A. Name of the Company: GHCL Limited ('Demerged Company')

Financial details of the GHCL Limited for the previous 3 financial years as per audited statement of accounts:

(INR in crores)

Particulars[1] *(Basis – Standalone financials)*	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	2019-20	2018-19	2017-18
Equity Paid up Capital	95.01	98.03	97.42
Reserves and surplus[2]	2,090.55	1,853.92	1,524.52
Carry forward losses	-	-	-
Net Worth [3]	2,071.53	1,807.77	1,504.47
Miscellaneous Expenditure	-	-	-
Secured Loans[8]	1,080.61	1,125.72	1,198.20
Unsecured Loans[8]	159.02	166.08	115.35
Fixed Assets[4]	2,776.31	2,698.94	2,565.06
Income from Operations	3,256.01	3,371.18	2,956.52
Total Income	3,272.44	3,384.72	2,992.27
Total Expenditure	2,767.97	2,843.61	2,576.79
Profit before Tax	504.47	541.11	415.48
Profit after Tax	406.50	361.03	364.51
Cash profit[5]	494.08	502.72	508.06
EPS[6^]	41.51	36.88	37.32
Book value[7^]	218.03	184.41	154.43

^ Per share value in INR

Notes:
1. The above information is on the basis of Standalone financials of the Demerged Company.
2. Reserves and surplus include all reserves appearing in the audited financial statements of the Demerged Company as on the respective reporting dates.

GHCL LIMITED

3. Net worth has been considered as aggregate of the paid-up value of share capital and free reserves, after deducting miscellaneous expenditure (not written off). For calculating free reserves, only retained earnings and general reserves have been considered.
4. Fixed Assets includes Property, plant & equipment, Capital work-in-progress, other intangible assets, Right to use Assets and intangible assets under development.
5. Cash profit is calculated by excluding (a) depreciation/ amortization expense and (b) deferred taxes from Profits after Tax
6. EPS means '**Basic EPS**' as provided in the financial statements as on the respective reporting dates.
7. Book Value is calculated by dividing Net-worth by No. of equity shares as provided in the financial statements as on the respective reporting dates.
8. Secured and Unsecured loans include the current maturity due within one year reflected in current liability.

GHCL LIMITED

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

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 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)**

(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	(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

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Chartered Accountants
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Partner
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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
(INR in crores)

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

	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**

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
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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

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 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.

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 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)

15D Securities premium reserve

	Amount
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)

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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 company recognises the profit or loss on fair value of investments under fair value through other comprehensive income (FVTOCI) reserve.

15F Retained earnings

	Amount
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**

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 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

15H 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 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.

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".

(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
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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	98.42	116.05
(Net of TUF interest subsidy amounting to Rs. 3.66 Crore (March 31, 2017 Rs. 3.14 Crore))		
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**

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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

		In cash	Yet to be paid in cash	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				
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.

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	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

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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	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(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

Bhuvneshwar 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

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.

(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.

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).

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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.

		As at March 31, 2018	As at March 31, 2017
(B)	**Short term provisions**		
	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).	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(INR in Crores)

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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(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**

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(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:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 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	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2018
(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

INDEPENDENT AUDITOR'S REPORT

To the Members of GHCL Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of GHCL Limited ("the Company"), which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

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

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

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

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

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

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 34 to the standalone Ind AS financial statements;

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

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

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

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

Re: GHCL Limited ("the Company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant & equipment have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2019 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loan to a subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

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

(c) There are no amount of loans granted to companies , firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Soda Ash and Textile products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the company , the dues outstanding of employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues ,on account of any dispute are as follows:

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

According to the information and explanations given to us, there are no dues of Provident Fund, service tax, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company did not have any outstanding debentures during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF GHCL LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GHCL ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

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

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(INR in crores)

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

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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

(INR in crores)

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

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370
Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2019

(INR in crores)

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

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

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370
Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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

(INR in crores)

A. Equity share capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

	Number of share	Amount
As at April 1, 2017	9.95	99.47
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.56
Changes in share capital- Shares buy back during the year (Refer note 14 on buy back)	(0.26)	(2.61)
Balance as at March 31, 2018	**9.75**	**97.42**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.61
Balance as at March 31, 2019	**9.81**	**98.03**

B. Other equity

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

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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

1 Corporate information

GHCL Limited ("GHCL" or the "Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat.

The Company is engaged in primarily two segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufacturing, weaving, processing and cutting and sewing of home textiles products).

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

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

2 Significant accounting policies

2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 (as amended).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities that have been carried at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR) and all values are recorded to the nearest crores (INR'00,00,000), except otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

On an interim basis, the members of Banking & Operations Committee present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

c) Revenue from contracts with customers

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

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

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

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

Revenue excludes amounts collected on behalf of third parties.

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

Sale of goods

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

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

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

Variable consideration

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

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

Contract balances

Trade receivables

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

Contract liabilities

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

Cost to obtain a contract

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

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

Critical judgements

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

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

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

d) Other revenue streams

Export Benefits

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

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

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

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Dividend

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

  The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situation where the Company is entitled to a Tax holiday under the income Tax Act, 1961 enacted in India or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment

Property, plant and equipment and capital work-in-progress is stated at net of CENVAT/goods & service tax (GST) and VAT less depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates the useful lives for the fixed assets, except lease mines and leasehold land, as follows.

• Building	30 to 60 years
• Plant and Machinery *	5 to 25 years
• Office equipment	3 to 25 years
• Furniture and fixtures	10 years
• Salt works reservoir	10 years
• Vehicles	8 to 10 years
• Wind Turbine Generator	20 to 22 years
• Temporary structures	3 years

* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to notes regarding significant accounting judgments, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when

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

no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets comprising of computer software and trademark with finite useful life are amortised on straight line basis over estimated useful life of three years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

h) Asset classified as held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Leases

The determination of whether an arrangement is a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the companies general policy on the borrowing costs (refer note16). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term for non-cancellable leases. However, in some of the non-cancellable operating lease arrangements the lease escalation is in line with expected general inflation and hence there is no requirement for straight lining of lease rentals as Ind-AS 17 does not mandate straight-lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

k) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis, except in case of cotton, for which cost is determined on specific cost basis.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses taking into account the stage of completion.

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

- Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares: are stated at cost less provision, if any, for obsolescence.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

m) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The present value of the expected cost for the decommissioning of an asset after its use and leasehold improvements on termination of lease is included in the cost of the respective asset if the recognition criteria for a provision are met. The Company records a provision for decommissioning costs of its plant for manufacturing of Soda Ash and leasehold improvements at the leasehold land. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future

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costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

n) Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost

A ‘debt instrument’ is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

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Debt instrument at FVTOCI

A ‘debt instrument’ is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset’s contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity Investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument byinstrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the cpmpany may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Companies continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI

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(c) Lease receivables under Ind-AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

  ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as ‘accumulated impairment amount’ in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date ofrecognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combinedinstrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company’s senior management determines change in the business model as a result of external or internal changes which are significant to the Company’s operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The following table shows various reclassification and how they are accounted for as per below:

i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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p) Derivative financial instruments

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Cash flow hedges

The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Refer to Note 36 for more details.

q) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

r) Cash dividend to equity holders

The Company recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions complied in. When the grant relates to an expense item, it Is recognised as Income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

t) Foreign currencies

The company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items e recognised in Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

u) Investment in subsidiary

Investment in subsidiary is carried at cost in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36.

v) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of

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equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

w) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

x) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Company.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's financial statements.

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Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Company as the Company has no deductible temporary differences or assets that are in the scope of the amendments.

