g) Compliance committee
      (h) Corporate social responsibility committee

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

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

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

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 1 above.

Other matters and Restriction on Use

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

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : New Delhi
Date : April 25, 2018

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

The Members
GHCL Limited
GHCL House
Opp. Punjabi Hall Navrangpura
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, 2018 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, 2018 according to the provisions of:

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

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

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

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

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

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

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

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

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

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

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

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

We further report that during the audit period the Company has following specific event which have a major bearing on the

Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

(a) Board of Directors of the Company in their meeting held on January 31, 2017 had given their approval for Buy Back of the Company's fully paid-up equity shares of Rs. 10/- each from the Open Market through stock exchange route, at a Maximum Buyback price of Rs. 315/- per Equity Share excluding transaction costs, for an aggregate amount of Rs. 80 Crore till August 14, 2017 ("buyback period").

In line with the said approval, the Company had bought back 31,56,000 Equity Shares and extinguished 31,56,000 Equity Shares during buyback period. Accordingly, issued and paid up capital of the Company stands reduced from 10,00,19,286 Equity Shares of Rs. 10/- each to 9,68,63,286 Equity Shares of Rs. 10/- each (i.e. 10,00,19286 minus 31,56,000) after closure of buyback.

(b) Nomination and Remuneration Committee of the Company in their meeting held on October 24, 2017 has allotted 5,60,000 Equity Shares of Rs. 10/- each to its 40 (forty) eligible employees (including three KMPs) of the company against exercise of vested stock options pursuant to GHCL ESOS 2015- Series 1. Accordingly, the issued & paid up capital of the company stands increased from 9,68,63,286 Equity Shares of Rs. 10/- each to 9,74,23,286 Equity Shares of Rs. 10/- each.

For **Chandrasekaran Associates**
Company Secretaries

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

Date: April 25, 2018
Place: New Delhi

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

Annexure-A

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

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

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

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

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

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

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

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

For **Chandrasekaran Associates**
Company Secretaries

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

Date: April 25, 2018
Place: New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of GHCL Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of GHCL Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the

Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;

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

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

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

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

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : New Delhi
Date : April 25, 2018

ANNEXURE ‘1’ REFERRED TO IN PARAGRAPH UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

Re: GHCL Limited (“the Company”)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the company and 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, 2018 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 and payment of interest has been stipulated for the loans granted and the repayment/receipts 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 & advances given, investments made and guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Soda Ash and Textile products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods & service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods & 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, cess and other statutory dues, on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Demand raised (Amount in Rs. Crore)	Deposited under protest (Amount in Rs. Crore)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Differential duty on account of classification under different chapters of CETA.	6.78	1.31	F.Y. 2012-13 & FY 2014-15	Customs, Excise and Service tax Appellate Tribunal
	Denial of import eligibility	0.59	-	F.Y 2015-16	Principal Commissioners Customs- (Chennai-III)
Central Excise Act, 1944	Denial of service tax credit on ineligible services	2.60	1.45	F.Y 2004-2005, F.Y. 2008-09, F.Y 2009-10	Dy. Commissioner, Junagadh & Commissioner, Bhavnagar
	Demand of excise duty on Fly Ash	0.23	0.02	F.Y 2015-2016 & F.Y 2017-2018	Commissioner (Appeals), Rajkot
	Denial of Cenvat Credit & Non Payment of Service Tax, changes in classification of duty rate, short reversal of cenvat credit on goods under duty drawback scheme	67.66	3.14	F.Y. 2005-06 to F.Y 2015-16	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Denial of service tax credit on foreign services	1.29	1.29	F.Y 2005-06	Customs, Excise and Service Tax Appellate Tribunal, Delhi
	Additional demand for service tax on manpower services	0.11	-	F.Y 2015-16	Commissioner Apeal(OIO)
	Denial of cenvat credit on capital goods and others	0.03	-	FY 2001-02	High Court, Chennai
The Employee's State Insurance Act, 1948	Contribution Demand	0.03	-	FY 1989-90 to FY 2001-02	ESI Court, Madurai
	Contribution Demand	0.01	-	FY 1985-86	Supreme Court
Income Tax Act, 1961	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	161.40	6.75	F.Y 2008-09 to FY 2013-14	ITAT Ahmedabad
	Disallowances under section 80HHC and section 14A	0.20	-	F.Y 2000-01	High Court, Gujarat
Gujarat Sales Tax Act, 1969	Disallowance of Set off of Sales Tax	0.02	-	FY 2002-03	Vat Tribunal, Ahmedabad
		0.02	-	FY 2003-04	Joint Comm. (Audit), Ahmedabad

According to the information and explanations given to us, there are no dues of Provident Fund, service tax, value added tax, goods & 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 fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Atul Seksaria
Partner
Membership Number: 086370
Place : New Delhi
Date : April 25, 2018

ANNEXURE-2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GHCL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GHCL Limited ("the Company") as of March 31, 2018 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Atul Seksaria
Partner
Membership Number: 086370
Place : New Delhi
Date : April 25, 2018

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

(INR in crores)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017 (Restated)
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,486.37	2,397.98
(b) Capital work-in-progress	3	73.00	25.49
(c) Intangible assets	4	5.18	1.07
(d) Intangible assets under development		0.51	0.51
(e) Investment in subsidiaries	5(a)	0.04	0.04
(f) Financial assets			
(i) Investments	5(b)	10.28	8.78
(ii) Loans	6(a)	8.45	10.35
(iii) Other non-current financial assets	6(b)	4.81	8.25
(g) Other-non current assets	7	30.51	17.19
(2) Current assets			
(a) Inventories	8	587.88	509.24
(b) Financial assets			
(i) Trade receivables	9	285.56	326.85
(ii) Cash and cash equivalents	10	9.01	5.14
(iii) Bank balances other than cash and cash equivalents	10A	15.23	26.85
(iv) Other current financial asset	11	10.72	19.26
(c) Current tax assets (net)	12	20.21	41.89
(d) Other current assets	13	76.98	68.84
Total assets		**3,624.74**	**3,467.73**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	97.42	99.47
(b) Other equity	15	1,524.52	1,251.85
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long term borrowings	16 (a)	744.33	697.96
(b) Long term provisions	17(a)	6.33	6.13
(c) Deferred tax liabilities (net)	12	194.95	235.98
(2) Current liabilities			
(a) Financial liabilities			
(i) Short term borrowings	16(b)	399.76	514.02
(ii) Trade payables	18	382.44	333.74
(iii) Other current financial liabilities	19	228.11	298.29
(b) Other current liabilities	20	31.80	13.60
(c) Short term provisions	17(b)	15.08	16.69
Total equity and liabilities		**3,624.74**	**3,467.73**

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(INR in crores)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Revenue			
Revenue from operations	21	2,956.52	2,942.68
Other income	22	35.75	37.49
Total Income		**2,992.27**	**2,980.17**
Expenses			
Cost of raw materials consumed	23	1,100.08	1,069.91
Purchase of stock in trade		125.54	91.75
(Increase)/ decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	23.62	(43.53)
Excise duty on sale of goods		50.87	188.69
Employee benefit expenses	25	176.37	158.13
Depreciation and amortization expense	26	109.53	85.69
Finance costs	27	124.16	133.77
Other expenses	28	866.62	790.79
Total expenses		**2,576.79**	**2,475.20**
Profit before exceptional items and tax		415.48	504.97
Exceptional items	29	-	3.04
Profit before tax		**415.48**	**501.93**
Tax expense:			
Current tax		106.76	113.61
Less: Adjustment for tax relating to earlier years (refer note 12)		(89.81)	(40.18)
Deferred tax		34.02	41.73
Total tax expense		**50.97**	**115.16**
Profit for the year		**364.51**	**386.77**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		3.18	(1.93)
Income tax effect		(1.10)	0.67
Re-measurement of investment in equity		1.40	2.65
Income tax effect		-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	30	**3.48**	**1.39**
Total comprehensive income for the year, net of tax		**367.99**	**388.16**
Earnings per equity share nominal value of shares INR 10 (Previous year INR 10 each)	31		
Basic (INR)		37.32	38.82
Diluted (INR)		37.08	38.57

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

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Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2018

(INR in crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating activities		
Profit before tax	415.48	501.93
Adjustments for:		
Depreciation/amortisation	109.53	85.69
Profit on sale of investments	(0.18)	(0.23)
Loss/(Gain) on sale of fixed assets	0.40	(0.63)
Interest income	(2.42)	(1.05)
Finance cost	124.16	133.77
Income from dividend	(0.05)	(0.04)
Employees share based payments	3.51	5.75
Unrealised exchange (gain)/loss	7.94	(18.64)
Operating profit/(loss) before working capital changes	**658.37**	**706.55**
Movement in working capital		
(Increase)/decrease in trade receivables	54.36	(70.49)
(Increase)/decrease in inventories	(78.64)	(101.62)
(Increase)/decrease in other current financial assets	8.54	(10.32)
(Increase)/decrease in other current assets	(4.97)	(17.55)
(Increase)/decrease in other non-current financial assets	1.90	1.28
(Increase)/decrease in other non-current assets	(0.25)	(2.64)
Increase/(decrease) in trade payables	48.33	61.79
Increase/(decrease) in other current financial liabilities	(68.64)	(17.72)
Increase/(decrease) in other current liabilities	18.21	0.50
Increase/(decrease) in provisions	(1.41)	3.77
Cash generated from operations	**635.80**	**553.56**
Direct taxes paid (net of refunds)	(71.43)	(108.40)
Net cash generated from operating activities	**564.37**	**445.16**
Cash flow from investing activities		
Purchase of fixed asset including CWIP and capital advances	(287.79)	(377.28)
Sale proceeds of tangible assets	6.05	1.48
Sales/ (Purchase) of Investment (Net)	0.07	0.23
Interest received	2.42	1.05
Dividend received	0.05	0.04
Net cash used in investing activities	**(279.20)**	**(374.48)**

Particulars	For the year ended March 31, 2018	(INR in crores) For the year ended March 31, 2017
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	5.60	-
Buyback of equity share capital	(65.32)	(14.40)
Dividend paid	(34.20)	(50.02)
Dividend distribution tax paid	(6.95)	(10.18)
Proceeds from long-term borrowings	313.02	277.94
Repayment of long-term borrowings	(266.65)	(255.01)
Proceeds from short-term borrowings	(114.26)	105.89
Unpaid dividend account (Net)	(0.02)	(0.54)
Bank depsoit in escrow account and Margin Money	11.64	(22.60)
Interest paid	(124.16)	(133.77)
Net cash generated from financing activities	**(281.30)**	**(102.68)**
Net (decrease) / increase in cash and cash equivalents	**3.87**	**(32.01)**
Cash and cash equivalents at the beginning of the year	**5.14**	**37.15**
Cash and cash equivalents at the end of the year	**9.01**	**5.14**
Components of cash and cash equivalents		
Cash on hand	0.17	0.14
Balances with banks:		
- On current accounts	8.84	5.00
Total cash and cash equivalents (note 10)	**9.01**	**5.14**

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(INR in crores)

A. Equity share capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

	Number of share	Amount
As at April 1, 2016	10.00	100.02
Changes in share capital during the year (Refer note 14 on buy back)	(0.05)	(0.55)
Balance as at March 31, 2017	**9.95**	**99.47**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.56
Changes in share capital- Shares Buy back during the year (Refer note 14 on buy back)	(0.26)	(2.61)
Balance as at March 31, 2018	**9.75**	**97.42**

B. Other equity

	Capital reserve (A)	Business development reserve (B)	Capital redemption reserve (C)	Securities premium reserve (D)	FVTOCI Reserve (E)	Retained earnings (F)	Share based payment reserve (G)	General reserve (H)	Total
Balance as at April 1, 2016	**7.57**	**75.16**	**10.00**	**18.15**	**4.50**	**719.72**	**-**	**98.16**	**933.26**
Write back on sales of revalued assets	-	(1.27)	-	-		-		-	(1.27)
Reserve created on account of buy back during the year	-	-	0.55	-		(0.55)		-	-
Reserve utilised on account of buy back during the year	-	-	-	(13.85)	-	-		-	(13.85)
Profit for the year	-	-	-	-	-	386.77		-	386.77
Employee stock option scheme	-	-	-	-	-	-	5.75	-	5.75
Proposed Dividend	-	-	-	-	-	(50.02)		-	(50.02)
Dividend distribution tax	-	-	-	-	-	(10.18)		-	(10.18)
Other comprehensive income	-	-	-	-	2.65	(1.26)		-	1.39
Balance as at March 31, 2017	**7.57**	**73.89**	**10.55**	**4.30**	**7.15**	**1,044.48**	**5.75**	**98.16**	**1,251.85**
Reserve created on account of ESOS issued during the year	-	-	-	9.06	-	-	-	-	9.06
Reserve created on account of buy back during the year	-	-	2.61	-	-	-	-	(2.61)	-
Reserve Utilised on account of buy back during the year	-	-	-	(4.30)	-	-	-	(58.42)	(62.72)
Profit for the year	-	-	-	-	-	364.51	-	-	364.51
Employee stock option scheme	-	-	-	-	-		(0.51)		(0.51)
Dividend paid	-	-	-	-	-	(34.20)	-	-	(34.20)
Dividend distribution tax	-	-	-	-	-	(6.95)	-	-	(6.95)
Other comprehensive income	-	-	-	-	1.40	2.08	-	-	3.48
Balance as at March 31, 2018	**7.57**	**73.89**	**13.16**	**9.06**	**8.55**	**1,369.92**	**5.24**	**37.13**	**1,524.52**

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
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CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

1 Corporate information

GHCL Limited ("GHCL" or the "Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat. The Company is engaged in primarily two segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufacturing, weaving, processing and cutting and sewing of home textiles products).

Information on related party relationships of the Company is provided in Note 34.

The financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 25th April 2018.

2 Significant accounting policies

2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities that have been carried at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR) and all values are recorded to the nearest crores (INR '00,00,000), except otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

On an interim basis, the members of Banking & Operations Committee present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obliger in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the education material on Ind AS 18 issued by the ICAI, the Company assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/value added tax (VAT) goods & service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly it is excluded from the revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, cash discounts, trade discounts and volume rebates.

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) 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, Rebate of State Levies (ROSL) and Focus Market Scheme are recognised on shipment of direct exports.

Revenue from exports benefits measured at the fair value of consideration received of receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Dividend

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

d) Taxes

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

(INR in crores)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situation where the Company is entitled to a Tax holiday under the income Tax Act, 1961 enacted in India or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

e) Property, plant and equipment

Property, plant and equipment and capital work-in-progress is stated at net of CENVAT/goods & service tax (GST) and VAT less depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates the useful lives for the fixed assets, except lease mines and leasehold land, as follows.

• Building	30 to 60 years
• Plant and Machinery *	5 to 25 years
• Office equipment	3 to 25 years
• Furniture and fixtures	10 years
• Salt works reservoir	10 years
• Vehicles	8 to 10 years
• Wind Turbine Generator	20 to 22 years
• Temporary structures	3 years

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to notes regarding significant accounting judgments, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful life are amortised on straight line basis over estimated useful life of three years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the companies general policy on the borrowing costs (refer note16). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term for non-cancellable leases. However, in some of the non-cancellable operating lease arrangements the lease escalation is in line with expected general inflation and hence there is no requirement for straight lining of lease rentals as Ind-AS 17 does not mandate straight-lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost 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 and excise duty.
- 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.

j) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The present value of the expected cost for the decommissioning of an asset after its use and leasehold improvements on termination of lease is included in the cost of the respective asset if the recognition criteria for a provision are met. The Company records a provision for decommissioning costs of its plant for manufacturing of Soda Ash and leasehold improvements at the leasehold land. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

l) Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument byinstrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Companies continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The following table shows various reclassification and how they are accounted for as per below:

i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Cash flow hedges

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Refer to Note 36 for more details.

o) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

p) Cash dividend to equity holders

The Company recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

q) 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.

r) Foreign currencies

The company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of 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).

s) 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.

t) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

u) 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018

(INR in crores)

3. Property, plant and equipment

	Freehold Land	Leasehold Land *	Buildings	Plant and Equipments	Office Equipments	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Total	Capital work in progress	Total Amount
As at April 1, 2016	382.74	352.40	170.61	1,071.77	4.66	3.67	1.68	2.70	9.47	126.49	2,126.19	36.89	2,163.08
Additions	0.03	0.35	34.10	387.15	3.08	1.56	0.16	0.87	-	13.07	440.37	426.17	866.54
Disposals	(0.73)	-	-	(29.55)	(0.27)	(0.04)	-	(0.79)	-	-	(31.38)	(437.06)	(468.44)
Reclassification												(0.51)	(0.51)
As at March 31, 2017	**382.04**	**352.75**	**204.71**	**1,429.37**	**7.47**	**5.19**	**1.84**	**2.78**	**9.47**	**139.56**	**2,535.18**	**25.49**	**2,560.67**
Additions	-	-	21.68	176.61	2.89	2.10	0.54	0.89	-	-	204.71	257.69	462.40
Disposals	-	-	(1.44)	(20.58)	(1.40)	(0.67)	-	(0.41)	-	-	(24.50)	(210.18)	(234.68)
As at March 31, 2018	**382.04**	**352.75**	**224.95**	**1,585.40**	**8.96**	**6.62**	**2.38**	**3.26**	**9.47**	**139.56**	**2,715.39**	**73.00**	**2,788.39**

Depreciation	Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Total Amount
As at April 1, 2016	-	4.86	7.20	56.02	0.95	0.75	0.70	0.28	4.52	3.86	79.14	-	79.14
Depreciation charge for the year	-	4.85	7.50	60.63	1.47	0.57	0.59	0.54	2.77	6.50	85.42	-	85.42
Disposals	-	-	-	(26.36)	(0.26)	(0.04)	-	(0.70)	-	-	(27.36)	-	(27.36)
As at March 31, 2017	**-**	**9.71**	**14.70**	**90.29**	**2.16**	**1.28**	**1.29**	**0.12**	**7.29**	**10.36**	**137.20**	**-**	**137.20**
Depreciation charge for the year	-	4.87	9.75	80.51	2.59	0.87	0.43	0.57	1.36	7.21	108.16	-	108.16
Disposals	-	-	(1.44)	(12.50)	(1.40)	(0.67)	-	(0.33)	-	-	(16.34)	-	(16.34)
As at March 31, 2018	**-**	**14.58**	**23.01**	**158.30**	**3.35**	**1.48**	**1.72**	**0.36**	**8.65**	**17.57**	**229.02**	**-**	**229.02**

Net book value	Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Total Amount
As at March 31, 2018	382.04	338.17	201.94	1,427.10	5.61	5.14	0.66	2.90	0.82	121.99	2,486.37	73.00	2,559.37
As at March 31, 2017	382.04	343.04	190.01	1,339.08	5.31	3.91	0.55	2.66	2.18	129.20	2,397.98	25.49	2,423.47

Net book value	**31-Mar-18**	**31-Mar-17**
Property, plant and equipment	2,486.37	2,397.98
Capital work in progress	73.00	25.49

Refer note 16 for property plant and equipment pledged as security by the Company.

Finance leases *

Land for soda ash plant and for corporate office are taken on lease from the government for a period of 90 to 99 years.

Leased Mines #

Leased mines represents expenditure incurred on development of mines.

Capitalised borrowing costs

Addition to block of plant and equipments and others includes borrowing cost of Rs. 4.32 Crore (for the year 31 March 2017: Rs. 11.27 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 8.49%, (for the year 31 March 2017: 11.25%) which is the effective interest rate of the specific borrowing

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
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4 **Intangible assets**

	Trademarks*	Software	Total Amount
Cost			
As at April 1, 2016	0.00	0.67	0.67
Additions	-	0.89	0.89
Disposals	-	-	-
As at March 31, 2017	**0.00**	**1.56**	**1.56**
Additions (refer note below)	2.65	2.83	5.48
Disposals	-	-	-
As at March 31, 2018	**2.65**	**4.39**	**7.04**

	Trademarks	Software	Total Amount
Amortisation			
As at April 1, 2016	-	0.22	0.22
Amortization	0.00	0.27	0.27
Disposals	-	-	-
As at March 31, 2017	**0.00**	**0.49**	**0.49**
Amortization	0.66	0.71	1.37
Disposals	-	-	-
As at March 31, 2018	**0.66**	**1.20**	**1.86**

	Trademarks	Software	Total Amount
Net book value			
As at March 31, 2018	1.99	3.19	5.18
As at March 31, 2017	-	1.07	1.07

Note: Intangible assets include license for trademark acquired for obtaining exclusive manufacturing and marketing rights for one of its innovative textile product in USA.
* Cost is less than Rupees (INR) 10,000.

5 (a) **Investment in subsidiaries**

	As at March 31, 2018	As at March 31, 2017
Unquoted equity shares		
Investment in Subsidiary Company, at cost		
750 Equity Shares of $ 10 each fully paid of Grace Home Fashion LLC	0.04	0.04
Investment in Dan River Properties LLC	0.00	0.00
Total Investments in subsidiaries	**0.04**	**0.04**

5 (b) **Financial assets**

Investments		
Investments in equity instruments at fair value through OCI (fully paid)		
Quoted equity shares		
41,500 equity shares (as at 31 March 2017: 41,500 equity shares) of HDFC Bank Limited of Rs 2/- each fully paid up	7.85	5.98
68,598 equity shares (as at 31 March 2017: 68,598 equity shares) of IDBI Limited of Rs 10/- each fully paid up	0.50	0.52
2,595 equity shares (as at 31 March 2017: 2,595 equity shares) of Dena Bank of Rs 10/- each fully paid up	0.00	0.01
272,146 equity shares (as at 31 March 2017: 272,146 equity shares) of GTC Industries Limited of Rs 10/- each fully paid up	1.60	2.02
4,500 equity shares (as at 31 March 2017: 4,500 equity shares) of Canara Bank of Rs 10/- each fully paid up	0.12	0.14

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

			As at March 31, 2018	As at March 31, 2017
		100 equity shares (as at 31 March 2017: 100 equity shares) of TCP Ltd of Rs 10/- each fully paid up	0.00	0.00
		Investment in others (Unquoted)		
		5200 equity shares (as at 31 March 2017: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.01	0.01
		1,75,900 equity shares (as at 31 March 2017: 83,500 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.19	0.09
		Unquoted debt securities (at amortised cost)		
		Investment in government securities		
		7 year national savings certificates	0.01	0.01
		(Pledged with government authorities)		
		Total investments	**10.28**	**8.78**
		Non-current	**10.28**	**8.78**
		Current	**-**	**-**
		Aggregate market value of quoted investments	10.07	8.67
		Aggregate fair value of unquoted investments	0.21	0.11
6	(a)	**Loans**		
		(Unsecured, considered good, unless stated otherwise)		
		(at amortised cost)		
		Loan to subsidiary (refer note 34)	1.64	3.54
		Loan to ESOS trust	6.81	6.81
		Total loan	**8.45**	**10.35**
6	(b)	**Other non-current financial assets**		
		Other Financial assets		
		Demand deposit	0.01	0.07
		Security deposits	4.80	8.18
		Total non-current other financial assets	**4.81**	**8.25**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risks of the counter parties

7 Other-non current assets

	As at March 31, 2018	As at March 31, 2017
Capital advances	23.30	10.23
Deposit with statutory authorities under protest	7.21	6.96
Total	**30.51**	**17.19**

8 Inventories

	As at March 31, 2018	As at March 31, 2017
Raw materials [includes in transit Rs. 17.90 Crore (At 31 March 2017: 15.74 Crore)]	263.64	202.70
Work-in-progress	48.01	51.45
Finished goods [includes in transit Rs. 27.34 Crore (At 31 March 2017: 30.55 Crore)]	103.67	125.21
Stock-in-trade [includes in transit Rs. 5.49 Crore (At 31 March 2017: Rs. 10.03 Crore)]	15.97	14.61
Stores and spares [includes in transit Rs. 61.25 Crore (At 31 March 2017: Rs. 46.49 Crore)]	156.59	115.27
Total inventories at the lower of cost and net realisable value	**587.88**	**509.24**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

9 Trade receivables

	As at March 31, 2018	As at March 31, 2017
Trade receivables	206.69	248.20
Receivable from related parties (Refer Note 34)	78.87	78.65
Total trade receivables	**285.56**	**326.85**

Break-up for security details:	**As at March 31, 2018**	**As at March 31, 2017**
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	285.56	326.85
Doubtful	-	-
Current trade receivables	**285.56**	**326.85**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

For terms and conditions related to related party receivables, refer Note 34

Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

10 Cash and cash equivalent

	As at March 31, 2018	As at March 31, 2017
Balances with bank	8.84	5.00
Cash on hand	0.17	0.14
Total cash and cash equivalents	**9.01**	**5.14**

10A Bank balances other than cash and cash equivalents

- On unpaid dividend account	3.48	3.46
- On escrow account	3.95	4.63
- On account of margin money deposited	7.80	18.76
Bank balances other than cash and cash equivalents	**15.23**	**26.85**

As at 31 March 2018, the Company had available Rs. 191.74 Crore (As at 31 March 2017: Rs.113.31 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2018	As at March 31, 2017
Balances with bank	8.84	5.00
Cash on hand	0.17	0.14
	9.01	**5.14**

11 Other current financial asset

(Unsecured, considered good, unless stated otherwise)	As at March 31, 2018	As at March 31, 2017
Loan to employees	1.59	1.21
Foreign exchange forward contracts	5.17	10.27
Loan to subsidiary (refer note 34)	1.90	2.68
Others	2.06	5.10
	10.72	**19.26**

12 Income Tax and deferred tax

Current tax assets (net)	As at March 31, 2018	As at March 31, 2017
Income tax paid / TDS (net of provisions) of Rs 106.76 Crore (At 31 March 2017: Rs. 113.61 Crore)	1.04	1.71
Income tax refund receivable	19.17	40.18
Total	**20.21**	**41.89**

During the year, Company has received an Income Tax Order in respect of AY 2014-15 allowing certain claim(s) made by the Company which has resulted in income-tax benefit in the form of MAT credit of Rs.82.91 crore.

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

	As at March 31, 2018	As at March 31, 2017
Accounting profit before tax from continuing operations	415.48	501.93
Accounting profit before income tax	**415.48**	**501.93**
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	143.79	173.71
Adjustment for tax purposes:		
- Difference in book depreciation and depreciation as per Income Tax Act, 1961	(26.27)	(33.39)
- Investment allowance	-	(20.58)
- 43B items	(1.72)	1.69
- Charity, donation and CSR expenses	4.11	1.39
- Deduction under chapter VI-A	(15.02)	(9.00)
- VRS expenses	(1.16)	(0.11)
- Others	3.03	(0.10)
At the effective income tax rate of 25.70% (31 March 2017: 22.63%)	**106.76**	**113.61**
Income tax expense reported in the statement of profit and loss	106.76	113.61
Deferred tax expense reported in the statement of profit and loss	34.02	41.73
Tax adjustment for earlier years	(89.81)	(40.18)
	50.97	**115.16**

Deferred tax expense/(income) relates to the following:	As at March 31, 2018	As at March 31, 2017
Depreciation	30.38	38.37
Mark to Mark Gain on Forward Contract	0.95	-
Employee benefit	1.17	0.11
Disallowance u/s 40 (a) & 43B	0.86	(0.44)
Carry forward loss as per IT Act	-	3.60
Unamortised cost of Term loans	0.66	0.09
Deferred tax expense/(income)	**34.02**	**41.73**
Deferred tax expense/(income) recognised in Other Comprehensive Income	1.10	(0.67)
Total Deferred tax expense/(income)	**35.12**	**41.06**

Deferred tax relates to the following:	As at March 31, 2018	As at March 31, 2017
Accelerated depreciation for tax purposes	(275.89)	(245.51)
Employee benefit	2.46	3.63
Disallowance u/s 40 (a) & 43B	5.91	6.77
Foreign exchange forwards	(0.95)	-
Unamortised cost of term loans	(1.53)	(0.87)
MAT Credit	75.05	-
Net deferred tax assets/(liabilities)	**(194.95)**	**(235.98)**
Reflected in the balance sheet as follows:		
Deferred tax assets	83.42	10.40
Deferred tax liabilities:	(278.37)	(246.38)
Deferred tax liabilities, net	**(194.95)**	**(235.98)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31 March 2018, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

13 Other current assets

	As at March 31, 2018	As at March 31, 2017
Balances with statutory authorities	26.52	28.75
Export incentives receivable	20.18	9.32
Advances recoverable in cash or kind	18.79	23.03
Prepaid expenses	6.98	7.43
Others	4.51	0.31
Total other current assets	**76.98**	**68.84**

14 Share capital

Authorised share capital

	Number of Shares	Amount
At April 1, 2016	17.50	175.00
Changes during the year	-	-
At March 31, 2017	**17.50**	**175.00**
Changes during the year	-	-
At March 31, 2018	**17.50**	**175.00**

Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is entitled to one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation on the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Issued equity capital

	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016	10.00	100.02
Changes during the year *	(0.05)	(0.55)
At March 31, 2017	**9.95**	**99.47**
Changes in share capital- Shares issued under ESOS scheme during the year	0.06	0.56
Changes in share capital- Shares Buy back during the year *	(0.26)	(2.61)
At March 31, 2018	**9.75**	**97.42**

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Shareholder's holding more than 5 % shares	Nil	Nil	Nil

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

* The Board of Directors of the Company, at its meeting held on January 31, 2017, has approved a proposal to buy back upto 32,00,000 equity shares of the company for an aggregate amount not exceeding Rs. 80 crore, being 3.2% of the total paid up equity share capital at amount per share not exceeding Rs. 315. During the year, the Company has bought back 26,09,450 and extinguished at 31.03.2018.

15 Other equity

	Amount
15A Capital reserve	
At April 1, 2016	7.57
Changes during the year	-
At March 31, 2017	**7.57**
Changes during the year	-
At March 31, 2018	**7.57**

The company had recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeited shares and forfeiture of preferential warrants under capital reserve in earlier years.

15B Business development reserve	**Amount**
At April 1, 2016	75.16
Changes during the year	(1.27)
At March 31, 2017	**73.89**
Changes during the year	-
At March 31, 2018	**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.

	Amount
15C Capital redemption reserve	
At April 1, 2016	10.00
Changes during the year	0.55
At March 31, 2017	**10.55**
Changes during the year	2.61
At March 31, 2018	**13.16**

The Company had issued 10,000,000/- 10.75% cumulative Redeemable Preference Shares (CRPS) of Rs. 10/- each, to IDBI Bank Limited during financial year 1999-2000 which was subsequently redeemed by the Company in the financial year 2001-02, pursuant to the provisions of Section 80 of the Companies Act, 1956 and the article 7 of the Article of Association of the Company. Accordingly, the Capital Redemption Reserve account to the extent of 100% of the value of CRPS redeemed (i.e. Rs. 10 Crore), was created out of profit of the company available for payment of dividend.

An amount of Rs. 2.61 Crore (equivalent to nominal value of the equity shares bought back & cancelled by the company during the year) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Company. (refer note 14)

	Amount
15D Securities premium reserve	
At April 1, 2016	18.15
Changes during the year	(13.85)
At March 31, 2017	**4.30**
Changes - Shares Buy back during the year	(4.30)
Changes - Shares issued under ESOS scheme during the year	9.06
At March 31, 2018	**9.06**

During the earlier years, the company issued 4,500,000 preferential convertible warrants which were converted into equity shares of Rs 10 each at a premium of Rs 55.10 per share in the year ended March 31, 2007. The premium amounting to Rs 24.80 Crore received on such conversion was transferred to the securities premium account.

During the current year, the Company has bought back and cancelled 26,09,450 equity shares of Rs. 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to Rs. 4.30 Crore, is adjusted against the Share Premium Account. (Refer Note 14)

During the current year, the Company has issued 560,000 equity shares of Rs. 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to Rs. 9.06 Crore, is credited to Share Premium Account. (Refer Note 14)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

		Amount
15E	**FVTOCI reserve**	
	At April 1, 2016	4.50
	Changes during the year	2.65
	At March 31, 2017	**7.15**
	Changes during the year	1.40
	At March 31, 2018	**8.55**

The company recognises the profit or loss on fair value of investments under fair value through other comprehensive income (FVTOCI) reserve.

		Amount
15F	**Retained earnings**	
	At April 1, 2016	719.72
	Changes during the year	324.76
	At March 31, 2017	**1,044.48**
	Changes during the year	325.44
	At March 31, 2018	**1,369.92**

		Amount
15G	**Share based payment reserve**	
	At April 1, 2016	-
	Changes during the year	5.75
	At March 31, 2017	**5.75**
	Changes during the year	(0.51)
	At March 31, 2018	**5.24**

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 43 for further details of these plans

		Amount
15H	**General reserve**	
	At April 1, 2016	98.16
	Changes during the year	-
	At March 31, 2017	**98.16**
	Changes during the year	(61.03)
	At March 31, 2018	**37.13**
	Grand Total (15) as at March 2016	**933.26**
	Grand Total (15) as at March 2017	**1,251.85**
	Grand Total (15) as at March 2018	**1,524.52**

Distributions made and proposed	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017: INR 3.50 per share (March 31, 2016: INR 3.50 per share)	34.20	35.01
Dividend distribution tax on final dividend	6.95	7.13
Interim dividend for the year ended on March 31, 2018: NIL (March 31, 2017: INR 1.50 per share)	-	15.01
Dividend distribution tax on Interim dividend	-	3.05
	41.15	60.20
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2018: INR 5.00 per share (31 March 2017: INR 3.50 per share)	48.76	35.01
Dividend distribution tax on proposed dividend	9.93	7.13
	58.69	42.14

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including DDT thereon) as at year end.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
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16 Borrowings

(a) Long term borrowings

Particulars	Non current		Current	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Term loans from banks				
Rupee term loan (secured)	392.97	531.59	92.58	218.71
Foreign currency loan (secured)	326.36	166.37	76.88	-
Total secured loans from banks	**719.33**	**697.96**	**169.46**	**218.71**
Rupee term loan (unsecured)	25.00	-	-	-
Current maturities of long term loan (refer note 19)	-	-	**(169.46)**	(218.71)
Total	**744.33**	**697.96**	**-**	**-**

16.1 Rupee term loans from banks / institutions have been secured against: -

a) Loan aggregating to Rs.72.29 crores (Previous Year Rs.102.45 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 3 to 7 years.

b) Loan aggregating to Rs 338.59 crores (Previous Year Rs.202.58 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval, Gujarat excluding assets exclusively charged to other lenders both present and future. The remaining tenure of the loans is 8 to 10 years.

c) Loan aggregating to Rs 89.65 crores (Previous Year Rs.161.81 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 1 to 2 years.

d) Loan aggregating to Rs. 72.89 crores (Previous Year Rs.51.85 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 2 to 10 years.

e) Loan aggregating to Rs. 9.15 crores (Previous Year Rs.8.69 crores) is secured by an exclusive first charge over movable fixed assets situated at Jodia, Jamnagar District, Gujarat, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 9 years.

f) Loan aggregating to Rs. NIL (Previous Year Rs. 12.96 crores) is secured by way of first pari passu charge on movable fixed assets of Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 1 year

g) Loan aggregating to Rs.152.58 crores (Previous Year Rs.107.86 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 1 to 10 years.

h) Loan aggregating to Rs. 25.14 crores (Previous Year Rs.74.88 crores) is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 2 years.

i) Loan aggregating to Rs. 57.15 crores (Previous Year Rs.69.94 crores) is secured by first exclusive charge on movable fixed assets of Textile Division situated at Paravai and Manaparai, Tamil Nadu, both present and future, excluding assets exclusively charged to other lenders. The remaining tenure of the loan is 3 years.

j) Loan aggregating to Rs. 42.13 (Previous Year Rs.47.66 crores) crores is secured by an exclusive first charge on movable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 7 years.

k) Loan aggregating to Rs. 29.22 crores (Previous Year Rs.30.32 crores) is secured by an exclusive first charge on movable and immovable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 8 years.

l) Loan aggregating to Rs. NIL (Previous Year Rs. 45.77 crores) is secured by extension of first charge on movable fixed assets of consumer product division situated at Chennai and industrial salt division situated at Bhavnagar and exclusive first charge on the factory land and building situated at Thiruporur village, Chengalpattu Taluka, Kancheepuram district, Chennai. The remaining tenure of the loan is 3 years.

m) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (l) totaling Rs. 888.79 crores (Previous Year Rs.916.67 crores), an amount of Rs. 169.46 crores (Previous Year Rs.218.71 crores) is due for payment in next 12 months and accordingly reported under Note 19 under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings".