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT MARCH 31, 2019

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3. Property, plant and equipment (PPE)

	Freehold Land	Leasehold Land	Buildings	Plant and Equipments	Office Equipments	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Asset classified as held for sale	Amount
As at April 1, 2017	382.04	352.75	204.71	1,429.37	7.47	5.19	1.84	2.78	9.47	139.56	2,535.18	25.49	-	2,560.67
Additions	-	-	21.68	176.61	2.89	2.10	0.54	0.89	-	-	204.71	257.69	-	462.40
Disposals	-	-	(1.44)	(20.58)	(1.40)	(0.67)	-	(0.41)	-	-	(24.50)	(210.18)	-	(234.68)
As at March 31, 2018	**382.04**	**352.75**	**224.95**	**1,585.40**	**8.96**	**6.62**	**2.38**	**3.26**	**9.47**	**139.56**	**2,715.39**	**73.00**	**-**	**2,788.39**
Additions	1.48	-	20.60	226.27	2.85	1.30	0.13	0.46	-	-	253.09	293.18	39.23	585.50
Disposals	(4.45)	-	(0.27)	(18.56)	(3.34)	(1.45)	-	(0.64)	-	-	(28.71)	(252.54)	-	(281.25)
Adjustments	(39.23)	-	-	-	-	-	-	-	-	-	(39.23)	-	-	(39.23)
As at March 31, 2019	**339.84**	**352.75**	**245.28**	**1,793.11**	**8.47**	**6.47**	**2.51**	**3.08**	**9.47**	**139.56**	**2,900.54**	**113.64**	**39.23**	**3,053.41**

Depreciation	Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Asset classified as held for sale	Total Amount
As at April 1, 2017	-	9.71	14.70	90.29	2.16	1.28	1.29	0.12	7.29	10.36	137.20	-	-	137.20
Depreciation charge for the year	-	4.87	9.75	80.51	2.59	0.87	0.43	0.57	1.36	7.21	108.16	-	-	108.16
Disposals	-	-	(1.44)	(12.50)	(1.40)	(0.67)	-	(0.33)	-	-	(16.34)	-	-	(16.34)
As at March 31, 2018	**-**	**14.58**	**23.01**	**158.30**	**3.35**	**1.48**	**1.72**	**0.36**	**8.65**	**17.57**	**229.02**	**-**	**-**	**229.02**
Depreciation charge for the year	-	4.87	10.52	87.70	2.39	0.79	0.09	0.59	0.44	6.56	113.95	-	-	113.95
Disposals	-	-	(0.27)	(13.81)	(3.30)	(1.45)	-	(0.52)	-	-	(19.35)	-	-	(19.35)
As at March 31, 2019	**-**	**19.45**	**33.26**	**232.19**	**2.44**	**0.82**	**1.81**	**0.43**	**9.09**	**24.13**	**323.62**	**-**	**-**	**323.62**

Net book value	Land	Leasehold Land	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Asset classified as held for sale	Total Amount
As at March 31, 2019	339.84	333.30	212.02	1,560.92	6.03	5.65	0.70	2.65	0.38	115.43	2,576.92	113.64	39.23	2,729.79
As at March 31, 2018	382.04	338.17	201.94	1,427.10	5.61	5.14	0.66	2.90	0.82	121.99	2,486.37	73.00	-	2,559.37

Net book value	**March 31, 2019**	**March 31, 2018**
Property, plant and equipment	2,576.92	2,486.37
Capital work in progress	113.64	73.00
Asset classified as held for sale	39.23	-

Property plant and equipment are subject to charge to secure the company's borrowings as discussed in Note 16

Finance leases *

Land for soda ash plant and for corporate office are taken on lease from the Government of India for a period of 90 to 99 years.

Leased Mines #

Leased mines represents expenditure incurred on development of mines.

Capitalised borrowing costs

The amount of borrowing cost capitalised during the year ended March 31, 2019 was INR 7.63 Crore (for the year March 31, 2018: INR 4.32 Crore) on account of capacity expansion of soda ash plant and other capital expenditure. The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.17%, (for the year March 31 2018: 8.49%) which is the effective interest rate of the specific borrowing.

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

Outlook for Home Textiles Business and impairment assessment

The Textile business of Company encompasses sophisticated, integrated operations within the areas of Spinning and Home Textiles production. Our Spinning business has been consistently delivering profitable growth for past many years. The home textile division (HT) after performing well for two years faced severe Industry headwinds from last quarter of 2016 and incurred loss in the year 2017-18. For the financial year 2018-19 though there has been an improvement in performance on quarter-to-quarter basis, the same still lags the performance achieved in 2016-17.

Through innovation and consistent product development, company has created a clear differentiation from competition. The Company has taken a very clear leadership position on sustainability across global home furnishing manufacturers with launch of major brands like REKOOP, CIRKULARITY, MEDITASI, NILE HARVEST with focus on Circular Economy which emphasizes on 3R's-Reduce, Reuse and Recycle. Company has also stepped up its focus on the Dot Com business in the US and is working with major sites retailers like Amazon, Walmart, J C Penney etc.

This competitive edge and the plethora of new products, will beyond doubt help the company to grow its revenue and profitability, the latter being the key focus of the company.

As a policy, the company annually assesses the impairment of property plant and equipment by comparing the carrying value of PPE with its fair value. In case the fair value is less than the carrying value an impairment charge is created. Due to loss in home textile division, management has performed an impairment assessment of property plant and equipment of HT division. Basis the business plan and fair vale calculated using the discounted future cash flow method, which are higher than the carrying value of PPE of HT division; management has concluded that there is no impairment of PPE in home textile division.

4 Other Intangible assets

	Trademarks	Software	Total Amount
Cost			
As at April 1, 2017	0.00	1.56	1.56
Additions (refer note below)	2.65	2.83	5.48
Disposals	-	-	-
As at March 31, 2018	**2.65**	**4.39**	**7.04**
Additions	-	1.73	1.73
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**2.65**	**3.92**	**6.57**

	Trademarks	Software	Total Amount
Amortisation			
As at April 1, 2017	0.00	0.49	0.49
Amortization	0.66	0.71	1.37
Disposals	-	-	-
As at March 31, 2018	**0.66**	**1.20**	**1.86**
Amortization	0.88	1.47	2.35
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**1.54**	**0.47**	**2.01**

	Trademarks	Software	Total Amount
Net book value			
As at March 31, 2019	1.11	3.45	4.56
As at March 31, 2018	1.99	3.19	5.18

Note: Intangible assets include license for trademark acquired for obtaining exclusive manufaturing and marketing rights for one of its innovative textile product in USA.

5 (a) Investment in subsidiaries

	As at March 31, 2019	As at March 31, 2018
Unquoted equity shares		
Investment in Subsidiary Companies, at cost		
Investment in Grace Home Fashion LLC	34.97	0.04
Investment in Dan River Properties LLC	0.00	0.00
Total Investments in subsidiaries	**34.97**	**0.04**

During the year the company has invested INR 34.93 Crores (USD 5 Million) as a capital contribution in its wholly owned subsidiary Grace home fashions LLC, USA.

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

			As at March 31, 2019	As at March 31, 2018
5	(b)	**Financial assets**		
		Investments		
		Investments in equity instruments at fair value through OCI (fully paid)		
		Quoted equity shares		
		41,500 equity shares (as at March 31, 2018: 41,500 equity shares) of HDFC Bank Limited of INR 2/- each fully paid up	9.62	7.85
		68,598 equity shares (as at March 31, 2018: 68,598 equity shares) of IDBI Limited of INR 10/- each fully paid up	0.32	0.50
		2,595 equity shares (as at March 31, 2018: 2,595 equity shares) of Dena Bank of INR 10/- each fully paid up	0.00	0.00
		272,146 equity shares (as at March 31, 2018: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	1.22	1.60
		4,500 equity shares (as at March 31, 2018: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.13	0.12
		100 equity shares (as at March 31, 2018: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up	0.00	0.00
		Unquoted equity shares		
		5200 equity shares (as at March 31, 2018: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.01	0.01
		2,11,800 equity shares (as at March 31, 2018: 1,75,900 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.25	0.19
		Unquoted debt securities (at amortised cost)		
		Investment in government securities		
		7 year national savings certificates	0.04	0.01
		(Pledged with government authorities)		
		Total	**11.59**	**10.28**
		Non-current	**11.59**	**10.28**
		Current	**-**	**-**
		Aggregate market value of quoted investments	11.30	10.07
		Aggregate fair value of unquoted investments	0.29	0.21

			As at March 31, 2019	As at March 31, 2018
6	(a)	**Loans**		
		(Unsecured, considered good, unless stated otherwise)		
		(at amortised cost)		
		Loan to subsidiary company (refer note 33)	-	1.64
		Loan to ESOS trust (refer note 41)	6.21	6.81
		Security deposits	5.24	4.80
		Total loan	**11.45**	**13.25**

6	(b)	**Other non-current financial assets**		
		Other Financial assets		
		Demand deposit	0.00	0.01
		Total other non-current financial assets	**0.00**	**0.01**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risks of the counter parties

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

7 Other-non current assets

	As at March 31, 2019	As at March 31, 2018
Capital advances	16.84	23.30
Deposit with statutory authorities under protest	7.53	7.21
Total	**24.37**	**30.51**

8 Inventories

	As at March 31, 2019	As at March 31, 2018
Raw materials [includes in transit INR 25.50 Crore (At March 31 2018: 17.90 Crore)]	366.36	263.64
Work-in-progress	47.16	48.01
Finished goods [includes in transit INR 34.49 Crore (At March 31 2018: 27.34 Crore)]	121.98	103.67
Stock-in-trade [includes in transit INR 2.41 Crore (At March 31 2018: INR 5.49 Crore)]	30.28	15.97
Stores and spares [includes in transit INR 0.78 Crore (At March 31 2018: INR 61.25 Crore)]	102.48	156.59
Total inventories at the lower of cost and net realisable value	**668.26**	**587.88**

9 Trade receivables

	As at March 31, 2019	As at March 31, 2018
Trade receivables	267.12	206.69
Receivable from related parties (Refer Note 33)	113.11	78.87
Total trade receivables	**380.23**	**285.56**

Break-up for security details:	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	380.23	285.56
Trade Receivables which have significant increase in Credit Risk	2.03	-
Less: Impairment for trade receivable*	(2.03)	-
Trade Receivables - credit impaired	-	-
Current trade receivables	**380.23**	**285.56**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

For terms and conditions related to related party receivables, refer Note 33

Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

*The provision for the impairment of trade receivable has been made basis the expected credit loss method and other cases based on management judgement.

10 Cash and cash equivalent

	As at March 31, 2019	As at March 31, 2018
Balances with bank	4.23	8.84
Cash on hand	0.21	0.17
Total cash and cash equivalents	**4.44**	**9.01**

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

Changes in liabilities arising from financing activities

	April 01, 2018	Cash flow	March 31, 2019
Current borrowings	399.76	(0.90)	398.86
Non current borrowings	744.33	(42.98)	701.35
Current maturities of non current borrowings	169.46	22.12	191.58
Total liabilities from financial activities	**1,313.55**	**(21.76)**	**1,291.79**

	April 01, 2017	Cash flow	March 31, 2018
Current borrowings	514.02	(114.26)	399.76
Non current borrowings	697.96	46.37	744.33
Current maturities of non current borrowings	218.71	(49.25)	169.46
Total liabilities from financial activities	**1,430.69**	**(117.14)**	**1,313.55**

10A Bank balances other than cash and cash equivalents

- On unpaid dividend account	3.81	3.48
- On escrow account	5.82	3.95
- On account of margin money deposited*	13.69	7.80
Bank balances other than cash and cash equivalents	**23.32**	**15.23**

* Margin money held with banks against opening of letter of credit (LC).

As at March 31 2019, the Company had available INR 104.81 Crore (As at March 31 2018: INR 191.74 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2019	As at March 31, 2018
Balances with bank	4.23	8.84
Cash on hand	0.21	0.17
	4.44	**9.01**

11 Other current financial asset

(Unsecured, considered good, unless stated otherwise)	As at March 31, 2019	As at March 31, 2018
Others (include Insurance claim receivable)	0.50	2.06
	0.50	**2.06**

11A Loans

(Unsecured, considered good, unless stated otherwise)	As at March 31, 2019	As at March 31, 2018
Security deposits	0.73	-
Loan to employees	2.11	1.59
Loan to subsidiary company (refer note 33)	2.02	1.90
	4.86	**3.49**

Break up of financial assets carried at amortised cost

	As at March 31, 2019	As at March 31, 2018
Loans (Refer note 6(a) & 11A)	16.31	16.74
Trade receiveables (Refer note 9)	380.23	285.56
Cash and cash equivalents (Refer note 10)	4.44	9.01
Total financial assets carried at amortised cost	**400.98**	**311.31**

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

12 Income Tax and deferred tax

Current tax assets (net)	**As at March 31, 2019**	**As at March 31, 2018**
Income tax paid / TDS (net of provisions) of INR 153.84 Crore (At March 31 2018: INR 106.76 Crore)	-	1.04
Income tax refund receivable	-	19.17
Total	**-**	**20.21**

Current tax liabilities (net)	**As at March 31, 2019**	**As at March 31, 2018**
Income tax payable (net of income tax paid/TDS)	9.34	-
Total	**9.34**	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

	As at March 31, 2019	**As at March 31, 2018**
Accounting profit before tax from continuing operations	541.11	415.48
Accounting profit before income tax	**541.11**	**415.48**
At India's statutory income tax rate of 34.944% (March 31 2018: 34.608%)	189.08	143.79
Adjustment for tax purposes:		
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	(19.53)	(26.27)
- 43B items	0.36	(1.72)
- Charity, donation and CSR expenses	4.09	4.11
- Deduction under chapter VI-A	(18.89)	(15.02)
- VRS expenses	(1.17)	(1.16)
- Others	(0.10)	3.03
At the effective income tax rate of 28.15% (March 31 2018: 25.70%)	**153.84**	**106.76**
Income tax expense reported in the statement of profit and loss	153.84	106.76
Deferred tax expense reported in the statement of profit and loss	25.40	34.02
Tax adjustment for Earlier years	0.84	(89.81)
	180.08	**50.97**

Deferred tax expense/(income) relates to the following:	**As at March 31, 2019**	**As at March 31, 2018**
Depreciation & amortisation	26.57	30.38
Mark to Mark Gain on Forward Contract	(0.52)	0.95
Employee benefit	1.17	1.17
Disallowance u/s 40 (a) & 43B	(1.54)	0.86
Unamortised cost of Term loans	(0.28)	0.66
Deferred tax expense/(income)	**25.40**	**34.02**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.22	1.10
Total Deferred tax expense/(income)	**25.62**	**35.12**

Deferred tax relates to the following:	**As at March 31, 2019**	**As at March 31, 2018**
Accelerated depreciation for tax purposes	(302.46)	(275.89)
Employee benefit	1.29	2.46
Disallowance u/s 40 (a) & 43B	7.45	5.91
Foreign exchange forwards	(0.43)	(0.95)
Unamortised cost of term loans	(1.25)	(1.53)
MAT Credit*	42.40	75.05
Net deferred tax assets/(liabilities)	**(253.00)**	**(194.95)**

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

	As at March 31, 2019	As at March 31, 2018
Reflected in the balance sheet as follows:		
Deferred tax assets	51.14	83.42
Deferred tax liabilities	(304.14)	(278.37)
Deferred tax liabilities, net	**(253.00)**	**(194.95)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

* During the year the Company utilised MAT credit amounting to INR 32.65 crore (March 31 2018: INR 11.95 crore)

13 Other current assets

(Unsecured, Considered good, unless stated otherwise)

	As at March 31, 2019	As at March 31, 2018
Balances with statutory authorities	29.29	26.52
Export incentives receivable	17.59	20.18
Advances recoverable in cash or kind	39.96	18.79
Prepaid expenses	4.62	6.98
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	4.72	3.78
Subvention receivable	3.00	0.73
Total other current assets	**99.18**	**76.98**

14 Share capital

Authorised share capital

	Number of Shares (of INR 10 each)	Amount
At April 1, 2017	17.50	175.00
Changes during the year	-	-
At March 31, 2018	**17.50**	**175.00**
Changes during the year	**-**	**-**
At March 31, 2019	**17.50**	**175.00**

Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation on the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Issued, Subscribed and fully paid up equity shares

	Number of Shares (of INR 10 each)	Amount
Equity shares issued, subscribed and fully paid		
At April 1, 2017	9.95	99.47
Changes in share capital- ESOS issued during the year	0.06	0.56
Changes in share capital- Buy back during the year *	(0.26)	(2.61)
At March 31, 2018	**9.75**	**97.42**
Changes in share capital- ESOS issued during the year	0.06	0.61
At March 31, 2019	**9.81**	**98.03**

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

	As at March 31, 2019	As at March 31, 2018
Shareholder's holding more than 5 % shares	Nil	Nil

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

* The Board of Directors of the Company, at its meeting held on January 31, 2017, has approved a proposal to buy back upto 32,00,000 equity shares of the company for an aggregate amount not exceeding INR 80 crore, being 3.2% of the total paid up equity share capital at amount per share not exceeding INR 315. During the previous year, the Company has bought back 26,09,450 equity share and extinguished at 31.03.2018.

15 Other equity

	As at March 31, 2019	As at March 31, 2018
Capital reserve	7.57	7.57
Business development reserve	73.89	73.89
Capital redemption reserve	13.16	13.16
Securities premium	19.74	9.06
Retained earnings	1,672.61	1,369.92
Share based payment reserve	20.04	5.24
General reserve	37.13	37.13
FVTOCI reserve	9.78	8.55
Total	**1,853.92**	**1,524.52**

Notes:

15A Capital reserve

	Amount
At April 1, 2017	7.57
Changes during the year	-
At March 31, 2018	**7.57**
Changes during the year	-
At March 31, 2019	**7.57**

The company had recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeited shares and forfeiture of preferential warrants under capital reserve in earlier years.