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

(b) Short term borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
Short term loans from banks (Secured)		
Cash credit facilities	23.95	24.02
Working capital demand loan	71.00	29.50
Export Packing Credit (Rupee loan)	138.77	281.24
Bill Discounting	-	19.88
Packing Credit in foreign currency	5.01	2.57
Foreign currency non resident borrowing	-	58.37
Buyers credit in foreign currency	70.68	98.44
Total Secured Short Term Borrowing	**309.41**	**514.02**
Short term loans from banks - (Unsecured)		
Cash credit facilities	0.13	-
Short Term Loan	46.00	-
Bill Discounting	44.22	-
Total Unsecured Short Term Borrowing	**90.35**	**-**
Total	**399.76**	**514.02**

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 7.22% p.a (Previous Year 7.66% p.a) on the amount outstanding.

(b) Credit facilities in foreign currency : The facilities availed by way of foreign currency non resident borrowing, packing credit in foreign currency and buyer's credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 4.24% p.a (Previous Year 2.19% p.a) on the amount outstanding.

16.3 The Company has satisfied all the loan covenants.

16.4 The Company also has undrawn borrowing facilities (refer note 10A).

17 (a) Provisions

(A) Long term provisions

	Provision for mines restoration*
At April 1, 2016	5.33
Arising during the year	1.02
Utilised	(0.22)
At 31 March 2017	**6.13**
Arising during the year	1.02
Utilised	(0.82)
At 31 March 2018	**6.33**
Long term provisions	**6.33**

*** Provision for mines restoration**

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

(B) Short term provisions

	As at March 31, 2018	As at March 31, 2017
Employee benefits (refer note 33)		
– Provision for Compensated absences	12.14	11.86
– Provision for Gratuity	-	1.89
Provision for litigations	2.94	2.94
	15.08	**16.69**

(INR in crores)

18 Trade payables

	As at March 31, 2018	As at March 31, 2017
Trade payables for goods and expenses	380.55	332.87
Trade payables - Micro, Small & Medium Enterprises *	1.89	0.87
	382.44	**333.74**
Non-current	-	-
Current	382.44	333.74

* There are no interests due or outstanding to Micro, Small and Medium Enterprises beyond the due date.

Trade payables are non-interest bearing and are normally settled on around 90 days terms

There are no dues payable to related parties

For explanation on company's credit risk management process refer note no 38(e)

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

		As at March 31, 2018	As at March 31, 2017
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	1.89	0.87
	Interest	-	-
ii)	The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-
	The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Rs. Nil (March 31, 2017 : Rs. Nil).	-	-

19 Other current financial liabilities

	As at March 31, 2018	As at March 31, 2017
Other financial liabilities at amortised cost		
Current maturity of long term borrowings (refer note 16)	169.46	218.71
Other financial liabilities		
Dealer deposits	5.44	5.00
Security deposits	0.70	0.71
Capital creditors	23.99	46.10
Unpaid dividend	3.48	3.46
Employee benefit payable	21.67	19.91
Others	3.37	4.40
	228.11	**298.29**

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 STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

20 Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance received from customers	2.24	3.99
Deferred income	14.96	-
Statutory dues	14.60	9.61
	31.80	**13.60**

21 Revenue for operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Sale of manufactured goods	2,826.19	2,872.41
Sale of traded goods	130.33	70.27
Total sales products	**2,956.52**	**2,942.68**

Note:

Revenue from operations for periods up to 30 June 2017 includes excise duty of Rs. 50.87 crore (Previous year Rs. 188.69 Crore). From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2018 is not comparable with 31 March 2017."

22 Other income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income	2.42	1.05
Dividend income	0.05	0.04
Other non-operating income		
Gain on foreign exchange (net)	26.18	26.71
Profit on sale of investments	0.18	0.23
Gain on sale of fixed assets	-	0.63
Sale of scrap	5.61	8.03
Miscellaneous income	1.31	0.80
	35.75	**37.49**

23 Cost of raw material consumed (Refer no 41)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	202.70	191.55
Add: purchases	1,161.02	1,081.06
	1,363.72	1,272.61
Less: inventory at the end of the year	(263.64)	(202.70)
Cost of raw material consumed	**1,100.08**	**1,069.91**

24 (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2018	For the year ended March 31, 2017	(Increase)/decrease in inventories
Opening stock			
Finished goods	125.21	103.11	(22.10)
Stock in process	51.45	44.04	(7.41)
Stock in trade	14.61	0.59	(14.02)
	191.27	**147.74**	**(43.53)**
Closing stock			
Finished goods	103.67	125.21	21.54
Stock in process	48.01	51.45	3.44
Stock in trade	15.97	14.61	(1.36)
	167.65	**191.27**	**23.62**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	**23.62**	**(43.53)**	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

25 Employee benefit expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	154.57	134.81
Contribution to provident and other funds	9.54	9.20
Share based payment expenses	3.51	5.75
Gratuity expenses	2.95	2.19
Staff welfare expenses	5.80	6.18
	176.37	**158.13**

26 Depreciation and amortization expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets	108.16	85.42
Amortization of intangible assets	1.37	0.27
	109.53	**85.69**

27 Finance costs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on borrowings (Net of TUF interest subsidy amounting to Rs. 3.66 Crore (March 31, 2017 Rs. 3.14 Crore))	98.42	116.05
Exchange differences regarded as an adjustment to borrowing costs	15.43	6.62
Interest others	4.50	3.16
Bank charges	5.81	7.94
	124.16	**133.77**

28 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	63.53	68.43
Power, fuel and water	390.30	306.52
Other manufacturing expenses	90.68	119.68
Packing expenses	89.22	92.73
Bad Debts written off	5.32	-
Freight and forwarding	87.48	71.14
Commission on sales	11.41	9.69
Advertisement and business promotion expenses	7.04	17.48
Traveling and conveyance	16.65	13.41
Rent	5.87	5.10
Repairs and maintenance		
Plant and machinery	29.99	27.99
Buildings	3.82	2.25
Others	6.25	4.32
Rates and taxes	1.36	1.35
Insurance	10.38	9.25
Deficit on sale/discard of Fixed Assets (Net)	0.40	-
Commission to Non Whole time Directors (includes service tax of INR 0.01 Crore (March 31, 2017 INR 0.20 Crore))	2.99	3.30
Communication expenses	1.79	1.87
Legal and professional expenses (refer details below)	14.57	12.66
Donation to Political Parties	3.20	-
CSR Expenditure (refer details below)	8.61	4.00
Excise duty on increase/decrease of stock	(2.10)	(0.08)
Miscellaneous expenses	17.86	19.70
	866.62	**790.79**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

Payment to auditors	For the year ended March 31, 2018	For the year ended March 31, 2017
To Statutory auditor:		
Audit fee	0.30	0.40
Limited review	0.45	0.30
In other capacity		
Other services (certification fees)	0.15	0.04
Reimbursements of expenses	0.05	0.03
	0.95	**0.77**
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

		For the year ended March 31, 2018			For the year ended March 31, 2017
a)	Gross amount required to be spent by the Company during the year			7.57	5.04
b)	Amount spent during the year	**In cash**	**Yet to be paid in cash**		
i)	Construction / acquisition of any asset	-	-	-	-
ii)	On purpose other than (i) above	8.61	-	8.61	4.00

29 Exceptional items

	For the year ended March 31, 2018	For the year ended March 31, 2017
Voluntary retirement expenses	-	3.04
	-	**3.04**

Exceptional items represent one time employees' separation cost incurred during the year on account of Voluntary Retirement Scheme (VRS) given to employees of Soda Ash division. The benefits of VRS would be accruing over a period of time.

30 Components of Other Comprehensive Income (OCI)	For the year ended March 31, 2018	For the year ended March 31, 2017
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
Re-measurement gains (losses) on defined benefit plans	2.08	(1.26)
Re-measurement of investment in equity	1.40	2.65
Total	**3.48**	**1.39**

31 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.

The following reflects the income and share data used in computation of Basic EPS:	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders of the Company	364.51	386.77
Weighted average number of equity shares for basic EPS	9,76,65,143	9,99,96,502
Basic earnings per share (Face value of INR 10/- per share)	37.32	38.82
Profit attributable to the equity holders of the Company	364.51	386.77
weighted average number of equity shares and common equivalent shares outstanding	9,82,92,614	10,06,44,677
Diluted earnings per equity share - (face value of INR 10/- per share)	37.08	38.57

(INR in crores)

32 Segment information

The Company is primarily engaged in the business of manufacture of inorganic chemicals and textiles and based on this it has two reportable segments:

Inorganic chemicals segment majorly includes manufacture of soda ash which is an important raw material for detergent and glass industry. Major raw materials to manufacture soda ash are salt, limestone, coke, briquette, coal and lignite. The total Inorganic chemical segment contributes approximately 60 % of total Indian Standalone revenue.

Textiles segment manufactures cotton yarn and polyester yarn and home textile products. GHCL Limited is one of the largest integrated textile manufacturers own spinning, weaving and processing & dyeing and cutting & sewing manufacturing facility.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed on Company basis and are not allocated to Operating segments.

Summary of Segment information

Year ended March 31, 2018

	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	1,934.87	1,021.65	-	2,956.52
Inter-segment	-	-	-	-
Total revenue	**1,934.87**	**1,021.65**	**-**	**2,956.52**
Segment profit	554.46	3.73	-	558.19
Total assets	2,039.13	1,522.86	62.75	3,624.74
Total liabilities	1,007.31	799.54	195.95	2,002.80
Capital expenditure	96.87	113.32	-	210.19
Depreciation and amortization	64.40	45.13	-	109.53

Year ended March 31, 2017

	Inorganic Chemicals	Textiles	Others / unallocated	Amount
Revenue				
External customers	1,744.86	1,197.82	-	2,942.68
Inter-segment	-	-	-	
Total revenue	**1,744.86**	**1,197.82**	**-**	**2,942.68**
Segment profit	518.66	137.11	0.00	655.77
Total assets	1,918.54	1,505.01	44.18	3,467.73
Total liabilities	1,056.25	823.31	236.86	2,116.42
Capital expenditure	336.78	104.49	-	441.27
Depreciation and amortization	51.45	34.24	-	85.69

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.

(INR in crores)

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
Segment profit	558.19	655.77
Un-allocated expenditure	(18.55)	(17.03)
Other finance costs	(124.16)	(133.77)
Exceptional item	-	(3.04)
Profit before tax	**415.48**	**501.93**

Reconciliation of assets	**As at March 31, 2018**	**As at March 31, 2017**
Inorganic chemicals	2,039.13	1,918.54
Home textiles	1,522.86	1,505.01
Un-allocated	62.75	44.18
Total assets	3,624.74	3,467.73

Reconciliation of liabilities	**As at March 31, 2018**	**As at March 31, 2017**
Inorganic chemicals	1,007.31	1,056.25
Home textiles	799.54	823.31
Un-allocated	195.95	236.86
Total liabilities	**2,002.80**	**2,116.42**

Revenue from external customers	**For the year ended March 31, 2018**	**For the year ended March 31, 2017**
India	2,399.34	2,191.52
Outside India	557.18	751.16
Total revenue per statement of profit and loss	**2,956.52**	**2,942.68**

Trade receivable	**As at March 31, 2018**	**As at March 31, 2017**
India	173.89	179.62
Outside India	111.67	147.23
Total trade receivable	**285.56**	**326.85**

33 Defined benefit and contribution plan

Defined contribution plan

Provident fund and superannuation fund are defined contribution plan. Contribution paid for provident fund and superannuation fund are recognised as expense for the year:

	For the year ended March 31, 2018	**For the year ended March 31, 2017**
Employer's contribution to provident fund/pension scheme	8.29	7.79
Employer's contribution to superannuation fund	1.28	1.23

Defined benefit plan

Gratuity (funded)

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Reconciliation of opening and closing balances of the present value of defined benefit obligation in respect of gratuity Fund.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 01, 2017	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2018
Defined benefit obligation	38.98	2.81	2.86	5.67	(2.91)		(1.18)	(0.68)	(1.86)		39.88
Fair value of plan assets	37.09		(2.72)	(2.72)	-	(1.32)			(1.32)	2.53	43.66
Benefit liability	1.89			2.95					(3.18)		(3.78)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 01, 2016	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2017
Defined benefit obligation	34.18	2.13	2.86	4.99	(2.87)		2.37	0.31	2.68		38.98
Fair value of plan assets	33.43		(2.80)	(2.80)	(1.80)	(0.75)			(0.75)	1.91	37.09
Benefit liability	0.75			2.19					1.93		1.89

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details of plan assets	As at March 31, 2018	As at March 31, 2017
Insurance fund	43.66	37.09

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)
Discount rate	7.83%
Estimated rate of return on plan assets	7.83%
Estimated future salary growth	8.00%
Rate of employee turnover	2.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.07)	0.08	2.47	(2.19)	(2.17)	2.50

The following payments are projected benefits payable in future years from the date of reporting from the fund:

	As at March 31, 2018	As at March 31, 2017
Within the next 12 months (next annual reporting period)	8.38	6.88
Following year 2-5	15.12	13.71
Sum of years 6-10	18.34	18.72
Total expected payments	**41.84**	**39.31**

(INR in crores)

34 Related party transactions

a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

A) Wholly owned subsidiaries

Dan River Properties LLC

Grace Home Fashions LLC

B) Key managerial personnel

Mr. R. S. Jalan, Managing Director

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

Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary

C) Non-whole-time directors

Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mr. Neelabh Dalmia

Dr. B. C. Jain

Mr. G. C. Srivastava

Mrs. Vijaylaxmi Joshi (w.e.f. April 20, 2017)

Mr. Sanjiv Tyagi

Mr. Mahesh Kumar Kheria

Mr. K C. Jani

Mr. Lavanya Rastogi

D) Relative of key managerial personnel

Mrs. Sarita Jalan, w/o Mr. R. S. Jalan

Mrs. Bharti Chopra, w/o Mr. Raman Chopra

Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra

E) Enterprises over which key managerial personnel are able to exercise significant influence

Dalmia Centre for Research & Development

GHCL Foundation Trust

GHCL Employees Group Gratuity Scheme

Gujarat Heavy Chemical Limited Superannuation Scheme

Dalmia Biz Private Limitd.

Dalmia Healthcare Limited

b) Transactions with subsidiaries	For the year ended March 31, 2018	For the year ended March 31, 2017
Sales of Goods		
Grace Home Fashions LLC	105.06	150.72
Net payment/(receipt) of loans & advances		
Dan River Properties LLC	(2.69)	(0.62)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Loans & advances recoverable at the year end		
Dan River Properties LLC	3.54	6.22
Balance of investment in equities at the year end		
Grace Home Fashions LLC	0.04	0.04
Balance receivable at the year end		
Grace Home Fashions LLC	78.87	78.65

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
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		For the year ended March 31, 2018	For the year ended March 31, 2018
c)	**Transactions with relative of key management personnel**		
	Leasing & hire purchase transactions		
	Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.12	0.12
	Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.09	0.09
	Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02
d)	**Transactions with enterprises over which significant influence exercised by directors**		
	Purchase of goods		
	Dalmia Centre for Research & Development	0.02	0.02
	Royalty paid		
	Dalmia Centre for Research & Development	0.07	0.06
	Rent & Other Receipts		
	Dalmia Biz Private Limited	0.06	-
	Dalmia Healthcare Limited	0.04	-
	Rent deposit received		
	Dalmia Biz Private Limited	0.05	-
	Dalmia Healthcare Limited	0.05	-
	Net contribution		
	GHCL Foundation Trust	8.57	4.00
	GHCL Employees Group Gratuity Scheme	2.53	1.90
	Gujarat Heavy Chemical Limited Superannuation Scheme	1.28	1.23

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) **Compensation of key management personnel of the Group**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Mr. Ravi Shanker Jalan	8.75	7.57
Mr. Raman Chopra	4.98	4.33
Mr. Bhuwneshwar Mishra	0.54	0.52
Total compensation paid to key management personnel	**14.27**	**12.42**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	12.07	10.46
Post-employment gratuity and medical benefits	0.65	0.41
Share-based payment transactions	1.55	1.55
Total compensation paid to key management personnel	**14.27**	**12.42**

f) **Transactions with non-whole-time directors**

Sitting fees	0.28	0.27
Commission (excluding service tax)	2.98	3.10
	3.26	**3.37**

(INR in crores)

g) Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6 (a))

Name of the Loanee	For the year ended March 31, 2018	For the year ended March 31, 2017
GHCL Employee Stock Option Trust	6.81	6.81
Dan River Properties LLC (Subsidiary Company)	3.54	6.22

35 Commitments and contingencies

		As at March 31, 2018	As at March 31, 2017
a)	Operating lease commitments		
	Leases future obligation/rights as at balance sheet date for lease arrangements amount to:		
	Within one year	2.19	3.28
	After one year but not more than five years	0.62	3.62
	More than five years	0.01	0.11
b)	Estimated value of contracts remaining to be executed on Capital Account and not provided for	109.38	75.16
c)	Contingent liabilities :		
	Claims against the Company not acknowledged as debts*		
	- Income tax	161.60	71.92
	- Sales tax / VAT	0.04	0.04
	- Excise, custom & service tax	110.66	112.49
	- Other claims	48.09	41.72
	Cases pending before appellate authorities/dispute resolution panel in respect of which the Company has filed appeals.		
	*On the basis of current status of individual case for respective years and as per legal advice obtained by the company, wherever applicable, the company is confident of winning the above cases and is of the view that no provision is required in respect of above cases.		
	These include claims against the Company for recovery lodged by various parties.		
d)	Guarantees:		
	Guarantees issued by banks	1.84	2.72
	Corporate guarantee to bank on behalf of erstwhile subsidiaries of the Company	2.75	2.46
e)	Bills discounted with banks (since realized)	11.11	3.41
f)	EPCG Commitment (value of exports) - The Company has export obligations on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight /six years. Due to the remote likelihood of the Company being unable to meet its export obligations, the Company does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	338.61	313.31

36 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of expected sales and purchases, generally from one to 24 months.