15B Business development reserve

	Amount
At April 1, 2017	73.89
Changes during the year	-
At March 31, 2018	**73.89**
Changes during the year	-
At March 31, 2019	**73.89**

In earlier years, certain fixed assets of the Company were revalued at their respective fair value as determined by government approved competent valuer appointed by the Company. The amount of such revaluation was transferred to business development reserve, as per scheme of arrangement as approved by Hon'ble Gujarat High Court on 30th November, 2008.

15C Capital redemption reserve

	Amount
At April 1, 2017	10.55
Changes during the year	2.61
At March 31, 2018	**13.16**
Changes during the year	-
At March 31, 2019	**13.16**

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(INR in crores unless specified otherwise)

The Company had issued 10,000,000/- 10.75% cumulative Redeemable Preference Shares (CRPS) of INR 10/- each, to IDBI Bank Limited during financial year 1999-2000 which was subsequently redeemed by the Company in the financial year 2001-02, pursuant to the provisions of Section 80 of the Companies Act, 1956 and the article 7 of the Article of Association of the Company. Accordingly, the Capital Redemption Reserve account to the extent of 100% of the value of CRPS redeemed (i.e. INR 10 Crore), was created out of profit of the company available for payment of dividend.

An amount of INR 2.61 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the company in the year ended March 2018) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Company. (refer note 14)

		Amount
15D	**Securities premium**	
	At April 1, 2017	4.30
	Changes - Shares buy back during the year	(4.30)
	Changes - Shares issued under ESOS scheme during the year	9.06
	At March 31, 2018	**9.06**
	Changes - Shares issued under ESOS scheme during the year	10.68
	At March 31, 2019	**19.74**

During the earlier years, the Company issued 4,500,000 preferential convertible warrants which were converted into equity shares of INR 10 each at a premium of INR 55.10 per share in the year ended March 31, 2007. The premium amounting to INR 24.80 Crore received on such conversion was transferred to the securities premium.

During the earlier years, the Company has bought back and cancelled 26,09,450 equity shares of INR 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to 4.30 Crore, is adjusted against the securities premium. (Refer Note 14)

During the earlier years, the Company has issued 560,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to 9.06 Crore, is credited to securities premium. (Refer Note 14)

During the Current year, the Company has issued 605,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to 10.68 Crore, is credited to securities premium. (Refer Note 14)

		Amount
15E	**Retained earnings**	
	At April 1, 2017	1,044.48
	Changes during the year	325.44
	At March 31, 2018	**1,369.92**
	Changes during the year	302.69
	At March 31, 2019	**1,672.61**

		Amount
15F	**Share based payment reserve**	
	At April 1, 2017	5.75
	Changes during the year	(0.51)
	At March 31, 2018	**5.24**
	Changes during the year	14.80
	At March 31, 2019	**20.04**

The Company has share option scheme under which options to subscribe for the Company's shares have been granted to certain executives and senior employees

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 42 for further details of these plans

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

15G General reserve	**Amount**
At April 1, 2017	98.16
Changes during the year	(61.03)
At March 31, 2018	**37.13**
Changes during the year	-
At March 31, 2019	**37.13**

15H FVTOCI reserve	**Amount**
At April 1, 2017	7.15
Changes during the year	1.40
At March 31, 2018	**8.55**
Changes during the year	1.23
At March 31, 2019	**9.78**

The company recognises the profit or loss on fair value of investments under fair value through other comprehensive income (FVTOCI) reserve.

Grand Total (15) as at March 2017	**1,251.85**
Grand Total (15) as at March 2018	**1,524.52**
Grand Total (15) as at March 2019	**1,853.92**

Distributions made and proposed	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2019: INR 5.00 per share (March 31, 2018: INR 3.50 per share)	48.75	34.20
Dividend distribution tax on final dividend (DTT)	10.01	6.95
	58.76	**41.15**
Proposed dividends on equity shares:		
Final cash dividend for the year ended on March 31 2019: INR 5.00 per share (March 31 2018: INR 5.00 per share)	49.03	48.76
Dividend distribution tax on proposed dividend (DTT)	10.08	9.93
	59.11	**58.69**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including Dividend distribution tax thereon) as at year end.

16 Borrowings

(a) Long term borrowings

Particulars	**Non Current**		**Current**	
	As at March 31 2019	**As at March 31 2018**	**As at March 31 2019**	**As at March 31 2018**
Term Loans from Banks				
Rupee Term Loans (secured)	638.65	392.97	125.75	92.58
Foreign currency loans (secured)	44.52	299.73	40.83	76.88
Others (secured)	18.18	26.63	-	-
Total Secured Loans from Banks	**701.35**	**719.33**	**166.58**	**169.46**
Rupee Term Loans (Unsecured)	-	25.00	25.00	-
Current maturities of long term loan	-	-	(191.58)	(169.46)
Total	**701.35**	**744.33**	**-**	**-**

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

16.1 Term loans from banks / institutions have been secured against: -

a) Loan aggregating to INR 53.50 crores (Previous Year INR 72.29 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 6 years.

b) Loan aggregating to INR 353.71 crores (Previous Year INR 338.59 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval, Gujarat excluding assets exclusively charged to other lenders both present and future. The remaining tenure of the loans is 7 to 9 years.

c) Loan aggregating to INR 31.71 crores (Previous Year INR 89.65 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 1 years.

d) Loan aggregating to INR 73.38 crores (Previous Year INR 72.89 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 1 to 9 years.

e) Loan aggregating to INR 42.96 crores (Previous Year NIL) is secured by exclusive charge on specific movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loan is 5 years.

f) Loan aggregating to INR 8.47 crores (Previous Year INR 9.15 crores) is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Jodia, Jamnagar District, Gujarat, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 8 years.

g) Loan aggregating to INR.186.70 crores (Previous Year INR152.58 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 1 to 10 years.

h) Loan aggregating to INR 13.35 crores (Previous Year INR 25.14 crores) is secured by first charge on pari passu basis over entire movable and immovable fixed assets of Company's Textile division present and future situated at Paravai and Manaparai, Tamilnadu excluding movable assets already hypothecated on exclusive charge basis. The remaining tenure of the loans is 1 year.

i) Loan aggregating to INR 42.00 crores (Previous Year INR 57.15 crores) is secured by first exclusive charge on movable fixed assets of Textile Division (including Phase I, II, III) Madurai, Tamil Nadu. The remaining tenure of the loan is 2 years.

j) Loan aggregating to INR 36.91 (Previous Year INR 42.13 crores) crores is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 6 years.

k) Loan aggregating to INR 25.23 crores (Previous Year INR 29.22 crores) is secured by an exclusive first charge over movable and immovable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 7 years.

l) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (k) totaling INR 867.92 crores (Previous Year INR 888.79 crores), an amount of INR 191.58 crores (Previous Year INR 169.46 crores) is due for payment in next 12 months and accordingly reported under Note 19 under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings".

(b) Short term borrowings

Particulars	As at March 31 2019	As at March 31 2018
Short term loans from banks (Secured)		
Cash credit facilities	149.92	23.95
Working capital demand loan	9.00	71.00
Export Packing Credit (Rupee loan)	96.08	138.77
Bill Discounting	2.78	-
Packing Credit in foreign currency	-	5.01
Buyers credit in foreign currency	-	70.68
Total Secured Short Term Borrowing	**257.78**	**309.41**
Short term loans from banks - (Unsecured)		
Cash credit facilities	30.33	0.13
Short Term Loan	35.00	46.00
Export Packing Credit (Rupee loan)	43.61	-
Bill Discounting	32.14	44.22
Total Unsecured Short Term Borrowing	**141.08**	**90.35**
Total	**398.86**	**399.76**

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

16.2 Short term borrowings: This facility is secured by way of hypothecation on inventory and trade receivables and borrowed as under:

(a) Credit Facilities in Indian Rupees: The facilities availed by way of Cash Credit, Working capital demand loan, Export Packing Credit and Bill Discounting are repayable on demand and carries an average interest rate of 8.12% p.a (Previous Year 7.22% p.a) on the amount outstanding.

(b) Credit facilities in foreign currency : The facilities availed by way of foreign currency non resident borrowing, packing credit in foreign currency, Supplier's Credit and buyer's credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 3.42% p.a (Previous Year 4.24% p.a) on the amount outstanding.

16.3 The Company has satisfied all the loan covenants.

16.4 The Company also has undrawn borrowing facilities (refer note 10A).

17 (a) Provisions

(A) Long term provisions	**Provision for mines restoration ***
At April 1, 2017	6.13
Arising during the year	1.02
Utilised	(0.82)
At March 31 2018	**6.33**
Arising during the year	0.64
Utilised	(0.82)
At March 31 2019	**6.15**
Long term provisions	**6.15**

* The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

(b) Short term provisions	**As at March 31, 2019**	**As at March 31, 2018**
Employee benefits (refer note 32)		
Provision for Compensated absences	12.19	12.14
Provision for litigation	2.94	2.94
	15.13	**15.08**

18 Trade payables

	As at March 31, 2019	**As at March 31, 2018**
(a) Total outstanding dues of micro enterprises and small enterprises	14.83	1.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	369.44	380.55
	384.27	**382.44**
Non-current	-	-
Current	384.27	382.44

Trade payables are non-interest bearing and are normally settled on around 90 days terms

There are no dues payable to related parties

For explanation on company's credit risk management process refer note no 37(e)

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company

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

		As at March 31, 2019	As at March 31, 2018
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	14.83	1.89
	Interest	1.32	-
ii)	The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.32	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	1.32	-

19 Other financial liabilities Current

	As at March 31, 2019	As at March 31, 2018
Other financial liabilities at amortised cost		
Current maturity of long term borrowings	191.58	169.46
(refer note 16)		
Other financial liabilities		
Dealer deposits	5.89	5.44
Security deposits	0.74	0.70
Capital creditors	25.92	23.99
Unpaid dividend	3.81	3.48
Interest accrued	1.32	-
Employee benefit payable	23.58	21.67
Others	1.71	3.37
	254.55	**228.11**

Dealer deposits are non-interest bearing and have an average term of around 75 days. Interest payable is normally settled annually. Other than dealer deposits all other payables are non-interest bearing and have an average term of around 75 days.

20 Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Advance received from customers	3.66	2.24
Deferred Income	-	14.96
Statutory dues	25.34	14.60
	29.00	**31.80**

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

21 Revenue from operations

Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segment	For the year ended March 31, 2019			Total	For the year ended March 31, 2018			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Type of goods or service								
Sale of manufactures products								
- Soda Ash	1,895.31	-	-	**1,895.31**	1,731.14	-	-	**1,731.14**
- Textile products	-	1,195.49	-	**1,195.49**	-	1,021.65	-	**1,021.65**
- Consumer products	40.44	-	-	**40.44**	29.38	-	-	**29.38**
Sale of traded products								
- Consumer products	28.41	-	-	**28.41**	20.09	-	-	**20.09**
- Chemicals	211.53	-	-	**211.53**	130.33	-	-	**130.33**
Total revenue from contracts with customers	**2,175.69**	**1,195.49**	**-**	**3,371.18**	**1,910.94**	**1,021.65**	**-**	**2,932.59**
India	2,152.82	595.86	-	**2,748.68**	1,871.40	504.01	-	**2,375.41**
Outside India	22.87	599.63	-	**622.50**	39.54	517.64	-	**557.18**
Total revenue from contracts with customers	**2,175.69**	**1,195.49**	**-**	**3,371.18**	**1,910.94**	**1,021.65**	**-**	**2,932.59**
Timing of revenue recognition								
Goods transferred at a point in time	2,175.69	1,195.49	-	**3,371.18**	1,910.94	1,021.65	-	**2,932.59**
Total revenue from contracts with customers	**2,175.69**	**1,195.49**	**-**	**3,371.18**	**1,910.94**	**1,021.65**	**-**	**2,932.59**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

	For the year ended March 31, 2019			Total	For the year ended March 31, 2018			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Revenue								
External customer	2,175.69	1,195.49	-	**3,371.18**	1,910.94	1,021.65	-	**2,932.59**
Inter-segment	-	105.04	-	**105.04**	-	111.32	-	**111.32**
	2,175.69	**1,300.53**	**-**	**3,476.22**	**1,910.94**	**1,132.97**	**-**	**3,043.91**
Inter-segment adjustment and elimination	-	-105.04	-	**-105.04**	-	-111.32	-	**-111.32**
Total revenue from contracts with customers	**2,175.69**	**1,195.49**	**-**	**3,371.18**	**1,910.94**	**1,021.65**	**-**	**2,932.59**

Note:
Revenue from operations for the year ended March 31 2019 includes excise duty NIL (Previous year INR 50.87 Crore). From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2019 is not comparable with March 31, 2018.

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	As at March 31, 2019	As at March 31, 2018
Trade receivables *	380.23	285.56
Contract liabilities		
Advances from customers (Refer Note no 20)	3.66	2.24

* Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

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

3) **Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Revenue as per contracted price	3,494.02	3,067.18
Adjustments		
Significant financing component	-	-
Sales return	(1.27)	(2.37)
Rebate	(0.07)	(0.36)
Discount	(121.50)	(131.86)
Revenue from contract with customers	**3,371.18**	**2,952.59**

4) **The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2019 are, as follows:**

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Advances from customers (Refer Note no 20)	3.66	2.24
	3.66	**2.24**

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

22 Other income

	For the year ended March 31, 2019	**For the year ended March 31, 2018**
Interest income	1.19	2.42
Dividend income	0.05	0.05
Other non-operating income		
Gain on exchange (net)	-	26.18
Profit on sale of investments	0.72	0.18
Gain on sale of PPE	0.41	-
Sale of scrap	6.82	5.61
Miscellaneous income	4.35	1.31
	13.54	**35.75**

	For the year ended March 31, 2019	**For the year ended March 31, 2018**
23 Cost of raw material consumed (Refer no 40)		
Inventory at the beginning of the year	263.64	202.70
Add: purchases during the year	1,349.18	1,161.02
	1,612.82	1,363.72
Less: inventory at the end of the year	(366.36)	(263.64)
Cost of raw material consumed	**1,246.46**	**1,100.08**

24 (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2019	**For the year ended March 31, 2018**	**(Increase)/decrease in inventories**
Opening stock			
Finished goods	103.67	125.21	21.54
Stock in process	48.01	51.45	3.44
Stock in trade	15.97	14.61	(1.36)
	167.65	**191.27**	**23.62**
Closing stock			
Finished goods	121.98	103.67	(18.31)
Stock in process	47.16	48.01	0.85
Stock in trade	30.28	15.97	(14.31)
	199.42	**167.65**	**(31.77)**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	**(31.77)**	**23.62**	

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

25 Employee benefit expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	163.24	154.57
Contribution to provident and other funds	10.19	9.54
Share based payment expenses	19.90	3.51
Gratuity expenses	2.38	2.95
Staff welfare expenses	5.20	5.80
	200.91	**176.37**

26 Depreciation and amortization expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of tangible assets	114.59	108.16
Amortization of intangible assets	1.70	1.37
	116.29	**109.53**

27 Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	94.09	98.42
(Net of TUF interest subsidy amounting to INR 3.95 Crore (March 31, 2018 INR 3.66 Crore))		
Exchange differences regarded as an adjustment to borrowing costs	16.82	15.43
Interest others	8.45	4.50
Bank charges	6.96	5.81
	126.32	**124.16**

28 Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spares	64.63	63.53
Power, fuel and water	505.33	390.30
Job Work charges	50.26	51.06
Other manufacturing expenses	35.76	39.72
Packing expenses	96.66	89.22
Bad Debts - written Off	0.38	5.32
Freight and forwarding	45.42	63.45
Commission on sales	10.01	11.41
Advertisement and business promotion expenses	14.10	7.04
Travelling and conveyance	16.88	16.65
Rent	6.71	5.87
Repairs and maintenance		
Plant and machinery	26.11	29.99
Buildings	4.58	3.82
Others	5.06	6.25
Rates and taxes	1.57	1.36
Insurance	9.63	10.38
Deficit on sale/discarding of PPE (Net)	-	0.40
Commission to Non Whole time Directors	2.84	2.99

NOTES TO THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
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	For the year ended March 31, 2019	For the year ended March 31, 2018
Communication expenses	1.75	1.79
Legal and professional expenses	11.46	14.57
Donation	0.13	-
Donation to Political Parties	2.36	3.20
CSR Expenditure (refer details below)	9.10	8.61
Excise duty on increase/decrease of stock	-	(2.10)
Loss on exchange (net)	6.03	-
Miscellaneous expenses	21.47	17.86
	948.23	**842.69**