These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

(INR in crores)

37 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value March 31, 2018	Fair value March 31, 2018	Carrying value March 31, 2017	Fair value March 31, 2017
Financial assets measured at fair value				
FVTOCI investments (refer note 5 (b))	10.28	10.28	8.78	8.78
Foreign exchange forward contracts (refer note 11)	5.17	5.17	10.27	10.27
Financial assets measured at amortised cost				
Loan to subsidiary (refer note 6 (a))	3.54	3.54	6.22	6.22
Loan to ESOS trust (refer note 6 (a))	6.81	6.81	6.81	6.81
Security deposits (refer note 6 (b))	4.80	4.80	8.18	8.18
Loan to employees (refer note 11)	1.59	1.59	1.21	1.21
Demand deposits (refer note 6 (b))	0.01	0.01	0.07	0.07
Others (refer note 11)	2.06	2.06	5.10	5.10
Financial liabilities not measured at fair value				
Term loans (refer note 16)	913.79	913.79	916.67	916.67
Short term borrowings (refer note 16)	399.76	399.76	514.02	514.02

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

i The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

	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)	31-Mar-18	10.07	10.07		
	31-Mar-17	8.67	8.67		
Unquoted equity shares (refer note 5)	31-Mar-18	0.20			0.20
	31-Mar-17	0.11			0.11
Financial assets measured at fair value through statement of profit and loss					
Foreign exchange forward contracts (refer note 11)	31-Mar-18	5.17			5.17
	31-Mar-17	10.27			10.27
Financial assets measured at amortised cost					
Security deposits (refer note 6 (b))	31-Mar-18	4.80		4.80	
	31-Mar-17	8.18		8.18	
Loan to subsidiary (refer note 6 (a))	31-Mar-18	3.54		3.54	
	31-Mar-17	6.22		6.22	
Loan to ESOS trust (refer note 6 (a))	31-Mar-18	6.81		6.81	
	31-Mar-17	6.81		6.81	
Loan to employees (refer note 11)	31-Mar-18	1.59		1.59	
	31-Mar-17	1.21		1.21	
Demand deposits (refer note 6 (b))	31-Mar-18	0.01		0.01	
	31-Mar-17	0.07		0.07	
Others (refer note 11)	31-Mar-18	2.06		2.06	
	31-Mar-17	5.10		5.10	

(INR in crores)

Financial liabilities not measured at fair value					
Floating rate borrowings (India)	31-Mar-18	1,313.55		1,313.55	
	31-Mar-17	1,430.69		1,430.69	

There have been no transfers between Level 1 and Level 2 during the year.

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Sensitivity of the input to fair value
FVTOCI financial investments				
Quoted equity shares	Level 1	Market valuation techniques	Prevailing rates in the active markets	
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, weighted average cost of capital, long-term operating margin, discount for lack of marketability	3% (31 March 2017: 3%) increase (decrease) in the growth rate would result
Financial assets measured at fair value through statement of profit and loss				
Foreign exchange forward contracts	Level 3	Market valuation techniques	Forward foreign currency exchange rates	
Financial assets measured at amortised cost				
Security deposits	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts	
Loan to subsidiary				
Loan to ESOS trust				
Loan to employees				
Financial liabilities measured at fair value				
Foreign exchange forward contracts	Level 3	Market valuation techniques	Forward foreign currency exchange rates	
Financial liabilities not measured at fair value				
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, future payouts	

38 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a banking and operations committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Company's policy, that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Company is not exposed the significant interest rate as at a respective reporting date.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is effected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on PBT
March 31, 2018	+/(-).50%	'(-)/+ 6.57

	Increase/decrease in basis points	Effect on PBT
March 31, 2017	+/(-).50%	'(-)/+ 7.15

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month periods for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

Foreign currency sensitivity

	Change in USD rate	Effect on PBT
March 31, 2018	+/(-)1%	'+/(-) 2.19
	Change in USD rate	**Effect on PBT in Rs**
March 31, 2017	+/(-)1%	'(-)/+ 0.97
	Change in GBP rate	**Effect on PBT**
March 31, 2018	+/(-)1%	(-)/+ 0.02
	Change in GBP rate	**Effect on PBT**
March 31, 2017	+/(-)1%	(-)/+ 0.01

c) Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 0.20 crores.

At the reporting date, the exposure to listed equity securities at fair value was INR 10.07 Crore. A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 1.02 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.

(INR in crores)

d) Commodity risk

The Company is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the company has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Company's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

e) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous group's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2018 and March 2017 is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

Liquidity risk

Liquidity risk is the risk that the company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the company to manage liquidity is to ensure , as far as possible, that it should have sufficient liquidity to meet its respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

As on 31st March 2018	within 1 year	More than 1 year	Total
Borrowings	569.22	744.33	1,313.55
Trade and other payables	382.44		382.44
Other financial liabilities	58.65		58.65
	1,010.31	**744.33**	**1,754.64**

As on 31st March 2017	within 1 year	More than 1 year	Total
Borrowings	732.73	697.96	1,430.69
Trade and other payables	333.74	-	333.74
Other financial liabilities	79.58	-	79.58
	1,146.05	**697.96**	**1,844.01**

(INR in crores)

39 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio of less than 75%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	For the year ended March 31, 2018	For the year ended March 31, 2017
Borrowings	1,313.55	1,430.69
Trade payables	382.44	333.74
Other financial liabilities	58.65	79.58
Less: Cash and bank balances	9.01	5.14
Net debt	**1,745.63**	**1,838.87**
Equity	1,621.94	1,351.32
Capital and net debt	**3.367.57**	**3,190.19**
Gearing ratio	52%	58%

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 31 March 2018.

40 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the Company's financial statements:

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Assessment of lease contracts

Classification of leases under finance lease or operating lease requires judgment with regard to the estimated economic life and estimated cost of the asset. The Company has analyzed each lease contract on a case to case basis to classify the arrangement as operating or finance lease, based on an evaluation of the terms and conditions of the arrangements.

Assessment of equity instruments

The Company has designated investments in equity instruments as FVTOCI investments since the Company expects to hold these investment with no intention to sale.

(INR in crores)

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

41 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing expenses	178.70	143.24
Stores and spares consumed	2.18	1.39
Power and fuel	4.55	4.73
Excise duty, cess and royalty	6.78	8.73
Repairs and maintenance		
Building	0.15	0.19
Plant and machinery	0.65	0.70
Earth work	1.01	1.74
Others	0.33	0.57
Salaries and wages	9.50	8.60
Travelling & conveyance	0.94	0.84
Lease rent	0.84	0.74
Rates and taxes	0.13	0.13
Insurance	0.95	0.86
Misc. expenses (including deferred revenue & intangible expenses)	1.51	3.59
Less: Other misc. income	(1.83)	(5.01)
Total	**206.39**	**171.04**

42 ESOS trust owns total 20,46,195 shares, out of which 15,79,922 shares were illegally sold by a party against which ESOS Trust has initiated legal proceedings and 4,66,273 shares are held by stock exchange based on an arbitration award. Pending final decision on these shares held by trust, the trust will continue for the limited purpose of litigation.

43 Share based compensation

In accordance with the Securities and Exchange Board of India (share based employee benefits) Regulations, 2014 and the guidance Note on accounting for 'Employees share-based payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the company. To have an understanding of the scheme, relevant disclosures are given below.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

a) As approved by the shareholders at their Annual General Meeting held on 23rd July 2015, the Company has got 50,00,000 number of Options under the employee stock option scheme "GHCL ESOS 2015". The following details show the actual status of ESOS granted during the financial year ended on 31st March 2018.

Details of the scheme and different plans

The relevant details of the Scheme are as under:

	Plan A	Plan B	Plan C	Plan D	Plan E	Plan F	Plan G	Plan H
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,05,000	6,05,000	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)								
Fair value on the date of grant (In Rs)	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders
Details of the vesting period are:								
Vesting Period from the Grant date	**Plan A**	**Plan B**	**Plan C**	**Plan D**	**Plan E**	**Plan F**	**Plan G**	**Plan H**
On completion of 12 months	6,05,000	-	15,000	-	25,000	-	-	-
On completion of 24 months	-	6,05,000	-	15,000	-	25,000	90,000	-
On completion of 36 months	-	-	-	-	-	-	-	90,000

Set out below is a summary of options granted under the plan:

	As at March 2018		As at March 2017	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	12,00,000	100	-	-
Options granted during the year	2,30,000	170	12,40,000	100
Options forfeited/lapsed during the year	90,000	100	40,000	100
Options exercised during the year	5,60,000	100	-	-
Options expired during the year	-	-	-	-
Options outstanding at end of year	7,80,000	121	12,00,000	100
Options vested but not exercised during the year	20,000	100	Nil	-

The details of activity of the Scheme have been summarized below:-

Particulars	As at March 2018								Total
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan F	Plan G	Plan H	
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	5,85,000	5,85,000	15,000	15,000	-	-	-	-	12,00,000
Granted during the year	-	-	-	-	25,000	25,000	90,000	90,000	2,30,000
Forfeited during the year	5,000	35,000	-	-	-	-	25,000	25,000	90,000
Exercised during the year	5,60,000	-	-	-	-	-	-	-	5,60,000
Expired during the year	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	20,000	5,50,000	15,000	15,000	25,000	25,000	65,000	65,000	7,80,000
Exercisable at the end of the year	20,000	-	-	-	-	-	-	-	20,000
Weighted average remaining contractual life (in years)	-	0.13	-	0.84	0.56	1.56	1.56	2.56	-
Weighted average fair value of options granted during the year	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18	-

(INR in crores)

Particulars	Plan A	Plan B	Plan C	Plan D	Plan E	Plan F	Plan G	Plan H
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Stock price at the date of grant	148.1	148.1	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	100	100	170	170	170	170
Expected volatility	50	50	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	2	3	3	4
Risk free interest rate (%)	7.467	7.467	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18

44 Remittances during the year in Foreign currency on account of

a)

Dividend for the financial year ended	2016-17
Dividends to non-resident shareholders	2.09
Number of non-resident shareholders	674
Number of shares	59,59,246

45 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

i) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018.

The Company is engaged in sale of goods 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).

Ind AS 115 impact on sale of goods

The Company's contracts with customers usually involve sale of goods as the only performance obligation, therefore adoption of Ind AS 115 is not expected to have any significant impact on the revenue and profit or loss. The Company expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Volume rebates

For few of its customers, the Company provide concessions in the form of volume discounts and special discounts. These amounts are subsequently paid to customers in cash or are adjusted with related trade receivables. The Company is in the process of evaluating the accounting impact of these concessions being treated as variable consideration under Ind AS 115. Thus, financial impact on revenues and profit on March 31, 2018 is not known.

Presentation and disclosure requirements

The presentation and disclosure requirements in Ind AS 115 are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Company's financial statements. In particular, the Company expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made particularly for determining the transaction price of those contracts that include variable consideration.

In addition, as required by Ind AS 115, the Company will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

ii) Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Company that is classified) as held for sale.

These amendments are unlikely to affect the Company's financial statements.

iii) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018.

These amendments are not expected to have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

iv) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its financial statements.

v) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its financial statements.

46 The financial statements for the previous year ended March 31, 2017 prepared in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) were jointly audited by the predecessor joint auditor and continuing auditor.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in crores)

47 Disclosure pusuant to Ind AS-8 “Accounting policies, change in accounting estimates and errors” (specified under section 133 of the Companies Act 2013, read with rule 7 of Companies (Accounts) Rules, 2015) are given below:

Following are the restatement made in the current year’s financial statements pertaining to previous year.

	As at 31st March, 2017 (Published)	As at 31st March, 2017 (Restated)	Nature
ASSETS			
Capital work-in-progress	26.00	25.49	Reclassification items
Intangible assets under development	-	0.51	Reclassification items
Financial assets - Loans	13.03	10.35	Reclassification items
Other financial assets (current)	16.58	19.26	Reclassification items
EQUITY AND LIABILITIES			
Trade payables	344.32	333.74	Reclassification items
Other financial liabilities (current)	300.27	298.29	Reclassification items
Other current liabilities	3.99	13.60	Reclassification items
Short term provisions	13.75	16.69	Reclassification items

	As at 31st March, 2017 (Published)	As at 31st March, 2017 (Restated)	Nature
INCOME			
Revenue from Operations	2,769.39	2,742.68	Reclassification items
Other income	10.78	37.49	Reclassification items

* The above reclassifications in the prior year’s published numbers have been made for better presentation in the financial statements and to conform to the current year’s classification/disclosure. This does not have any impact on the profit and hence no change in the basic and diluted earnings per share of previous year.

* The above restatements does not have any impact at the beginning of the previous year i.e., 01st April, 2016.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

Form AOC-1 Part"A" Subsidiaries
Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

INR in Crore

S.No.	Particulars	Particulars	Particulars
i.	Name of Subsidiary	Grace Home Fashion LLC	Dan River Properties LLC
ii.	Reporting period for the subsidiary concerned,	31st March 2018	31st March 2018
iii.	Reporting Currency and Exchange rate as on the last date of the relevant financial year/Period.	USD 1 USD = INR 65.18	USD 1 USD = INR 65.18
iv.	Share Capital	0.04	-
v.	Reserve & Surplus	-15.77	4.84
vi.	Total Assets	77.65	8.74
vii.	Total Liabilities	93.38	3.91
viii.	Investments	-	-
ix.	Turnover	155.60	2.19
x.	Profit before Taxation	-9.30	1.72
xi.	Provision for taxation	0.08	-
xii	Profit after Taxation	-9.38	1.72
xiii.	Proposed Dividend	-	-
xiv.	% of Shareholding	100.00%	100.00%

For and on behalf of the Board of Directors

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R.S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director (Finance)

Place: New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of GHCL Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of GHCL Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account 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 Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the holding companies, none of the directors of holding companies is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company incorporated in India, refer to our separate report in "Annexure 1" to this report;

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

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer Note 35 (c) to the consolidated Ind AS financial statements;

   ii. The 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

Place : New Delhi
Date : April 25, 2018

ANNEXURE-1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GHCL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of GHCL Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of GHCL Limited (hereinafter referred to as the "Holding Company" or "the Company") which is incorporated in India, as of that date. The subsidiary companies which are part of the Group 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 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 was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group, has maintained in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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

Place : New Delhi
Date : April 25, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(INR in Crores)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017 (Restated)
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,487.98	2,399.99
(b) Capital work-in-progress	3	73.00	25.49
(c) Investment Property	4	8.56	8.56
(d) Intangible assets	4A	5.18	1.07
(e) Intangible assets under development		0.51	0.51
(f) Financial assets			
(i) Investments	5	10.28	8.78
(ii) Loans	6(a)	6.81	6.81
(iii) Other non-current financial assets	6(b)	4.81	8.25
(g) Other-non current assets	7	30.51	17.19
(2) Current assets			
(a) Inventories	8	636.70	584.32
(b) Financial assets			
(i) Trade receivables	9	228.67	276.16
(ii) Cash and cash equivalents	10	11.58	9.29
(iii) Bank balances other than cash and cash equivalents	10A	15.23	26.85
(iv) Other current financial asset	11	8.82	16.58
(c) Current tax assets (net)	12	20.21	41.89
(d) Other current assets	13	79.29	71.86
Total assets		**3,628.14**	**3,503.60**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	97.42	99.47
(b) Other equity	15	1,513.42	1,247.05
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Long term borrowings	16(a)	744.33	697.96
(b) Long Term Provisions	17(a)	6.33	6.13
(c) Deferred tax liabilities (net)	12	194.95	235.98
(2) Current liabilities			
(a) Financial liabilities			
(i) Short term borrowings	16(b)	408.20	546.62
(ii) Trade payables	18	382.44	333.74
(iii) Other current financial liabilities	19	228.11	298.29
(b) Other current liabilities	20	37.86	21.62
(c) Short term provisions	17(b)	15.08	16.74
Total equity and liabilities		**3,628.14**	**3,503.60**

The accompanying notes are Internal parts of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(INR in Crores)

Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017 (Restated)
Revenue			
Revenue from operations	21	2,994.03	2,972.52
Other income	22	37.94	39.96
Total Income		**3,031.97**	**3,012.48**
Expenses			
Cost of raw materials consumed	23	1,100.08	1,069.91
Purchase of stock in trade		126.08	91.75
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	49.44	(22.93)
Excise duty on sale of goods		50.87	188.69
Employee benefit expenses	25	176.67	158.49
Depreciation and amortization expense	26	110.10	85.69
Finance costs	27	126.55	136.78
Other expenses	28	884.78	805.79
Total expenses		**2,624.57**	**2,514.17**
Profit before exceptional items and tax		407.40	498.31
Exceptional items	29	-	3.04
Profit before tax		**407.40**	**495.27**
Tax expense:			
Current tax		106.84	113.67
Less: Adjustment for tax relating to earlier years (refer note 12)		(89.81)	(40.18)
Deferred tax		34.02	41.73
Total tax expense		**51.05**	**115.22**
Profit for the year		**356.35**	**380.05**
Other comprehensive income			
Items that not to be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		3.18	(1.93)
Income tax effect		(1.10)	0.67
Re-measurement of investment in equity		1.40	2.65
Items that to be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		1.88	1.75
Income tax effect		(0.01)	(0.61)
Other Comprehensive Income/(Loss) for the year net of tax	30	**5.35**	**2.53**
Total Comprehensive income for the period		361.70	382.58
Profit attributable to :			
Owners of the Company		356.35	380.05
Non-controlling interest		-	-
Total comprehensive Income attributable to :			
Owners of the Company		361.70	382.58
Non controlling interest		-	-
Earnings per equity share nominal value of shares INR 10 (Previous year INR 10 each)	31		
Basic (INR)		36.48	38.26
Diluted (INR)		36.25	38.01

The accompanying notes are Internal parts of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2018

(INR in Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Operating activities		
Profit before tax	407.40	495.27
Adjustments for:		
Depreciation/amortisation	110.10	85.69
Profit on sale of investments	(0.18)	(0.23)
Loss/(Gain) on sale of fixed assets	0.40	(0.63)
Interest income	(2.42)	(1.05)
Finance cost	126.55	136.78
Income from dividend	(0.05)	(0.04)
Employees share based payments	3.51	5.75
Unrealised Exchange (Gain) / Loss	7.94	(18.64)
Operating profit/(loss) before working capital changes	**653.25**	**702.90**
Movement in working capital		
(Increase) /Decrease in trade receivables	60.56	(83.60)
(Increase)/ Decrease in inventories	(52.37)	(81.02)
(Increase) /Decrease in other current financial assets	7.76	(10.32)
(Increase)/ Decrease in other current assets	(7.44)	(16.86)
(Increase) /Decrease in other non-current financial assets	3.44	1.28
(Increase) /Decrease in other non-current assets	(0.25)	(2.64)
Increase/ (Decrease) in trade payables	48.33	61.80
Increase/ (Decrease) in other current financial liabilities	(67.03)	(17.37)
Increase/ (Decrease) in other current liabilities	16.24	8.54
Increase/ (Decrease) in provisions	(1.47)	3.83
Cash generated from operations	**661.02**	**566.54**
Direct taxes paid (net of refunds)	(71.51)	(108.40)
Net cash generated from operating activities	**589.51**	**458.14**
Cash flow from investing activities		
Purchase of fixed asset including CWIP and capital advances	(287.98)	(377.61)
Sale proceeds of tangible assets	6.05	1.48
Sales/ (Purchase) of Investment (Net)	0.07	0.23
Interest received	2.42	1.05
Dividend received	0.05	0.04
Net cash used in investing activities	**(279.39)**	**(374.81)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2018