Payment to auditors	For the year ended March 31, 2019	For the year ended March 31, 2018
To Statutory auditor:		
Audit fee	0.40	0.30
Limited review	0.60	0.45
In other capacity		
Other services (certification fees)	0.10	0.15
Reimbursements of expenses	0.03	0.05
	1.13	**0.95**
To Cost auditor		
Audit fee	0.03	0.03
Out of pocket expenses	0.00	0.00
	0.03	**0.03**

Details of CSR expenditure

		In cash	Yet to be paid in cash	For the year ended March 31, 2019	For the year ended March 31, 2018
a	Gross amount required to be spent by the Company during the year			8.63	7.57
b	Amount spent during the year				
	i) Construction / acquisition of any asset	-	-	-	-
	ii) On purpose other than (i) above	9.10	-	9.10	8.61

29 **Components of Other Comprehensive Income (OCI)**	For the year ended March 31, 2019	For the year ended March 31, 2018
The disaggregation of changes to OCI by each type of reserve in equity is shown below:		
Re-measurement gains (losses) on defined benefit plans	0.41	2.08
Re-measurement of investment in equity	1.23	1.40
Total	**1.64**	**3.48**

30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

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

The following reflects the income and share data used in computation of Basic EPS:	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Profit attributable to the equity holders of the Company	361.03	364.51
Weighted average number of equity shares for basic EPS	9,79,06,026	9,76,65,143
Basic earnings per share (Face value of INR 10/- per share)	36.88	37.32
Profit attributable to the equity holders of the Company	361.03	364.51
Weighted average number of equity shares and common equivalent shares outstanding	9,87,60,495	9,82,92,614
Diluted earnings per equity share - (face value of INR 10/- per share)	36.56	37.08

***Weighted average number of Equity shares adjusted for the effect of dilution**	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Weighted average number of equity shares for basic EPS	9,79,06,026	9,76,65,143
Effect of dilution:		
Employee Share Option Scheme	8,54,469	6,27,471
Weighted average number of equity shares and common equivalent shares outstanding	9,87,60,495	9,82,92,614

31 Segment information

The Company is primarily engaged in the business of manufacture of inorganic chemicals and textiles and based on this it has two reportable segments:

Inorganic chemicals segment majorly includes manufacture of soda ash which is an important raw material for detergent and glass industry. Major raw materials to manufacture soda ash are salt, limestone, coke, briquette, coal and lignite. The total Inorganic chemical segment contributes approximately 65% of total Indian Standalone revenue.

Textiles segment manufactures cotton yarn and polyester yarn and home textile products. GHCL Limited is one of the largest integrated textile manufacturers own spinning, weaving and processing & dyeing and cutting & sewing manufacturing facility.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed on Company basis and are not allocated to Operating segments.

Summary of Segment information

Year ended March 31, 2019

	Inorganic Chemicals	**Textiles**	**Others / unallocated**	**Total**
Revenue				
External customers	2,175.69	1,195.49	-	3,371.18
Inter-segment	-	-	-	-
Total revenue	**2,175.69**	**1,195.49**	**-**	**3,371.18**
Segment profit	620.19	66.62	-	686.81
Total assets	2,221.24	1,704.13	78.23	4,003.60
Total liabilities	880.41	908.02	263.22	2,051.65
Capital expenditure	155.66	99.18	-	254.84
Depreciation and amortization	71.22	45.07	-	116.29

Year ended March 31, 2018

	Inorganic Chemicals	**Textiles**	**Others / unallocated**	**Amount**
Revenue				
External customers	1,910.94	1,021.65	-	2,932.59
Inter-segment	-	-	-	-
Total revenue	**1,910.94**	**1,021.65**	**-**	**2,932.59**
Segment profit	554.46	3.73	-	558.19
Total assets	2,039.13	1,522.86	62.75	3,624.74
Total liabilities	1,007.31	799.54	194.95	2,001.80
Capital expenditure	96.87	113.32	-	210.19
Depreciation and amortization	64.40	45.13	-	109.53

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

All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a company basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a company basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Segment profit	686.81	558.19
Un-allocated expenditure	(19.38)	(18.55)
Other finance costs	(126.32)	(124.16)
Profit before tax	**541.11**	**415.48**

Reconciliation of assets	**As at March 31, 2019**	**As at March 31, 2018**
Inorganic chemicals	2,221.24	2,039.13
Home textiles	1,704.13	1,522.86
Un-allocated	78.23	62.75
Total assets	**4,003.60**	**3,624.74**

Reconciliation of liabilities	**As at March 31, 2019**	**As at March 31, 2018**
Inorganic chemicals	880.41	1,007.31
Home textiles	908.02	799.54
Un-allocated	263.22	194.95
Total liabilities	**2,051.65**	**2,001.80**

Revenue from external customers	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
India	2,748.68	2,375.41
Outside India	622.50	557.18
Total revenue per statement of profit and loss	**3,371.18**	**2,932.59**

Trade receivable	**As at March 31, 2019**	**As at March 31, 2018**
India	213.99	173.89
Outside India	166.24	111.67
Total trade receivable	**380.23**	**285.56**

32 Defined benefit and contribution plan

Defined contribution plan

Provident fund and superannuation fund are defined contribution plan. Contribution paid for provident fund and superannuation fund are recognised as expense for the year :

	For the year ended March 31, 2019	**For the year ended March 31, 2018**
Employer's contribution to provident fund/pension scheme	8.23	8.29
Employer's contribution to superannuation fund	1.25	1.28

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

Defined benefit plan

Gratuity (funded)

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Reconciliation of opening and closing balances of the present value of defined benefit obligation in respect of gratuity Fund.

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 01, 2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2019
Defined benefit obligation	39.88	2.79	3.05	5.84	(2.74)		(0.26)	(0.63)	(0.89)		42.09
Fair value of plan assets	43.66		(3.46)	(3.46)	-	0.38			0.38	0.07	46.81
Benefit liability	(3.78)			2.38					(0.51)		(4.72)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 01, 2017	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2018
Defined benefit obligation	38.98	2.81	2.86	5.67	(2.91)		(1.18)	(0.68)	(1.86)		39.88
Fair value of plan assets	37.09		(2.72)	(2.72)	-	(1.32)			(1.32)	2.53	43.66
Benefit liability	1.89			2.95					(3.18)		(3.78)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details of plan assets	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Insurance fund	46.81	43.66

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)
Discount rate	7.94%
Estimated rate of return on plan assets	7.94%
Estimated future salary growth	8.00%
Rate of employee turnover	2.00%

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Assumptions	**Employee turnover**		**Salary**		**Discount rate**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(0.06)	0.07	2.52	(2.23)	(2.21)	2.55

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The following payments are projected benefits payable in future years from the date of reporting from the fund:

	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	9.84	8.38
Following year 2-5	16.18	15.12
Sum of years 6-10	17.53	18.34
Total expected payments	**43.55**	**41.84**

33 Related party transactions

a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

A) Wholly owned subsidiaries
Dan River Properties LLC
Grace Home Fashions LLC

B) Key managerial personnel
Mr. R. S. Jalan, Managing Director
Mr. Raman Chopra, CFO & Executive Director (Finance)
Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary

C) Non-whole-time directors
Mr. Sanjay Dalmia
Mr. Anurag Dalmia
Mr. Neelabh Dalmia
Mrs. Vijaylaxmi Joshi
Mr. K C. Jani
Mr. Lavanya Rastogi
Dr. B. C. Jain (upto July 17, 2018)
Mr. G. C. Srivastava (upto March 31, 2019)
Mr. Mahesh Kumar Kheria (upto March 31, 2019)

D) Relative of key managerial personnel
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan
Mrs. Bharti Chopra, w/o Mr. Raman Chopra
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra

E) Enterprises over which key managerial personnel are able to exercise significant influence
Dalmia Centre for Research & Development
GHCL Foundation Trust
GHCL Employees Group Gratuity Scheme
Gujarat Heavy Chemical Limited Superannuation Scheme
Dalmia Biz Private Limitd.
Dalmia Healthcare Limited

b) Transactions with subsidiaries

	As at March 31, 2019	As at March 31, 2018
Investment in equities		
Grace Home Fashions LLC	34.93	-
Sales of Goods		
Grace Home Fashions LLC	136.18	105.06
Net payment/(receipt) of loans & advances		
Dan River Properties LLC	(1.52)	(2.69)

	As at March 31, 2019	As at March 31, 2018
Loans & advances recoverable at the year end		
Dan River Properties LLC	2.02	3.54
Balance of investment in equities at the year end		
Grace Home Fashions LLC	34.97	0.04
Balance receivable at the year end		
Grace Home Fashions LLC	113.11	78.87

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		As at March 31, 2019	As at March 31, 2018
c)	**Transactions with relative of key management personnel**		
	Leasing & hire purchase transactions		
	Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.12	0.12
	Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.09	0.09
	Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02
d)	**Transactions with enterprises over which significant influence exercised by directors**		
	Purchase of goods		
	Dalmia Centre for Research & Development	0.02	0.02
	Royalty paid		
	Dalmia Centre for Research & Development	0.07	0.07
	Rent & Other Receipts		
	Dalmia Biz Private Limitd.	0.26	0.06
	Dalmia Healthcare Limited	0.23	0.04
	Rent deposit received		
	Dalmia Biz Private Limitd.	-	0.05
	Dalmia Healthcare Limited	-	0.05
	Net contribution		
	GHCL Foundation Trust	9.10	8.57
	GHCL Employees Group Gratuity Scheme	0.07	2.53
	Gujarat Heavy Chemical Limited Superannuation Scheme	1.25	1.28

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) Compensation of key management personnel of the Group

	For the year ended March 31, 2019	For the year ended March 31, 2018
Mr. Ravi Shanker Jalan	9.56	8.75
Mr. Raman Chopra	5.46	4.98
Mr.Bhuwneshwar Mishra	0.67	0.54
Total compensation paid to key management personnel	**15.69**	**14.27**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	12.40	12.07
Post-employment gratuity and medical benefits	0.67	0.65
Share-based payment transactions*	2.62	1.55
Total compensation paid to key management personnel	**15.69**	**14.27**

*** Taxable component of ESOS**

	For the year ended March 31, 2019	For the year ended March 31, 2018
f) Transactions with non-whole-time directors		
Sitting fees	0.28	0.28
Commission	2.84	2.98
	3.12	**3.26**

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g) Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6 (a) and Note 11A)

Name of the Loanee	As at March 31, 2019	As at March 31, 2018
GHCL Employee Stock Option Trust	6.21	6.81
Dan River Properties LLC (Subsidiary Company)	2.02	3.54

34 Commitments and contingencies

a) Operating lease commitments

Leases future obligation/rights as at balance sheet date for lease arrangements amount to:

	As at March 31, 2019	As at March 31, 2018
Within one year	1.76	2.19
After one year but not more than five years	4.46	0.62
More than five years	3.09	0.01
b) Estimated value of contracts remaining to be executed on Capital Account and not provided for	20.29	109.38
c) Contingent liabilities :		
Claims against the Company not acknowledged as debts*		
- Income tax	154.85	161.60
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	124.08	110.66
- Other claims	36.54	48.09

Cases pending before appellate authorities/dispute resolution panel in respect of which the Company has filed appeals.

*On the basis of current status of individual case for respective years and as per legal advice obtained by the company, wherever applicable, the company is confident of winning the above cases and is of the view that no provision is required in respect of above cases.

These include claims against the Company for recovery lodged by various parties.

	As at March 31, 2019	As at March 31, 2018
d) Guarantees:		
Guarantees issued by banks	-	1.84
Corporate guarantee to bank on behalf of erstwhile subsidiaries of the Company	2.72	2.75
e) Bills discounted with banks (since realized)	-	11.11
f) EPCG Commitment (value of exports) - The Company has export obligations to the extent INR 253.25 crores (as at March 31, 2018 INR 338.61 crores) of on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight /six years. Due to the remote likelihood of the Company being unable to meet its export obligations, the Company does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	42.21	56.43

g) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

35 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of expected sales and purchases, generally from one to 24 months.
These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

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36 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value March 31, 2019	Fair value March 31, 2019	Carrying value March 31, 2018	Fair value March 31, 2018
Financial assets measured at fair value				
FVTOCI investments (refer note 5 (b))	11.59	11.59	10.28	10.28
Foreign exchange forward contracts (Refer Balance sheet)	2.26	2.26	2.91	2.91
Financial assets measured at amortised cost				
Loan to subsidiary (refer note 11A)	2.02	2.02	3.54	3.54
Loan to ESOS trust (refer note 6 (a))	6.21	6.21	6.81	6.81
Security deposits (refer note 6 (a))	5.24	5.24	4.80	4.80
Loan to employees (refer note 11A)	2.11	2.11	1.59	1.59
Demand deposits (refer note 6 (b))	0.00	0.00	0.01	0.01
Others (refer note 11)	0.50	0.50	2.06	2.06
Financial liabilities carried at amortised cost				
Term loans (refer note 16)	892.93	892.93	913.79	913.79
Short term borrowings (refer note 16)	398.86	398.86	399.76	399.76

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

i The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.
Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

			Fair value measurement using		
	Date of valuation	**Carrying amount**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
FVTOCI financial investments					
Quoted equity shares (refer note 5)	March 31, 2019	11.30	11.30		
	March 31, 2018	10.07	10.07		
Unquoted equity shares (refer note 5)	March 31, 2019	0.25			0.25
	March 31, 2018	0.20			0.20
Financial assets measured at fair value through statement of profit and loss					
Foreign exchange forward contracts (Refer Balance sheet)	March 31, 2019	2.26			2.26
	March 31, 2018	5.17			5.17
Financial assets measured at amortised cost					
Security deposits (refer note 6 (a))	March 31, 2019	5.24		5.24	
	March 31, 2018	4.80		4.80	
Loan to subsidiary (refer note 11A)	March 31, 2019	2.02		2.02	
	March 31, 2018	3.54		3.54	
Loan to ESOS trust (refer note 6 (a))	March 31, 2019	6.21		6.21	
	March 31, 2018	6.81		6.81	

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			Fair value measurement using		
	Date of valuation	**Carrying amount**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
Loan to employees (refer note 11A)	March 31, 2019	2.11		2.11	
	March 31, 2018	1.59		1.59	
Demand deposits (refer note 6 (b))	March 31, 2019	0.00		0.00	
	March 31, 2018	0.01		0.01	
Others (refer note 11)	March 31, 2019	0.50		0.50	
	March 31, 2018	2.06		2.06	
Financial liabilities carried at amortised cost					
Floating rate borrowings (India)	March 31, 2019	1,291.79		1,291.79	
	March 31, 2018	1,313.56		1,313.56	

There have been no transfers between Level 1 and Level 2 during the year.

Particulars	**Fair value hierarchy**	**Valuation technique**	**Inputs used**	**Sensitivity of the input to fair value**
FVTOCI financial investments				
Quoted equity shares	Level 1	Market valuation techniques	Prevailing rates in the active markets	
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, weighted average cost of capital, long-term operating margin, discount for lack of marketability	3% (March 31, 2018: 3%) increase (decrease) in the growth rate would result
Financial assets measured at fair value through statement of profit and loss				
Foreign exchange forward contracts	Level 3	Market valuation techniques	Forward foreign currency exchange rates	
Financial assets measured at amortised cost				
Security deposits	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts	
Loan to subsidiary				
Loan to ESOS trust				
Loan to employees				
Financial liabilities measured at fair value				
Foreign exchange forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates	
Financial liabilities carried at amortised cost				
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, future payouts	

37 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a banking and operations committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk

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committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Company's policy, that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Company is not exposed the significant interest rate as at a respective reporting date.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is effected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on PBT
March 31, 2019	+/(-).50%	INR (-)/+ 6.46
	Increase/decrease in basis points	**Effect on PBT**
March 31, 2018	+/(-).50%	INR (-)/+ 6.57

b. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month periods for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

Foreign currency sensitivity	Change in USD rate	Effect on PBT
March 31, 2019	+/(-)1%	INR +/(-) 2.19
	Change in USD rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ -2.19
	Change in GBP rate	**Effect on PBT**
March 31, 2019	+/(-)1%	INR (-)/+ 0.02
	Change in GBP rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ 0.02
	Change in EUR rate	**Effect on PBT**
March 31, 2019	+/(-)1%	INR +/(-) 0.09
	Change in EUR rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ 0.00

c. Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

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At the reporting date, the exposure to unlisted equity securities at fair value was INR 0.25 crores as on March 31, 2019 (INR 0.20 as on March 31, 2018).