(INR in Crores)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	5.60	-
Buyback of equity share capital	(65.32)	(14.40)
Dividend paid	(34.20)	(50.02)
Dividend distribution tax paid	(6.95)	(10.18)
Proceeds from long-term borrowings	313.02	277.94
Repayment of long-term borrowings	(266.65)	(255.01)
Proceeds from short-term borrowings	(138.42)	98.64
Unpaid dividend account (Net)	(0.02)	(0.54)
Bank depsoit in escrow account and Margin Money	11.64	(22.60)
Interest paid	(126.53)	(136.78)
Net cash generated from financing activities	**(307.83)**	**(112.95)**
Net (decrease) / increase in cash and cash equivalents	**2.29**	**(29.62)**
Cash and cash equivalents at the beginning of the year	**9.29**	**38.91**
Cash and cash equivalents at the end of the year	**11.58**	**9.29**
Components of cash and cash equivalents		
Cash on hand	0.17	0.14
Balances with banks:		
- On current accounts	11.41	9.15
Total cash and cash equivalents (note 10)	**11.58**	**9.29**

Notes:

The consolidated cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are Internal parts of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

(INR in Crores)

A. Equity Share Capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

	Number of share	Amount
Balance as at April 1, 2016	10.00	100.02
Changes in share capital during the year (Refer note 14 on buy back)	(0.05)	(0.55)
Balance as at March 31, 2017	**9.95**	**99.47**
Changes in share capital- ESOS issued during the year (Refer note 14 on ESOS)	0.06	0.56
Changes in share capital- Buy back during the year (Refer note 14 on buy back)	(0.26)	(2.61)
Balance as at March 31, 2018	**9.75**	**97.42**

B. Other Equity

(INR in Crores)

	Capital reserve (A)	Business development reserve (B)	Capital redemption reserve (C)	Securities premium reserve (D)	FVTOCI Reserve (E)	Retained earnings (F)	Share based payment reserve (G)	Foreign currency translation reserve (H)	General reserve (I)	Total
Balance as at April 1, 2016	**7.57**	**75.16**	**10.00**	**18.15**	**4.50**	**721.70**	**-**	**0.65**	**98.16**	**935.90**
Write back on sales of revalued assets	-	(1.27)	-	-		-	-	-	-	(1.27)
Reserve created on account of buy back during the year	-	-	0.55	-	-	(0.55)	-	-	-	-
Reserve Utilised on account of buy back during the year	-			(13.85)		-	-	-		(13.85)
Employee stock option scheme	-			-			5.75	-		5.75
Profit for the year	-	-	-	-	-	380.05	-	-		380.05
Proposed Dividend	-	-	-	-	-	(50.01)	-	-	-	(50.01)
Dividend distribution tax	-	-	-	-	-	(10.18)	-	-	-	(10.18)
Other comprehensive income	-	-	-	-	2.65	(1.26)	-	(0.72)	-	0.66
Balance as at March 31, 2017	**7.57**	**73.89**	**10.55**	**4.30**	**7.15**	**1,039.75**	**5.75**	**(0.07)**	**98.16**	**1,247.05**
Reserve created on account of ESOS issued during the year	-	-	-	9.06	-	-	-	-	-	9.06
Reserve created on account of buy back during the year	-	-	2.61	-	-	-	-	-	(2.61)	-
Reserve Utilised on account of buy back during the year	-	-	-	(4.30)	-	-	-	-	(58.42)	(62.72)
Profit for the year	-	-	-	-	-	356.35	-	-	-	356.35
Employee stock option scheme	-	-	-	-	-	-	(0.51)	-	-	(0.51)
Dividend paid	-	-	-	-	-	(34.20)	-	-	-	(34.20)
Dividend distribution tax	-	-	-	-	-	(6.95)	-	-	-	(6.95)
Other comprehensive income	-	-	-	-	1.40	2.08	-	1.87	-	5.35
Balance as at March 31, 2018	**7.57**	**73.89**	**13.16**	**9.06**	**8.55**	**1,357.03**	**5.24**	**1.80**	**37.13**	**1,513.42**

The accompanying notes are Internal part of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018

(INR in Crores)

1 Corporate information

The consolidated financial statements comprise financial statements of GHCL Limited (GHCL) and its subsidiaries (collectively, the Group) for the year ended 31 March 2018. GHCL ("GHCL" or the "Company" or the "Parent") is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat. The Group are engaged in primarily two business segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufaturing, weaving, processing and cutting & sewing of home textiles products).

Information on the Group’s structure is provided in Note 45.

Information on related party relationships of the is provided in Note 34.

The consolidated financial statements are authorised for issue in accordance with a resolution of the Board of Directors on 25th April 2018.

2 Significant accounting policies

2.1 Basis of preparation

The Consolidated financial statements of the Group have been prepared in accordance Indian Accounting standards (Ind AS) notified under Companies (Indian Accounting standards) Rules, 2015 as amended. For all periods up to and including the year ended 31 March 2017, the Group has prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). 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, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group’s voting rights and potential voting rights

(iv) The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

2.3 Consolidation Procedure:

Subsidiaries:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intraGroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). IntraGroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary

(ii) Derecognises the carrying amount of any non-controlling interests

(iii) Derecognises the cumulative translation differences recorded in equity

(iv) Recognises the fair value of the consideration received

(v) Recognises the fair value of any investment retained

(vi) Recognises any surplus or deficit in profit or loss

(vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(d) **Change in ownership interest**

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.4 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b) Fair value measurement

The the Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Parent determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

On an interim basis, the members of Banking & Operations Committee present the valuation results to the Audit Committee. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

c) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that, it is acting as a principal in all of its revenue arrangements since it is the primary obliger in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on the education material on Ind AS 18 issued by the ICAI, the Group assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/value added tax (VAT)/goods & service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly it is excluded from the revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, cash discounts, trade discounts and volume rebates.

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) 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, Rebate of State Levies (ROSL) and Focus Market Scheme are recognised on shipment of direct exports.

Revenue from exports benefits measured at the fair value of consideration received of receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Rendering of services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Dividend

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

d) Taxes

Current income tax

Tax expense comprises current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and associates when the timing of

the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situation where the Group is entitled to a Tax holiday under the income Tax Act, 1961 enacted in India or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

e) Property, plant and equipment

Property, plant and equipment and capital work-in-progress is stated at net of CENVAT/goods & service tax (GST) and VAT less depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates the useful lives for the fixed assets, except lease mines and leasehold land, as follows.

• Building	30 to 60 years
• Plant and Machinery *	5 to 25 years
• Office equipment	3 to 25 years
• Furniture and fixtures	10 years

• Salt works reservoir	10 years
• Vehicles	8 to 10 years
• Wind Turbine Generator	20 to 22 years
• Temporary structures	3 years

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to notes regarding significant accounting judgments, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful life are amortised on straight line basis over estimated useful life of three years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the companies general policy on the borrowing costs (note16). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term for non-cancellable leases. However, in some of the non-cancellable operating lease arrangements the lease escalation is in line with expected general inflation and hence there is no requirement for straight lining of lease rentals as Ind-AS 17 does not mandate straight-lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

i) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable and excise duty.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses.
- Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares: are stated at cost less provision, if any, for obsolescence.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Parent's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

k) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

"The present value of the expected cost for the decommissioning of an asset after its use and leasehold improvements on termination of lease is included in the cost of the respective asset if the recognition criteria for a provision are met. The Parent records a provision for decommissioning costs of its plant for manufacturing of Soda Ash and leasehold improvements at the leasehold land. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset."

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity

l) Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Group recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

m) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at

FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS18

For recognition of impairment loss on other financial assets and risk exposure, the Parent determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Parent in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Parent does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Parent's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The following table shows various reclassification and how they are accounted for as per below:

i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Cash flow hedges

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Refer to Note 36 for more details.

o) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

p) Cash dividend to equity holders

The Group recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

q) Investment properties

Investment properties are properties (land and buildings) that are held for long-term rental yields and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs (if any) for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 30 years from the date of original purchase.

The Company, based on technical assessment made by the management, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the Investment Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

r) Foreign currencies

The Group's financial statements are presented in INR, which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognised as income or expenses in the period which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of 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).

s) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018

(INR in crores)

3 Property, Plant and equipment

	Freehold Land	Leasehold Land *	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Total	Capital work in progress	Amount
As at April 1, 2016	382.74	352.40	170.61	1,071.77	4.71	5.32	1.68	2.70	9.47	126.49	2,127.89	36.89	2,164.78
Additions	0.03	0.35	34.10	387.19	3.08	1.83	0.16	0.88	-	13.07	440.69	426.17	866.86
Disposals	(0.73)	-	-	(29.55)	(0.27)	(0.04)	-	(0.79)	-	-	(31.38)	(437.06)	(468.44)
Reclassification												(0.51)	(0.51)
As at March 31, 2017	**382.04**	**352.75**	**204.71**	**1,429.41**	**7.52**	**7.11**	**1.84**	**2.79**	**9.47**	**139.56**	**2,537.20**	**25.49**	**2,562.69**
Additions	-	-	21.68	176.61	2.89	2.26	0.54	0.90	-	-	204.88	257.69	462.57
Disposals	-	-	(1.44)	(20.58)	(1.40)	(0.67)	-	(0.41)	-	-	(24.50)	(210.18)	(234.68)
As at March 31, 2018	**382.04**	**352.75**	**224.95**	**1,585.44**	**9.01**	**8.70**	**2.38**	**3.28**	**9.47**	**139.56**	**2,717.58**	**73.00**	**2,790.58**

Depreciation	Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Amount
As at April 1, 2016	-	4.86	7.20	56.02	0.95	0.76	0.70	0.28	4.52	3.86	79.15	-	79.15
Depreciation charge for the year	-	4.85	7.50	60.65	1.45	0.57	0.59	0.54	2.77	6.50	85.42	-	85.42
Disposals	-	-	-	(26.36)	(0.26)	(0.04)	-	(0.70)	-	-	(27.36)	-	(27.36)
As at March 31, 2017	**-**	**9.71**	**14.70**	**90.31**	**2.14**	**1.29**	**1.29**	**0.12**	**7.29**	**10.36**	**137.21**	**-**	**137.21**
Depreciation charge for the year	-	4.87	9.75	80.51	2.59	1.44	0.43	0.57	1.36	7.21	108.73	-	108.73
Disposals	-	-	(1.44)	(12.50)	(1.40)	(0.67)	-	(0.33)	-	-	(16.34)	-	(16.34)
As at March 31, 2018	**-**	**14.58**	**23.01**	**158.32**	**3.33**	**2.06**	**1.72**	**0.36**	**8.65**	**17.57**	**229.60**	**-**	**229.60**
Net book value													
As at March 31, 2018	382.04	338.17	201.94	1,427.12	5.68	6.64	0.66	2.92	0.82	121.99	2,487.98	73.00	2,560.98
As at March 31, 2017	382.04	343.04	190.02	1,339.10	5.38	5.82	0.55	2.67	2.18	129.20	2,399.99	25.49	2,425.48

Net book value	**31-Mar-18**	**31-Mar-17**
Property, plant and equipment	2,487.98	2,399.99
Capital work in progress	73.00	25.49

Refer note 16 for property plant and equipment pledged as security by the company.

Finance leases * Land for Soda Ash plant and for Corporate Office are taken on lease from the Government for a period of 90 to 99 years.

Leased Mines # Leased mines represents expenditure incurred on development of mines.

Capitalised borrowing costs

Addition to block of plant and equipments and others includes borrowing cost of Rs. 4.32 Crore (for the year ended 31 March 2017: Rs. 11.27 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 8.49% (for the year ended 31 March 2017: 11.25%), which is the effective interest rate of the specific borrowing

4. Investment Property

Opening Balance at 1st April 2016	8.56
Additions (Subsequent Expenditure)	-
Closing Balance at 31st March 2017	**8.56**
Additions (Subsequent Expenditure)	-
Closing Balance at 31st March 2018	**8.56**
Depreciation and Impairment	
Opening Balance at 1st April 2016	-
Depreciation	-
Closing Balance at 31st March 2017	**-**
Depreciation	-
Closing Balance at 31st March 2018	**-**
Net Block	
31st March 2018	8.56
31st March 2017	8.56

	31st March 2018	31st March 2017
Rental income derived from investment properties direct operating expenses (including repairs & maintenance) generating rental income	2.19	2.47
Direct operating expenses (including repairs and maintenance) that did not generate rental Income	0.57	0.62
Profit arising from investment properties before depreciation and indirect expenses	1.62	1.85
Less- Depreciation	-	-
Profit arising from investment properties before indirect expenses	1.62	1.85

The Group's investment properties consist of one commercial property comprising of land and building thereon in USA.

As at 31st March 2018 and 31st March 2017, the fair market value of the property are INR 14.58 Crores. These valuations are based on valuations performed by an accredited independent valuer who is a specialist in valuing these types of properties.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repair, maintenance and enhancements.

Fair value hierarchy disclosures for investments properties have been provide in Note 46.

Investment at the year end is valued at the Fair Value which is broadly comparable with the carrying value as on the reporting date.

4A. Intangible assets

	Trademarks*	Software	Total
Cost			
As at April 1, 2016	0.00	0.67	0.67
Additions	-	0.89	0.89
Disposals	-	-	-
As at March 31, 2017	**0.00**	**1.56**	**1.56**
Additions	2.65	2.83	5.48
Disposals	-	-	-
As at March 31, 2018	**2.65**	**4.39**	**7.04**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

	Trademarks	Software	Total
Amortisation			
As at April 1, 2016	-	0.22	0.22
Amortization	0.00	0.27	0.27
Disposals	-	-	-
As at March 31, 2017	**0.00**	**0.49**	**0.49**
Amortization	0.66	0.71	1.37
Disposals	-	-	-
As at March 31, 2018	**0.66**	**1.20**	**1.86**

	Trademarks	Software	Total
Net book value			
As at March 31, 2018	1.99	3.19	5.18
As at March 31, 2017	-	1.07	1.07

Note: Intangible assets include license for trademark for obtaining exclusive manufacturing and marketing rights for one of its innovative textile product in USA.
* Cost is less than Rupees (INR) 10,000.

5 Financial assets

	As at March 31, 2018	As at March 31, 2017
Investments		
Investments in equity instruments at fair value through OCI (fully paid)		
Quoted equity shares		
41,500 equity shares (as at 31 March 2017: 41,500 equity shares) of HDFC Bank Limited of Rs 2/- each fully paid up	7.85	5.98
68,598 equity shares (as at 31 March 2017: 68,598 equity shares) of IDBI Limited of Rs 10/- each fully paid up	0.50	0.52
2,595 equity shares (as at 31 March 2017: 2,595 equity shares) of Dena Bank of Rs 10/- each fully paid up	0.00	0.01
272,146 equity shares (as at 31 March 2017: 272,146 equity shares) of GTC Industries Limited of Rs 10/- each fully paid up	1.60	2.02
4,500 equity shares (as at 31 March 2017: 4,500 equity shares) of Canara Bank of Rs 10/- each fully paid up	0.12	0.14
100 equity shares (as at 31 March 2017: 100 equity shares) of TCP Ltd of Rs 10/- each fully paid up	0.00	0.00
Investment in others (Unquoted)		
5200 equity shares (as at 31 March 2017: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.01	0.01
1,75,900 equity shares (as at 31 March 2017: 83,500 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.19	0.09
Unquoted debt securities (at amortised cost)		
Investment in Government Securities		
7 year National Savings Certificates	0.01	0.01
(Pledged with govt authorities)		
Total investments	**10.28**	**8.78**
Non-current	**10.28**	**8.78**
Current	**-**	**-**
Aggregate market value of quoted investments	10.07	8.67
Aggregate Fair value of unquoted investments	0.21	0.11

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

6 (a) Loans

	As at March 31, 2018	As at March 31, 2017
(Unsecured, considered good, unless stated otherwise)		
(at amortised cost)		
Loan to ESOS trust	6.81	6.81
Total loans (a)	**6.81**	**6.81**
Non-current	**6.81**	**6.81**
Current	**-**	**-**

(b) Other non-current financial assets

	As at March 31, 2018	As at March 31, 2017
Other Financial assets		
Demand deposit	0.01	0.07
Security Deposits	4.80	8.18
Total non-current other financial assets (b)	**4.81**	**8.25**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risks of the counter parties.

7 Other-non current assets

	As at March 31, 2018	As at March 31, 2017
Capital advances	23.30	10.23
Deposit with statutory authorities under protest	7.21	6.96
Total	**30.51**	**17.19**

8 Inventories

	As at March 31, 2018	As at March 31, 2017
Raw materials [includes in transit Rs. 17.90 Crore (At 31 March 2017: 15.74 Crore)]	263.64	202.70
Work-in-progress	48.01	51.45
Finished goods [includes in transit Rs. 27.34 Crore (At 31 March 2017: 30.55 Crore)]	152.93	200.29
Stock-in-trade [includes in transit Rs. 5.49 Crore (At 31 March 2017: Rs. 10.03 Crore)]	15.97	14.61
Stores and spares [includes in transit Rs. 61.25 Crore (At 31 March 2017: Rs. 46.49 Crore)]	156.15	115.27
Total inventories at the lower of cost and net realisable value	**636.70**	**584.32**

9 Trade receivables

	As at March 31, 2018	As at March 31, 2017
Trade receivables	228.67	276.16
Total trade receivables	**228.67**	**276.16**
Break-up for security details:		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	228.67	276.16
Doubtful	-	-
Current trade receivables	**228.67**	**276.16**

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.

Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

10 Cash and cash equivalent

	As at March 31, 2018	As at March 31, 2017
Balances with bank	11.41	9.15
Cash on hand	0.17	0.14
Total cash and cash equivalents	**11.58**	**9.29**

10A Bank balances other than cash and cash equivalents

- On unpaid dividend account	3.48	3.46
- On escrow account	3.95	4.63
- On account of margin money deposited	7.80	18.76
Bank balances other than cash and cash equivalents	**15.23**	**26.85**

As at 31 March 2018, the Company had available Rs. 191.74 Crore (As at 31 March 2017: Rs.113.31 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2018	As at March 31, 2017
Balances with bank	11.41	9.15
Cash on hand	0.17	0.14
	11.58	**9.29**

11 Others current financial asset

(Unsecured, considered good, unless stated otherwise)	As at March 31, 2018	As at March 31, 2017
Loan to employees	1.59	1.21
Foreign exchange forward contracts	5.17	10.27
Others	2.06	5.10
	8.82	**16.58**

12 Income Tax and deferred Tax

Current tax assets (net)	As at March 31, 2018	As at March 31, 2017
Income tax paid / TDS (net of provisions) of Rs 106.76 Crore (At 31 March 2017: Rs. 113.61 Crore)	1.04	1.71
Income Tax refund receivable	19.17	40.18
Total	**20.21**	**41.89**

During the year, Holding Company has received an Income Tax Order in respect of AY 2014-15 allowing certain claim(s) made by the Company which has resulted in income-tax benefit in the form of MAT credit of Rs.82.91 crore.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2018 and 31 March 2017:

	As at March 31, 2018	As at March 31, 2017
Accounting profit before tax from continuing operations	407.40	495.27
Accounting profit before income tax	**407.40**	**495.27**
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	140.99	171.40
Adjustment for tax purposes:		
- Difference in book depreciation and depreciation as per Income Tax Act, 1961	(26.27)	(33.39)
- Investment allowance	-	(20.58)
- 43B items	(1.72)	1.69
- Charity, donation and CSR expenses	4.11	1.38
- Deduction under chapter VI-A	(15.02)	(9.00)
- VRS expenses	(1.16)	(0.11)
- Others	5.91	2.27
At the effective income tax rate of 22.63% (31 March 2017: 22.55%)	**106.84**	**113.67**
Income tax expense reported in the statement of profit and loss	106.84	113.67
Deferred tax expense reported in the statement of profit and loss	34.02	41.73
Tax adjustment for earlier years	(89.81)	(40.18)
	51.05	**115.22**

Deferred tax expense/(income) relates to the following:	As at March 31, 2018	As at March 31, 2017
Depreciation	30.38	38.36
Deferred revenue expenditure	0.95	-
Employee benefit	1.17	0.11
Disallowance u/s 40 (a) & 43B	0.86	(0.43)
Carry forward loss as per IT Act	-	3.60
Unamortised cost of Term loans	0.66	0.09
Deferred tax expense/(income)	**34.02**	**41.73**
Deferred tax expense/(income) recognised in Other Comprehensive Income	1.10	(0.67)
Total Deferred tax expense/(income)	**35.12**	**41.06**

Deferred tax relates to the following:	As at March 31, 2018	As at March 31, 2017
Accelerated depreciation for tax purposes	(275.89)	(245.51)
Employee benefit	2.46	3.63
Disallowance u/s 40 (a) & 43B	5.91	6.77
Foreign exchange forward	(0.95)	-
Unamortised cost of Term loans	(1.53)	(0.87)
MAT Credit	75.05	-
Deferred tax expense/(income)		
Net deferred tax assets/(liabilities)	**194.95**	**(235.98)**
Reflected in the balance sheet as follows:		
Deferred tax assets	83.42	10.40
Deferred tax liabilities:	(278.37)	(246.38)
Deferred tax liabilities, net	**(194.95)**	**(235.98)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended 31 March 2018, the holding company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The holding company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

13 Other current assets

	As at March 31, 2018	As at March 31, 2017
Balances with statutory authorities	26.52	28.75
Export incentives receivable	20.18	9.32
Advances recoverable in cash or kind	21.07	26.05
Prepaid expenses	7.01	7.43
Others	4.51	0.31
Total other current assets	**79.29**	**71.86**

14 Share capital

Authorised share capital

	Number	Amount
At April 1, 2016	**17.50**	**175.00**
Changes during the year	-	-
At March 31, 2017	**17.50**	**175.00**
Changes during the year	-	-
At March 31, 2018	**17.50**	**175.00**

Terms / rights attached to equity shares

The holding company has one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Group, the equity shareholders are eligible to receive remaining assets of the Group, after distribution of all preferential amounts, in proportion to their shareholding.

Issued equity capital

	Number In crores	Amount In crores
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016	10.00	100.02
Changes during the year*	(0.05)	(0.55)
At March 31, 2017	**9.95**	**99.47**
Changes in share capital- Shares issued under ESOS scheme during the year	0.06	0.56
Changes in share capital- Shares Buy back during the year *	(0.26)	(2.61)
At March 31, 2018	**9.75**	**97.42**

	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Shareholder's holding more than 5 % shares	Nil	Nil	Nil

As per records of the parent, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No shares have been issued by the parent for consideration other than cash, during the period of five years immediately preceding the reporting date.

* The Board of Directors of the Company, at its meeting held on January 31, 2017, has approved a proposal to buy back upto 32,00,000 equity shares of the company for an aggregate amount not exceeding Rs. 80 crore, being 3.2% of the total paid up equity share capital at amount per share not exceeding Rs. 315. During the year, the Company has bought back 26,09,450 and extinguished at 31.03.2018.

15 Other equity

15A Capital reserve

	Amount
At April 1, 2016	7.57
Changes during the year	-
At March 31, 2017	**7.57**
Changes during the year	-
At March 31, 2018	**7.57**

The parent has recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeted shares and forfeiture of preferential warrants under capital reserve

15B Business development reserve

	Amount
At April 1, 2016	75.16
Changes during the year	(1.27)
At March 31, 2017	**73.89**
Changes during the year	-
At March 31, 2018	**73.89**

In earlier years, Certain Fixed assets of the Group were revalued at their respective fair value as determined by government approved competent valuer appointed by the Company. The amount of such revaluation was transferred to Business development reserve. as per scheme of arrangement as approved by Hon'ble Gujarat High Court on 30th November, 2008.

15C Capital redemption reserve

	Amount
At April 1, 2016	10.00
Changes during the year	0.55
At March 31, 2017	**10.55**
Changes during the year	2.61
At March 31, 2018	**13.16**

The holding company had issued 10,000,000/- 10.75% Cumulative Redeemable Preference Shares (CRPS) of Rs. 10/- each, to IDBI Bank Limited during financial year 1999-2000 which was subsequently redeemed by the company in the financial year 2001-02, pursuant to the provisions of Section 80 of the Companies Act, 1956 and the article 7 of the Article of Association of the parent. Accordingly, the Capital Redemption Reserve account to the extent of 100% of the value of CRPS redeemed (i.e. Rs. 10 Crore), was created out of profit of the parent available for payment of dividend.

An amount of Rs. 2.61 Crore (equivalent to nominal value of the equity shares bought back & cancelled by the company during the year) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Company. (refer note 14)

15D Securities premium reserve

(INR in Crores)

	Amount
At April 1, 2016	18.15
Changes during the year	(13.85)
At March 31, 2017	**4.30**
Changes - Buy back during the year	(4.30)
Changes - ESOS issued during the year	9.06
At March 31, 2018	**9.06**

During the earlier years, the holding company issued 4,500,000 Preferential convertible warrants which were converted into equity shares of Rs 10 each at a premium of Rs 55.10 per share in the year ended March 31, 2007. The premium amounting to Rs 24.80 Crore received on such conversion was transferred to the securities premium account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

During the current year, the holding company has bought back and cancelled 26,09,450 equity shares of Rs. 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to Rs. 4.30 Crore, is adjusted against the Share Premium Account. (Refer Note 14)

During the current year, the holding company has issued 560,000 equity shares of Rs. 10 each under ESOS scheme. The excess of aggregate consideration paid for buy-back over the face value of shares so bought back and extinguished, amounting to Rs. 9.06 Crore, is adjusted against the Share Premium Account. (Refer Note 14)

15E FVTOCI reserve	Amount
At April 1, 2016	4.50
Changes during the year	2.65
At March 31, 2017	**7.15**
Changes during the year	1.40
At March 31, 2018	**8.55**

The parent recognises the profit or loss on fair value of quoted investments under fair value through other comprehensive income (FVTOCI) reserve.

15F Retained earnings	Amount
At April 1, 2016	721.69
Changes during the year	318.06
At March 31, 2017	**1,039.75**
Changes during the year	317.28
At March 31, 2018	**1,357.03**

15G Share based payment reserve	Amount
At April 1, 2016	-
Changes during the year	5.75
At March 31, 2017	**5.75**
Changes during the year	(0.51)
At March 31, 2018	**5.24**

The holding company has share option scheme under which options to subscribe for the holding company's shares have been granted to certain executives and senior employees.

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 43 for further details of these plans

15H Foreign currency translation reserve	Amount
At April 1, 2016	**0.65**
Changes during the year	(0.72)
At March 31, 2017	**(0.07)**
Changes during the year	1.87
At March 31, 2018	**1.80**

15I General reserve	Amount
At April 1, 2016	98.16
Changes during the year	-
At March 31, 2017	**98.16**
Changes during the year	(61.03)
At March 31, 2018	**37.13**
Grand Total (15) as on March 2016	**935.90**
Grand Total (15) as on March 2017	**1,247.05**
Grand Total (15) as on March 2018	**1,513.42**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

Distributions made and proposed	**As at March 31, 2018**	**As at March 31, 2017**
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2017: INR 3.50 per share (March 31, 2016: INR 3.50 per share)	34.20	35.01
Dividend distribution tax on final dividend	6.95	7.13
Interim dividend for the year ended on March 31, 2018: NIL (March 31, 2017: INR 1.50 per share)	-	15.01
Dividend distribution tax on Interim dividend	-	3.05
	41.15	**60.20**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on 31 March 2018: INR 5.00 per share (31 March 2017: INR 3.50 per share)	48.76	35.01
Dividend distribution tax on proposed dividend	9.93	7.13
	58.69	**42.14**

16 Borrowings

(a) Long term borrowings

Particulars	**Non current**		**Current**	
	As at 31 March 2018	**As at 31 March 2017**	**As at 31 March 2018**	**As at 31 March 2017**
Term loans from banks				
Rupee term loan (Secured)	392.97	531.59	92.58	218.71
Secured Foreign currency loan (Secured)	326.36	166.37	76.88	-
Total secured loans from banks	**719.33**	**697.96**	**169.46**	**218.71**
Rupee term loan (unsecured)	25.00			
Current maturities of long term loan (refer note 19)	-	-	(169.46)	(218.71)
Total	**744.33**	**697.96**	**-**	**-**

16.1 Rupee term loans from banks / institutions have been secured against: -

a) Loan aggregating to Rs.72.29 crores (Previous Year Rs.102.45 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 3 to 7 years.

b) Loan aggregating to Rs 338.59 crores (Previous Year Rs.202.58 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval, Gujarat excluding assets exclusively charged to other lenders both present and future. The remaining tenure of the loans is 8 to 10 years.

c) Loan aggregating to Rs 89.65 crores (Previous Year Rs.161.81 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 1 to 2 years.

d) Loan aggregating to Rs. 72.89 crores (Previous Year Rs.51.85 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 2 to 10 years.

e) Loan aggregating to Rs. 9.15 crores (Previous Year Rs.8.69 crores) is secured by an exclusive first charge over movable fixed assets situated at Jodia, Jamnagar District, Gujarat, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 9 years.

f) Loan aggregating to Rs. NIL (Previous Year Rs. 12.96 crores) is secured by way of first pari passu charge on movable fixed assets of Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 1 year

g) Loan aggregating to Rs.152.58 crores (Previous Year Rs.107.86 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 1 to 10 years.

h) Loan aggregating to Rs. 25.14 crores (Previous Year Rs.74.88 crores) is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 2 years.

i) Loan aggregating to Rs. 57.15 crores (Previous Year Rs.69.94 crores) is secured by first exclusive charge on movable fixed assets of Textile Division situated at Paravai and Manaparai, Tamil Nadu, both present and future, excluding assets exclusively charged to other lenders. The remaining tenure of the loan is 3 years.

j) Loan aggregating to Rs. 42.13 (Previous Year Rs.47.66 crores) crores is secured by an exclusive first charge on movable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 7 years.

k) Loan aggregating to Rs. 29.22 crores (Previous Year Rs.30.32 crores) is secured by an exclusive first charge on movable and immovable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 8 years.

l) Loan aggregating to Rs. NIL (Previous Year Rs. 45.77 crores) is secured by extension of first charge on movable fixed assets of consumer product division situated at Chennai and industrial salt division situated at Bhavnagar and exclusive first charge on the factory land and building situated at Thiruporur village, Chengalpattu Taluka, Kancheepuram district, Chennai. The remaining tenure of the loan is 3 years.

m) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (l) totaling Rs. 888.79 crores (Previous Year Rs.916.67 crores), an amount of Rs. 169.46 crores (Previous Year Rs.218.71 crores) is due for payment in next 12 months and accordingly reported under Note 19 under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings"..

(b) Short term borrowings

Particulars	As at 31 March 2018	As at 31 March 2017
Short term loans from banks - Secured		
Cash credit facilities	23.95	24.02
Working capital demand loan	71.00	29.50
Export Packing Credit (Rupee loan)	138.77	281.24
Bill Discounting	-	19.88
Packing Credit in foreign currency	5.01	2.57
Foreign currency non resident borrowing	-	58.37
Buyers credit in foreign currency	70.68	98.44
Total Secured Short Term Borrowing	**309.41**	**514.02**
Short term loans from banks - (Unsecured)		
Cash credit facilities	0.13	-
Short Term Loan	46.00	-
Bill Discounting	52.66	32.60
Total Unsecured Short Term Borrowing	**98.79**	**32.60**
Total	**408.20**	**546.62**

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 7.22% p.a (Previous Year 7.66% p.a) on the amount outstanding.

(b) Credit facilities in foreign currency : The facilities availed by way of foreign currency non resident borrowing, packing credit in foreign currency and buyer's credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 2.19% p.a on the amount outstanding.

16.3 The Company has satisfied all the loan covenants.

16.4 The Company also has undrawn borrowing facilities (refer note 10A).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

17 Provisions

		Provision for mines restoration*
(A)	**Long term provisions**	
	At 1 April 2016	5.33
	Arising during the year	1.02
	Utilised	(0.22)
	Unused amounts reversed	-
	At 31 March 2017	**6.13**
	Arising during the year	1.02
	Utilised	(0.82)
	At 31 March 2018	**6.33**
	Long Term Provisions	**6.33**

*** Provision for mines restoration**

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

(B)	**Short term provisions**	**As at March 31, 2018**	**As at March 31, 2017**
	Employee benefits (refer note 33)		
	– Provision for Compensated absences	12.14	11.91
	– Provision for Gratuity	-	1.89
	Provision for litigations	2.94	2.94
	Long term provisions	**15.08**	**16.74**

18 Trade payables

	As at March 31, 2018	**As at March 31, 2017**
Trade payables for goods and expenses	380.55	332.87
Trade payables - Micro, Small & Medium Enterprises *	1.89	0.87
	382.44	**333.74**
Non-current	-	-
Current	382.44	333.74

* There are no interests due or outstanding to Micro, Small and Medium Enterprises beyond the due date.

Trade payables are non-interest bearing and are normally settled on around 90 days terms

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2018 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

		As at March 31, 2018	**As at March 31, 2017**
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	1.89	0.87
	Interest	-	-
ii)	The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
	The total dues of Micro and Small Enterprises which were outstanding for more than stipulated period are Rs. Nil (March 31, 2017 : Rs. Nil).	-	-

19 Other current financial liabilities

	As at March 31, 2018	As at March 31, 2017
Other financial liabilities at amortised cost		
Current maturity of long term borrowings (refer note 16)	169.46	218.71
Other financial liabilities		
Dealer deposits	5.44	5.00
Security deposits	0.70	0.71
Capital creditors	23.99	46.10
Unpaid dividend	3.48	3.46
Employee benefit payable	21.67	19.91
Others	3.37	4.40
	228.11	**298.29**

Dealer deposits are non-interest bearing and have an average term of around 75 days. Interest payable is normally settled annually. Other than dealer deposits all other payables are non-interest bearing and have an average term of around 75 days.

20 Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance received from customers	2.24	3.99
Statutory dues	14.60	9.61
Deferred income	14.96	-
Others	6.06	8.02
	37.86	**21.62**

21 Revenue for operations

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products		
Sale of manufactured goods	2,826.19	2,872.41
Sale of traded goods	167.84	100.11
Total sales products	**2,994.03**	**2,972.52**

Note:

Revenue from operations for periods up to 30 June 2017 includes excise duty of Rs. 50.87 crore (Previous year Rs. 188.69 Crore). From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with goods & service tax (GST). The Holding company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended 31 March 2018 is not comparable with 31 March 2017.”

22 Other income

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income	2.42	1.05
Dividend income	0.05	0.04
Other non-operating income		
Gain on exchange (net)	26.18	26.71
Profit on sale of investments	0.18	0.23
Rental income	2.19	2.47
Gain on sale of fixed assets	-	0.63
Sale of scrap	5.61	8.03
Miscellaneous income	1.31	0.80
	37.94	**39.96**

23 Cost of raw material consumed (Refer no 41)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventory at the beginning of the year	202.70	191.55
Add: Purchases	1,161.02	1,081.06
	1,363.72	1,272.61
Less: inventory at the end of the year	(263.64)	(202.70)
Cost of raw material consumed	**1,100.08**	**1,069.91**

24 (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2018	For the year ended March 31, 2017	(Increase)/ decrease in inventories
Opening stock			
Finished Goods	200.29	198.79	(1.50)
Stock in Process	51.45	44.04	(7.41)
Stock in trade	14.61	0.59	(14.02)
	266.35	**243.42**	**(22.93)**
Closing stock			
Finished Goods	152.93	200.29	47.36
Stock in Process	48.01	51.45	3.44
Stock in trade	15.97	14.61	(1.36)
	216.91	**266.35**	**49.44**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	49.44	(22.93)	

25 Employee benefit expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	154.87	135.12
Contribution to provident and other funds	9.54	9.20
Share based payment Expenses	3.51	5.75
Gratuity	2.95	2.19
Staff welfare expenses	5.80	6.23
	176.67	**158.49**

26 Depreciation and amortization expense

	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets	108.73	85.42
Amortization of intangible assets	1.37	0.27
	110.10	**85.69**

27 Finance costs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on borrowings (Net of TUF interest subsidy amounting to Rs. 3.66 crore (March 31, 2017 Rs. 3.14 crore)	98.42	116.05
Exchange differences regarded as an adjustment to borrowing costs	15.43	6.62
Interest others	6.89	5.34
Bank charges	5.81	8.77
	126.55	**136.78**

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(INR in Crores)

28 Other expenses

	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	63.53	68.43
Power, fuel and water	390.30	306.52
Other manufacturing expenses	90.68	119.68
Packing expenses	89.22	92.73
Bad Debts written off	5.32	-
Freight and forwarding	87.55	71.14
Commission on sales	14.45	14.27
Advertisement and business promotion expenses	7.40	17.48
Traveling and conveyance	16.65	13.56
Rent	15.86	11.08
Repairs and maintenance		
Plant and machinery	29.99	27.99
Buildings	3.82	2.25
Others	6.25	4.32
Rates and taxes	1.63	1.64
Deficit on sale/discard of Fixed Assets (Net)	0.40	-
Insurance	10.68	9.52
Commission to Non Whole time Directors (includes service tax of INR 0.01 Crore (March 31, 2017 INR 0.20 Crore)	2.99	3.30
Communication expenses	1.90	1.95
Legal and professional expenses (refer details below)	17.10	15.28
Donation to Political Parties	3.20	-
CSR Expenditure (refer details below)	8.61	4.00
Excise duty on increase/decrease of stock	(2.10)	(0.08)
Miscellaneous expenses	19.35	20.66
Foreign exchange differences	-	0.07
	884.78	**805.79**

Payment to auditors

	For the year ended March 31, 2018	For the year ended March 31, 2017
To Statutory auditor:		
Audit fee	0.30	0.40
Limited review	0.45	0.30
In other capacity		
Other services (certification fees)	0.15	0.04
Reimbursements of expenses	0.05	0.03
	0.95	**0.77**
To Cost auditor		
Audit fee	0.03	0.03
Out of pocket expenses	0.00	
	0.03	**0.03**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

Details of CSR expenditure			For the year ended March 31, 2018		For the year ended March 31, 2017
a	Gross amount required to be spent by the Group during the year			7.57	5.04
b	Amount spent during the year ending March 31, 2018	In cash	Yet to be paid in cash	Total	Total
	i) Construction / acquisition of any asset	-	-	-	-
	ii) On purpose other than (i) above	8.61	-	8.61	4.00

29 Exceptional items

	For the year ended March 31, 2018	For the year ended March 31, 2017
Voluntary retirement expenses	-	3.04
	-	**3.04**

Exceptional items represent one time employees' separation cost incurred during the year on account of Voluntary Retirement Scheme (VRS) given to employees of Soda Ash division of the holding company. The benefits of VRS would be accruing over a period of time.

30 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended 31 March 2018	Retained Earnings	FVTOCI Reserve	Foreign Currency Translation Reserve	Total
Re-measurement gains (losses) on defined benefit plans	2.08	-	-	2.08
Re-measurement of investment in equity		1.40	-	1.40
Exchange differences on translation of foreign operations	-	-	1.87	1.87
Total	**2.08**	**1.40**	**1.87**	**5.35**

During the year ended 31 March 2017	Retained Earnings	FVTOCI Reserve	Foreign Currency Translation Reserve	Total
Re-measurement gains (losses) on defined benefit plans	(1.26)	-	-	(1.26)
Re-measurement of investment in equity		2.65	-	2.65
Exchange differences on translation of foreign operations	-	-	(0.72)	(0.72)
Total	**(1.26)**	**2.65**	**(0.72)**	**0.66**

31 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in computation of Basic EPS:	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit attributable to the equity holders of the Group	356.35	380.05
Weighted average number of equity shares for basic EPS	9,76,65,143	9,99,96,502
Basic Earnings Per share (Face value of INR 10/- per share)	36.48	38.26
Profit attributable to the equity holders of the Group	356.35	380.05
weighted average number of equity shares and common equivalent shares outstanding	9,82,92,614	10,06,44,677
Diluted earnings per equity share - (Face value of INR 10/- per share)	36.25	38.01

(INR in Crores)

32 Segment information

The Group is primarily engaged in the business of manufacture of inorganic chemicals and textiles and based on this it has two reportable segments:

Inorganic Chemicals segment majorly includes manufacture of soda ash which is an important raw material for detergent and glass industry. Major raw materials to manufacture soda ash are salt, limestone, coke, briquette, coal and lignite.

Textiles segment manufactures cotton and polyester yarn and home textile products. GHCL Limited is one of the largest integrated textile manufacturers in the country with own spinning, weaving and processing & dyeing and cutting & sewing manufacturing facility.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed on Company basis and are not allocated to Operating segments.

Summary of Segment information

Year ended March 31, 2018

	Inorganic Chemicals	Textiles	Others unallocated	Total
Revenue				
External customers	1,934.87	1,059.16	-	2,994.03
Inter-segment	-	-	-	-
Total revenue	**1,934.87**	**1,059.16**	**-**	**2,994.03**
Segment profit	554.46	(3.57)	1.62	552.51
Total assets	2,035.59	1,521.04	71.51	3,628.14
Total liabilities	1,007.31	815.04	194.95	2,017.30
Capital expenditure	96.87	113.49	-	210.36
Depreciation and amortization	64.40	45.70	-	110.10

Year ended March 31, 2017

	Inorganic Chemicals	Textiles	Others unallocated	Total
Revenue				
External customers	1,744.86	1,227.66	-	2,972.52
Inter-segment	-	-	-	-
Total revenue	**1,744.86**	**1,227.66**	**-**	**2,972.52**
Segment profit	518.66	131.55	1.91	652.12
Total assets	1,912.28	1,537.44	53.88	3,503.60
Total liabilities	1,056.25	863.92	236.91	2,157.08
Capital expenditure	336.78	104.80	-	441.58
Depreciation and amortization	51.45	34.24	-	85.69

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.

(INR in Crores)

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	For the year ended March 31, 2018	For the year ended March 31, 2017
Segment profit	552.51	652.12
Un- allocated expenditure	(18.56)	(17.03)
Other finance costs	(126.55)	(136.78)
Exceptional item	-	(3.04)
Profit before tax	**407.40**	**495.27**

Reconciliation of assets	As at March 31, 2018	As at March 31, 2017
Inorganic chemicals	2,035.59	1,912.28
Home textiles	1,521.04	1,537.44
Un-allocated	71.51	53.88
Total assets	**3,628.14**	**3,503.60**

Reconciliation of liabilities	As at March 31, 2018	As at March 31, 2017
Inorganic chemicals	1,007.31	1,056.25
Home textiles	815.04	863.92
Un-allocated	194.95	236.91
Total liabilities	**2,017.30**	**2,157.08**

Revenue from external customers	For the year ended March 31, 2018	For the year ended March 31, 2017
India	2,399.34	2,212.71
Outside India	594.69	759.81
Total revenue per statement of profit and loss	**2,994.03**	**2,972.52**

Trade receivable	As at March 31, 2018	As at March 31, 2017
India	173.89	179.62
Outside India	54.78	96.54
Total Trade Receivable	**228.67**	**276.16**

33 Defined benefit and contribution plan

Defined contribution plan

Provident fund and superannuation fund are defined contribution plan. Contribution paid for provident fund and superannuation fund are recognised as expense for the year :

	For the year ended March 31, 2018	For the year ended March 31, 2017
Employer's contribution to provident fund/pension scheme	8.29	7.79
Employer's contribution to superannuation fund	1.28	1.23

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.

(INR in Crores)

Reconciliation of opening and closing balances of the present value of defined benefit obligation in respect of gratuity Fund.

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 1, 2017	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2018
Defined benefit obligation	38.98	2.81	2.86	5.67	(2.91)	-	(1.18)	(0.68)	(1.86)	-	39.88
Fair value of plan assets	37.09	-	(2.72)	(2.72)	-	(1.32)	-	-	(1.32)	2.53	43.66
Benefit liability	1.89			2.95					(3.18)		(3.78)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 1, 2016	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2017
Defined benefit obligation	34.18	2.13	2.86	4.99	(2.87)		2.37	0.31	2.68		38.98
Fair value of plan assets	33.43		(2.80)	(2.80)	(1.80)	(0.75)			(0.75)	1.91	37.09
Benefit liability	0.75			2.19					1.93		1.89

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details of plan assets

	As at March 31, 2018	As at March 31, 2017
Insurance fund	43.66	37.10

The principal assumptions used in determining gratuity are:

Mortality table - LIC	**Indian Assured Lives Mortality Indian Assured Lives Mortality (2006-08)**
Discount rate	7.83%
Estimated rate of return on plan assets	7.83%
Estimated future salary growth	8.00%
Rate of employee turnover	2.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2018 is as shown below:

Assumptions	**Employee turnover**		**Salary**		**Discount rate**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(0.07)	0.08	2.47	(2.19)	(2.17)	2.50

The following payments are projected benefits payable in future years from the date of reporting from the fund:

	As at March 31, 2018	As at March 31, 2017
Within the next 12 months (next annual reporting period)	8.38	6.88
Following year 2-5	15.12	13.71
Sum of years 6-10	18.34	18.72
Total expected payments	**41.84**	**39.31**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

34 Related party transactions

a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

A) Key managerial personnel

Mr. R. S. Jalan, Managing Director
Mr. Raman Chopra, CFO & Executive Director (Finance)
Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary

B) Non-whole-time directors

Mr. Sanjay Dalmia
Mr. Anurag Dalmia
Mr. Neelabh Dalmia
Dr. B. C. Jain
Mr. G. C. Srivastava
Mrs. Vijaylaxmi Joshi (w.e.f. April 20, 2017)
Mr. Sanjiv Tyagi
Mr. Mahesh Kumar Kheria
Mr. K C. Jani
Mr. Lavanya Rastogi

C) Relative of key managerial personnel

Mrs. Sarita Jalan, w/o Mr. R. S. Jalan
Mrs. Bharti Chopra, w/o Mr. Raman Chopra
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra

D) Enterprises over which key managerial personnel are able to exercise significant influence

Dalmia Centre for Research & Development
GHCL Foundation Trust
GHCL Employees Group Gratuity Scheme
Gujarat Heavy Chemical Limited Superannuation Scheme
Dalmia Biz Pvt. Ltd.
Dalmia Healthcare Limited

b) Transactions with relative of key management personnel

	For the year ended March 31, 2018	For the year ended March 31, 2017
Leasing & hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.12	0.12
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.09	0.09
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02

c) Transactions with enterprises over which significant influence exercised by directors

Purchase of goods		
Dalmia Centre for Research & Development	0.02	0.02
Royalty paid		
Dalmia Centre for Research & Development	0.07	0.06
Rent & Other Receipts		
Dalmia Biz Private Limited	0.06	-
Dalmia Healthcare Limited	0.04	-
Rent deposit received		
Dalmia Biz Private Limited	0.05	
Dalmia Healthcare Limited	0.05	
Net contribution		
GHCL Foundation Trust	8.57	4.00
GHCL Employees Group Gratuity Scheme	2.53	1.90
Gujarat Heavy Chemical Limited Superannuation Scheme	1.28	1.23

(INR in Crores)

d) Compensation of key management personnel of the Group

	For the year ended March 31, 2018	For the year ended March 31, 2017
Mr. Ravi Shanker Jalan	8.75	7.57
Mr. Raman Chopra	4.98	4.33
Mr. Bhuwneshwar Mishra	0.54	0.52
Total compensation paid to key management personnel	**14.27**	**12.42**

	For the year ended March 31, 2018	For the year ended March 31, 2017
Short-term employee benefits	12.07	10.46
Post-employment gratuity and medical benefits	0.65	0.41
Share-based payment transactions	1.55	1.55
Total compensation paid to key management personnel	**14.27**	**12.42**

f) Transactions with non-whole-time directors

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sitting fees	0.28	0.27
Commission (excluding service tax)	2.98	3.10
	3.26	**3.37**

g) Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6 (a)

Name of the Loanee	As at March 31, 2018	As at March 31, 2017
GHCL Employee Stock Option Trust	6.81	6.81

35 Commitments and contingencies

a) Operating lease commitments

Leases future obligation/rights as at balance sheet date for lease arrangements amount to:

	As at March 31, 2018	As at March 31, 2017
Within one year	2.19	3.28
After one year but not more than five years	0.62	3.62
More than five years	0.01	0.11

b) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	109.38	75.16
c) Contingent Liabilities :		
Claims against the Group not acknowledged as debts*		
- Income tax	161.60	71.92
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	110.66	112.49
- Other claims	48.09	41.72

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.

(INR in Crores)

		As at March 31, 2018	As at March 31, 2017
d)	Guarantees:		
	Guarantees issued by banks	1.84	2.72
	Corporate guarantee to Bank on behalf of erstwhile subsidiaries of the Group	2.75	2.46
e)	Bills discounted with banks (since realized)	2.08	3.41
f)	EPCG Commitment (value of exports) - The Group has export obligations on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight /six years. Due to the remote likelihood of the Group being unable to meet its export obligations, the Group does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	338.61	313.31

36 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of expected sales and purchases, generally from one to 24 months. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss. (Refer note 38(b)).

37 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value	Fair value	Carrying value	Fair value
	March 31, 2018	March 31, 2018	March 31, 2017	March 31, 2017
Financial assets measured at fair value				
FVTOCI investments (refer note 5)	10.28	10.28	8.78	8.78
Foreign exchange forward contracts (refer note 11)	5.17	5.17	10.27	10.27
Financial assets measured at amortised cost				
Loan to ESOS trust (refer note 6 (a))	6.81	6.81	6.81	6.81
Security deposits (refer note 6 (b))	4.80	4.80	8.18	8.18
Loan to employees (refer note 11)	1.59	1.59	1.21	1.21
Demand deposits (refer note 6 (b))	0.01	0.01	0.07	0.07
Others (refer note 11)	2.06	2.06	5.10	5.10
Financial liabilities not measured at fair value				
Term loans (refer note 16 (a))	913.79	913.79	916.67	916.67
Short term borrowings (refer note 16 (b))	408.20	408.20	546.62	546.62

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

i. The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2018:

(INR in Crores)

	Date of valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments					
Quoted equity shares (refer note 5)	31-Mar-18	10.07	10.07		
	31-Mar-17	8.67	8.67		
Unquoted equity shares (refer note 5)	31-Mar-18	0.20			0.20
	31-Mar-17	0.11			0.11
Financial assets measured at fair value through statement of profit and loss					
Foreign exchange forward contracts (refer note 11)	31-Mar-18	5.17			5.17
	31-Mar-17	10.27			10.27
Financial assets measured at amortised cost					
Security deposits (refer note 6 (b))	31-Mar-18	4.80		4.80	
	31-Mar-17	8.18		8.18	
Loan to ESOS trust (refer note 6 (a))	31-Mar-18	6.81		6.81	
	31-Mar-17	6.81		6.81	
Loan to employees (refer note 11)	31-Mar-18	1.59		1.59	
	31-Mar-17	1.21		1.21	
Demand deposits (refer note 6 (b))	31-Mar-18	0.01		0.01	
	31-Mar-17	0.07		0.07	
Others (refer note 11)	31-Mar-18	2.06		2.06	
	31-Mar-17	5.10		5.10	
Financial liabilities not measured at fair value					
Floating rate borrowings (India)	31-Mar-18	1,321.99		1,321.99	
	31-Mar-17	1,463.29		1,463.29	

There have been no transfers between Level 1 and Level 2 during the period.

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Sensitivity of the input to fair value
FVTOCI financial investments				
Quoted equity shares	Level 1	Market valuation techniques	Prevailing rates in the active markets	
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, Weighted average cost of capital, Long-term operating margin, Discount for lack of marketability	3% (31 March 2017: 3%) increase (decrease) in the growth rate would result
Financial assets measured at fair value through statement of profit and loss				
Foreign exchange forward contracts	Level 3	Market valuation techniques	Forward foreign currency exchange rates	
Financial assets measured at amortised cost				
Security deposits	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts.	
Loan to ESOS trust				
Loan to employees				
Financial liabilities measured at fair value				
Foreign exchange forward contracts	Level 3	Market valuation techniques	Forward foreign currency exchange rates	
Financial liabilities not measured at fair value				
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts	

(INR in Crores)

38 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management 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.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2018. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Group 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 Group's profit before tax is effected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on PBT
March 31, 2018	+/(-).50%	'(-)/+ 6.61
	Increase/decrease in basis points	**Effect on PBT**
March 31, 2017	+/(-).50%	'(-)/+ 7.32

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

	Change in USD rate	Effect on PBT
March 31, 2018	+/(-)1%	'+/(-) 2.19
	Change in USD rate	**Effect on PBT**
March 31, 2017	+/(-)1%	'(-)/+0.97
	Change in GBP rate	**Effect on PBT**
March 31, 2018	+/(-)1%	'(-)/+ 0.02
	Change in GBP rate	**Effect on PBT**
March 31, 2017	+/(-)1%	'(-)/+ 0.01

d) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 0.20 crores.

At the reporting date, the exposure to listed equity securities at fair value was INR 10.07 Crore. A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 1.02 Crore on the OCI or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

e) Commodity risk

"The Group is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the Group has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Group's Commercial Department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

f) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous Group's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at 31st March 2018 and March 2017 is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

Liquidity risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Group to manage liquidity is to ensure, as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As on 31st March 2018	**within 1 year**	**More than 1 year**	**Total**
Borrowings	577.66	744.33	1,321.99
Trade and other payables	382.44		382.44
Other financial liabilities	58.65		58.65
	1,018.75	**744.33**	**1,763.08**

As on 31st March 2017	**within 1 year**	**More than 1 year**	**Total**
Borrowings	765.33	697.96	1,463.29
Trade and other payables	333.74		333.74
Other financial liabilities	79.58		79.58
	1,178.65	**697.96**	**1,876.61**

(INR in Crores)

39 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio of less than 75%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	As at March 31, 2018	As at March 31, 2017
Borrowings	1,321.99	1,463.29
Trade payables	382.44	333.74
Other financial liabilities	58.65	79.58
Less: Cash and bank balances	11.58	9.29
Net debt	**1,751.50**	**1,867.32**
Equity	1,610.84	1,346.52
Capital and net debt	**3,362.34**	**3,213.84**
Gearing ratio	52%	58%

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 31 March 2018.

40 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the Group's financial statements:

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Assessment of lease contracts

Classification of leases under finance lease or operating lease requires judgment with regard to the estimated economic life and estimated cost of the asset. The Group has analyzed each lease contract on a case to case basis to classify the arrangement as operating or finance lease, based on an evaluation of the terms and conditions of the arrangements.

Assessment of Equity instruments

The Group has designated investments in equity instruments as FVTOCI investments since the group expects to hold these investment with no intention to sale.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Group reviews the useful life of property, plant and equipment at the end of each reporting date.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

41 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

(INR in Crores)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Manufacturing expenses	178.70	143.24
Stores and spares consumed	2.18	1.39
Power and fuel	4.55	4.73
Excise duty, cess and royalty	6.78	8.73
Repairs and maintenance		
Building	0.15	0.19
Plant and machinery	0.65	0.70
Earth work	1.01	1.74
Others	0.33	0.57
Salaries and wages	9.50	8.60
Travelling & conveyance	0.94	0.84
Lease rent	0.84	0.74
Rates and taxes	0.13	0.13
Insurance	0.95	0.86
Misc. expenses (including deferred revenue & intangible expenses)	1.51	3.59
Less: Other misc. income	(1.83)	(5.01)
Total	**206.39**	**171.04**

(INR in Crores)

42 ESOS trust owns total 20,46,195 shares, out of which 15,79,922 shares were illegally sold by a party against which ESOS Trust has initiated legal proceedings and 4,66,273 shares are held by stock exchange based on an arbitration award. Pending final decision on these shares held by trust, the trust will continue for the limited purpose of litigation.

43 Share based compensation

In accordance with the Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014 and the Guidance Note on Accounting for 'Employees Share-based Payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the Group. To have an understanding of the scheme, relevant disclosures are given below.

a) As approved by the shareholders at their Annual General Meeting held on 23rd July 2015, the Group has got 50,00,000 number of Options under the employee stock option scheme "GHCL ESOS 2015". The following details show the actual status of ESOS granted during the financial year ended on 31st March 2018.

Details of the scheme and different plans

The relevant details of the Scheme are as under:

	Plan A	Plan B	Plan C	Plan D	Plan E	Plan F	Plan G	Plan H
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,05,000	6,05,000	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)								
Fair value on the date of grant (In Rs)	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Plan A	Plan B	Plan C	Plan D	Plan E	Plan F	Plan G	Plan H
On completion of 12 months	6,05,000	-	15,000	-	25,000	-	-	-
On completion of 24 months	-	6,05,000	-	15,000	-	25,000	90,000	-
On completion of 36 months	-	-	-	-	-	-	-	90,000

Set out below is a summary of options granted under the plan:

	As at March 2018		As at March 2017	
	Total No. of Stock Options	Weighted average exercise price	Total No. of Stock Options	Weighted average exercise price
Options outstanding at beginning of year	12,00,000	100	-	-
Options granted during the year	2,30,000	170	12,40,000	100
Options forfeited/lapsed during the year	90,000	100	40,000	100
Options exercised during the year	5,60,000	100	-	-
Options expired during the year	-	-	-	-
Options outstanding at end of year	7,80,000	121	12,00,000	100
Options vested but not exercised during the year	20,000	100	Nil	-

(INR in Crores)

The details of activity under Plan A and Plan B of the Scheme have been summarized below:-

Particulars	As at March 2018								
	Plan A	Plan B	Plan C	Plan D	Plan E	Plan F	Plan G	Plan H	Total
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	5,85,000	5,85,000	15,000	15,000	-	-	-	-	12,00,000
Granted during the year	-	-	-	-	25,000	25,000	90,000	90,000	2,30,000
Forfeited during the year	5,000	35,000	-	-	-	-	25,000	25,000	90,000
Exercised during the year	5,60,000	-	-	-	-	-	-	-	5,60,000
Expired during the year	-	-	-	-	-	-	-	-	-
Outstanding at the end of the year	20,000	5,50,000	15,000	15,000	25,000	25,000	65,000	65,000	7,80,000
Exercisable at the end of the year	20,000	-	-	-	-	-	-	-	20,000
Weighted average remaining contractual life (in years)	-	0.13	-	0.84	0.56	1.56	1.56	2.56	-
Weighted average fair value of options granted during the year	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18	-

Particulars	Plan A	Plan B	Plan C	Plan D	Plan E	Plan F	Plan G	Plan H
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Stock price at the date of grant	148.1	148.1	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	100	100	170	170	170	170
Expected volatility	50	50	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	2	3	3	4
Risk free interest rate (%)	7.467	7.467	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18

44 Remittances during the year in Foreign currency on account of

Dividend for the financial year ended	2016-17
Dividends to non-resident shareholders	2.09
Number of non-resident shareholders	674
Number of shares	59,59,246

45 Group information

(i) The Consolidated financial statements 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 (Rs. In crores)	As % of consolidated profit or loss	Amount (Rs. In crores)	As % of consolidated other comprehensive Income	Amount (Rs. In crores)	As % of consolidated comprehensive Income	Amount (Rs. In crores)
1	2	3	4		6	7	8	9	10	11	12	13	14
(I) Parent													
	GHCL Limited	India	Parent Company		Mar 31 ,2018	100.69%	1,621.94	102.29%	364.51	65.13%	3.48	101.74%	367.99
					Mar 31 ,2017	100.36%	1,351.32	101.77%	386.77	54.75%	1.39	101.46%	388.16
(II) Foreign Subsidiaries having no minority interests													
1	Grace Home Fashions LLC	USA	WOS	100%	Mar 31 ,2018	-0.99%	(15.94)	-2.74%	(9.76)	36.15%	1.94	-2.17%	(7.83)
				100%	Mar 31 ,2017	-0.59%	(7.11)	-2.25%	(8.56)	45.25%	1.14	-1.94%	(7.42)
2	Dan River Properties LLC	USA	WOS	100%	Mar 31 ,2018	0.30%	4.84	0.45%	1.60	-1.27%	(0.07)	0.43%	1.53
				100%	Mar 31 ,2017	0.15%	2.31	0.49%	1.84	0.00%	-	0.48%	1.84
Other consolidation adjustment					Mar 31 ,2018	0.00%	-	0.00%	-				
					Mar 31 ,2017	0.00%	-	0.00%	-				
		Total - March 31, 2018				100%	1,610.84	100%	356.35	100%	5.35		361.70
		Total - March 31, 2017				100%	1,346.52	100%	380.05	100%	2.53		382.58

Note

i) WOS refers to 'Wholly Owned Subsidiary'

46 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

i) Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018.

The Group is engaged in sale of goods 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).

Ind AS 115 impact on sale of goods:

The Group's contracts with customers usually involve sale of goods as the only performance obligation, therefore adoption of Ind AS 115 is not expected to have any significant impact on the revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Volume rebates:

For few of its customers, the Group provide concessions in the form of volume discounts and special discounts. These amounts are subsequently paid to customers in cash or are adjusted with related trade receivables. The Group is in the process of evaluating the accounting impact of these concessions being treated as variable consideration under Ind AS 115. Thus, financial impact on revenues and profit on March 31, 2018 is not known.

Presentation and disclosure requirements:

The presentation and disclosure requirements in Ind AS 115 are more detailed than under current Ind AS. The presentation requirements represent a significant change from current practice and significantly increases the volume of disclosures required in the Group's consolidated financial statements. In particular, the Group expects that the notes to the consolidated financial statements will be expanded because of the disclosure of significant judgements made particularly for determining the transaction price of those contracts that include variable consideration.

In addition, as required by Ind AS 115, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

ii) Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal Group that is classified) as held for sale.

These amendments are unlikely to affect the Group's consolidated financial statements.

iii) Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments are effective for annual periods beginning on or after 1 April 2018.

(INR in Crores)

These amendments are not expected to have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

iv) Transfers of Investment Property — Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight.

The amendments are effective for annual periods beginning on or after 1 April 2018. The Group will apply amendments when they become effective. However, since Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements.

v) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- The beginning of the reporting period in which the entity first applies the Appendix, or
- The beginning of a prior reporting period presented as comparative information in the consolidated financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1 April 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

47 The financial statements for the previous year ended March 31, 2017 prepared in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) were jointly audited by the predecessor joint auditor and continuing auditor.

48 Disclosure pusuant to Ind AS-8 "Accounting policies, change in accounting estimates and errors" (specified under section 133 of the Companies Act 2013, read with rule 7 of Companies (Accounts) Rules, 2015) are given below:

Following are the restatement made in the current year's financial statements pertaining to previous year.

	As at 31st March, 2017 (Published)	As at 31st March, 2017 (Restated)	Nature
ASSETS			
Capital work-in-progress	26.00	25.49	Reclassification items
Intangible assets under development	-	0.51	Reclassification items
EQUITY AND LIABILITIES			
Trade payables	344.32	333.74	Reclassification items
Other financial liabilities (current)	300.27	298.29	Reclassification items
Other current liabilities	3.99	13.60	Reclassification items
Short term provisions	13.75	16.69	Reclassification items

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

	As at 31st March, 2017 (Published)	As at 31st March, 2017 (Restated)	Nature
INCOME			
Revenue from Operations	2,999.23	2,972.52	Reclassification items
Other income	13.25	39.96	Reclassification items

* The above reclassifications in the prior year's published numbers have been made for better presentation in the financial statements and to conform to the current year's classification/disclosure. This does not have any impact on the profit and hence no change in the basic and diluted earnings per share of previous year.

* The above restatements does not have any impact at the beginning of the previous year i.e., 01st April, 2016.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2018

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

Sanjay Dalmia
Chairman

Dr. B.C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2018

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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

RE: E-SERVICE OF DOCUMENTS THROUGH EMAIL

Dear Members,

The Companies Act, 2013 has provided the facility of service of documents on members by a Company through electronic mode.

Accordingly the company is permitted to send various notices and documents, including Annual Report, to its members in electronic form at the email address provided by him/her and/or made available to the Company by his/her Depository. Please note that these documents shall be available at the Company's website www.ghcl.co.in for download by the shareholders.

In case you have not yet registered your email id (or you wish to change your already registered email id) you may get the same registered/ updated –

- With your Depository Participant, in case you hold the shares in Demat form;
- By writing to the Company's Registrar & Transfer Agent (RTA), C-101, 247 Park, Vikhroli (West), Mumbai - 400 083, Tel: 022-49186000/49186270, Fax: 022-49186060, E-mail : mumbai@linkintime.co.in by sending back the Form given below, in case you hold shares in physical form.

Kindly note that, as a member of the Company, in addition to receiving documents by e-mail, you will be entitled to receive, free of cost, a copy of the documents referred above upon receipt of a request by the Company from you.

We look forward for your continued support in this initiative.

Best Regards

Bhuwneshwar Mishra
General Manger & Company Secretary

E- COMMUNICATION REGISTRATION FORM

To, The Company Secretary
GHCL House, Opp. Punjabi Hall,
Navrangpura, Ahmedabad – 380009, (Gujarat)

Dear Sir,

I / We shareholder(s) of GHCL Limited agree to receive all future correspondence / documents of the Company in electronic mode at the Email Id mentioned below:

Email id to be registered : ______________________

Folio No. / DP ID & Client ID : ______________________

Name of First holder : ______________________

Address of First holder : ______________________

Name of Joint holder (s) : 1) ______________________

2) ______________________

Date : ______________ ______________________

(Signature of First holder)

(Note: Shareholder(s) may also send a scanned copy of this form, duly filled and signed, at the Email id for investors: mumbai@linkintime.co.in*)*

FORM NO. SH-13-NOMINATION FORM

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,
(Name of the Company) ____________________
(Address of the Company) ____________________
____________________ Pin code ____________

I/We ____________________ residing at ____________________ ____________________ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect of such securities in the event of my/our death.

1) **Particulars of the Securities** (in respect of which nomination is being made)

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) **Particulars of Nominee**

Name:	Date of Birth: ___/___/_____	
Father's/Mother's/ Spouse's name:	Occupation:	Nationality:
E-mail id:		
Phone No :	Relationship with the security holder:	
Address: ____________________ ____________________ Pincode ____________	Signature of the Nominee	

3) **In case Nominee is a Minor**

Date of birth: ___/___/_____	Date of attaining Majority ___/___/______	Name of guardian:
Address of guardian: ____________________ ____________________ Pincode ____________		

Name of the Security Holder(s)	**Signature**
1.	
2.	
3.	
Name of witness	**Signature of Witness with date**
Address of witness: ____________________ ____________________ ____________________ Pin code ____________	
Place:	**Date:** ____/____/_____

Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination can be made by individual's only holdings shares singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in "**duplicate"** should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. LINK INTIME INDIA PVT LTD,** C-101, 247 Park, Vikhroli (West), Mumbai - 400 083. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)
8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the company before the death of the registered holder[s] of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. Affixing photograph of the Nominee is not mandatory and if affixed the nominee should sign across the photograph.

FOR OFFICE USE ONLY		
Nomination Registration No.	**Date of Registration**	**Signature of Employee with Code No.**

FORM NO. SH-14-CANCELLATION OR VARIATION OF NOMINATION

[Pursuant to sub section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the Companies(Share Capital and Debentures) Rules 2014]

(Name of the Company) ____________________
(Address of the Company) ____________________
____________________ Pincode ____________________

I/ We hereby ____________________ residing at ____________________ the nomination(s) made by me/us in favor of ____________________ residing at ____________________ in respect of the below mentioned securities.

Or

I/We hereby ____________________ residing at ____________________ nominate the following person in place of ____________________ residing at ____________________ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being cancelled/varied

Nature of securities	Folio No.	No. of securities	Certificate No.	Distinctive No.	
				From	To

2) **(a) Particulars of Nominee/s**

Name:	Date of Birth:___/___/_____	
Father's/Mother's/ Spouse's name:	Nationality:	Phone No:
E-mail id:		
Relationship with the security holder:		
Address: ____________________ ____________________ Pincode ____________________		Signature of the Nominee

(b) In case New Nominee is a Minor

Date of birth: ___/___/_____	Date of attaining Majority _____/_____/__________	Name of guardian:
Address of guardian: ____________________ ____________________ Pincode ____________________		

Name of the Security Holder(s)	1.	2.	3.
Signature of the Security Holder(s)	1.	2.	3.
Name of witness		**Signature of Witness with date**	
Address of witness: ____________________ ____________________ ____________________ Pin code ____________________			
Place:		**Date: ______/______/___________**	

Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination made earlier can be cancelled and new nomination can made either singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.

2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.

3. The shareholder[s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.

4. As per sub section (3) of section 72 of Companies Act 2013, if the shares are held by more than one person jointly, the joint holders may together nominate a person to whom all the rights in the securities of the Company shall vest, in the event of death of all the joint holders.

5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.

6. The nomination form filled in "**duplicate"** should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. LINK INTIME INDIA PVT LTD,** C-101, 247 Park, Vikhroli (West), Mumbai - 400 083. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.

7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)

8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.

9. Kindly note that the nomination being a legal document the same should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.

10. Affixing photograph of New Nominee is not mandatory and if affixed the nominee should sign across the photograph.

FOR OFFICE USE ONLY		
Nomination Registration No.	**Date of Registration**	**Signature of Employee with Code No.**

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(CIN: L24100GJ1983PLC006513)
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Phone: 079- 39324100, Fax: 079-26423623

ATTENDANCE SLIP

Folio No./DP ID & Client ID No.		No. of Shares :	
Name of Member(s)/ Proxy: ______			
Address : ______			
Email Id:			

I/We certify that I/We am/are member(s)/proxy for the member(s) of the Company.

I hereby authorise GHCL Limited to send me all notices, Annual Report and other communications at the aforesaid email id.

I/We hereby record my/our presence at the 35th **Annual General Meeting** of the Company being held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, May 31, 2018 at 9.30 AM

Signature of First holder/Proxy   Signature of 1st Jointholder   Signature of 2nd Jointholder

Note (s):

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the Meeting Venue Shareholder / Proxy attending the meeting is requested to bring his/ her copy of the Annual Report.

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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ______

Registered Address: ______

______

Email ID ______

Folio No. / DP ID & Client ID No.:	

I/we, being the member(s) of ______ shares of GHCL Limited hereby appoint:

1. Name: ______ Address: ______
______ E-mail Id ______ or failing him

2. Name: ______ Address: ______
______ E-mail Id ______ or failing him

3. Name: ______ Address: ______
______ E-mail Id ______ or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **35th Annual General Meeting** of the Company to be held on Thursday, May 31, 2018 at 9.30 AM at The Institution of Engineers

(India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	
Ordinary Business	
1	Adoption of audited financial statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2018
2	Declaration of Dividend for the financial year ended March 31, 2018
3	Re-appointment of Mr. Sanjay Dalmia as a director retiring by rotation
4	Re-appointment of Mr. Anurag Dalmia as a director retiring by rotation
5	Ratification for the re-appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditors of the Company
Special Business	
6	Re- Appointment of Mr. Raman Chopra as Whole Time Director of the Company
7	Authorization to borrow money exceeding aggregate of the Paid up Capital and Free Reserves of the company
8	Creation of charges or mortgages and hypothecations on Company's properties

Signed this___________day of _____________2018

Affix
Re. 1
Revenue
stamp

Signature of Shareholder____________________

Signature of 1st Proxy holder   Signature of 2nd Proxy holder   Signature of 3rd Proxy holder

Notes:

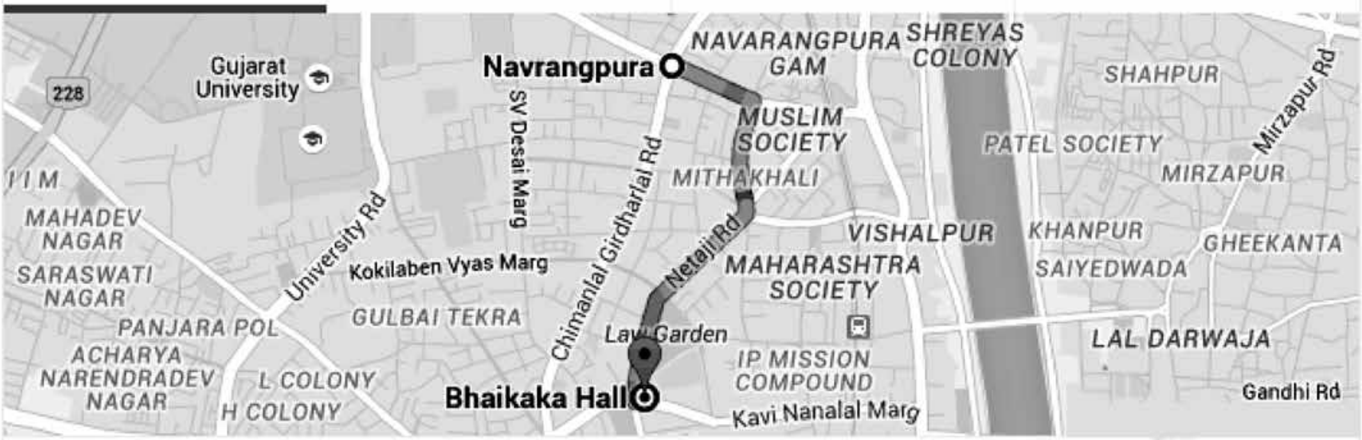
1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
2. **A Proxy need not be a member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

Route Map

From Navrangpura, Ahmedabad, Gujarat

To Bhaikaka Hall, Law Garden, Ellisbridge, Ahmedabad, Gujarat 380006

Closed now   See opening hours



6 min (1.9 km) via Netaji Rd

Directions

GHCL

GHCL Limited

Registered Office:
"GHCL HOUSE" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009 (Gujarat)
www.ghclindia.com

A Dalmia Brothers Enterprise