At the reporting date, the exposure to listed equity securities at fair value was INR 11.30 Crore as on March 31, 2019 (INR 10.07 as on March 31, 2018). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 1.01 Crore on the OCI or equity attributable to the company. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

d. Commodity risk

The Company is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the company has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Company's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

e. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous group's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure of the company's trade receivables using provision matrix:

	1-181 days	181-270 days	271-365 days	1 year to 2 years	More than 2 years	Total
ECL rate	0.01%	0.55%	3.48%	5.81%	9.26%	
Estimated total gross carrying amount at default	86.68	84.04	0.1	0.14	0.00	170.96
ECL - simplified approach	0.01	0.46	0.00	0.01	0.00	0.48

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the balance sheet at 31st March 2019 and March 2018 is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

Liquidity risk

Liquidity risk is the risk that the company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the company to manage liquidity is to ensure , as far as possible, that it should have sufficient liquidity to meet its respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

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As at March 31, 2019	within 1 year	More than 1 year	Total
Borrowings	590.44	701.35	1,291.79
Trade and other payables	384.27	-	384.27
Other financial liabilities	62.97	-	62.97
	1,037.68	**701.35**	**1,739.03**

As at March 31, 2018	within 1 year	More than 1 year	Total
Borrowings	569.22	744.33	1,313.55
Trade and other payables	382.44	-	382.44
Other financial liabilities	58.65	-	58.65
	1,010.31	**744.33**	**1,754.64**

38. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, security premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio of less than 75%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	As at March 31, 2019	As at March 31, 2018
Borrowings	1,291.79	1,313.55
Trade payables	384.27	382.44
Other financial liabilities	62.97	58.65
Less: Cash and bank balances	4.44	9.01
Net debt	**1,734.59**	**1,745.63**
Equity	1,951.95	1,621.94
Capital and net debt	**3,686.54**	**3,367.57**
Gearing ratio	47%	52%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019.

39 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the Company's financial statements:

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Assessment of lease contracts

Classification of leases under finance lease or operating lease requires judgment with regard to the estimated economic life and estimated cost of the asset. The Company has analyzed each lease contract on a case to case basis to classify the arrangement as operating or finance lease, based on an evaluation of the terms and conditions of the arrangements.

Assessment of equity instruments

The Company has designated investments in equity instruments as FVTOCI investments since the Company expects to hold these investment with no intention to sale. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives, impairment assessment of property plant and equipment, investment in subsidiary companies, recognised by the Company. Company has done the impairment assessment of Home Textile Division during the year refer note 3 for details.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

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

40 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing expenses*	191.58	178.70
Stores and spares consumed	1.37	2.18
Power and fuel	5.32	4.55
Excise duty, cess and royalty	9.67	6.78
Repairs and maintenance	-	
Building	0.29	0.15
Plant and machinery	0.99	0.65
Earth work	3.57	1.01
Others	0.43	0.33
Salaries and wages	9.90	9.50
Travelling & conveyance	0.77	0.94
Lease rent	0.71	0.84
Rates and taxes	0.36	0.13
Insurance	0.87	0.95
Misc. expenses (including deferred revenue & intangible expenses)	2.62	1.51
Less: Other misc. income	(0.52)	(1.83)
Total	**227.93**	**206.39**

* It includes consumption of breeze, starch binder and other production and mining cost.

41 In prior years as per SEBI (ESOS & ESPS) guidelines 1999 the Employees Stock Option Schemes of GHCL was administered by the registered Trust named GHCL Employees Stock Option Trust. However, the SEBI circular dated November 29, 2013, required the closure of all Employee Stock Option Trusts by June 2014. Accordingly, GHCL closed its ESOS Scheme, disposed of GHCL shares but retained its ESOS Trust for a limited purpose of litigation. ESOS Trust owns 20,46,195 GHCL shares, out of which 15,79,922 shares were illegally sold by a party against which ESOS Trust has initiated legal proceedings and 4,66,273 shares are held by Stock Exchange based on an arbitration award.

During the tenure of ESOS Trust, the company had advanced interest free loan to the Trust to buy the shares and at the end of March'2014, the company had written off an amount of INR 23.34 crores due from ESOS Trust on account of permanent diminution in the value of 20,46,195 shares as on 31st March, 2014 held by the Trust.

Once the legal matter is settled and ESOS Trust gets the possession of 20,46,195 shares, the sale proceeds from the disposal of these shares by ESOS Trust will first be used to repay the loan amounting to INR 29.54 crores due to GHCL which includes restatement of earlier write-off of INR 23.34 crores taken in March, 2014 and the balance surplus (if any) will be used for the benefit of the employees of the company as per the recommendation of GHCL's Compensation Committee

42 Share based compensation

In accordance with the Securities and Exchange Board of India (share based employee benefits) Regulations, 2014 and the guidance Note on accounting for 'Employees share-based payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the company. To have an understanding of the scheme, relevant disclosures are given below.

a) As approved by the shareholders at their Annual General Meeting held on 23rd July 2015, the Company has got 50,00,000 number of Options under the employee stock option scheme "GHCL ESOS 2015". The following details show the actual status of ESOS granted during the financial year ended on 31st March 2019.

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

The relevant details of the Scheme are as under:

	Grant 1		Grant 2		Grant 3		Grant 4	
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,05,000	6,05,000	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)								
Fair value on the date of grant (In INR)	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 1		Grant 2		Grant 3		Grant 4	
On completion of 12 months	6,05,000	-	15,000	-	25,000	-	-	-
On completion of 24 months	-	6,05,000	-	15,000	-	25,000	90,000	-
On completion of 36 months	-	-	-	-	-	-	-	90,000

	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	161.33	173.00	183.41	173.00	183.41	192.68
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 5			Grant 6		
On completion of 12 months	6,10,000	-	-	-	-	-
On completion of 24 months	-	6,10,000	-	15,000	-	-
On completion of 36 months	-	-	6,10,000	-	15,000	
On completion of 48 months	-	-	-	-	-	15,000

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

	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	25,000	25,000	25,000	60,000	60,000	60,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	173.00	183.41	192.68	183.41	192.68	200.98
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 7			Grant 8		
On completion of 24 months	25,000	-	-	-	-	-
On completion of 36 months	-	25,000	-	60,000	-	-
On completion of 48 months	-	-	25,000	-	60,000	-
On completion of 60 months	-	-	-	-	-	60,000

Set out below is a summary of options granted under the plan:

	As at March 2019		As at March 2018	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	7,80,000	121	12,00,000	100
Options granted during the year	21,30,000	150	2,30,000	170
Options forfeited/lapsed during the year	1,00,000	158	90,000	100
Options exercised during the year	6,05,000	100	5,60,000	100
Options expired during the year	-	-	-	-
Options outstanding at end of year	22,05,000	151	7,80,000	121
Options vested but not exercised during the year	5,000	170	20,000	100

The details of activity of the Scheme have been summarized below:-

Particulars	As at March 2019								Total
	Grant 1		Grant 2		Grant 3		Grant 4		
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	20,000	5,50,000	15,000	15,000	25,000	25,000	65,000	65,000	7,80,000
Granted during the year	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	20,000	20,000	40,000
Exercised during the year	20,000	5,50,000	15,000	-	20,000	-	-	-	6,05,000
Expired during the year	-	-			-	-			-
Outstanding at the end of the year	-	-	-	15,000	5,000	25,000	45,000	45,000	1,35,000
Exercisable at the end of the year	-	-	-	-	5,000	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-	-	0.57	0.57	1.57	-
Weighted average fair value of options granted during the year	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18	-

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

Particulars	Grant 1		Grant 2		Grant 3		Grant 4	
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Stock price at the date of grant	148.1	148.1	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	100	100	170	170	170	170
Expected volatility	50	50	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	2	3	3	4
Risk free interest rate (%)	7.467	7.467	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18

Particulars	As at March 2019						Total
	Grant 5			Grant 6			
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	-	-	-	-	-	-
Granted during the year	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000	18,75,000
Forfeited during the year	5,000	5,000	5,000	-	-	-	15,000
Exercised during the year	-	-	-	-	-	-	-
Expired during the year	-	-			-	-	-
Outstanding at the end of the year	6,05,000	6,05,000	6,05,000	15,000	15,000	15,000	18,60,000
Exercisable at the end of the year	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	0.07	1.07	2.07	1.07	2.07	3.07	-
Weighted average fair value of options granted during the year	161.33	173.00	183.41	173.00	183.41	192.68	-

Particulars	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	2	3	4	3	4	5
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	161.33	173	183.41	173	183.41	192.68

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

Particulars	As at March 2019						Total	Grand Total of ESOS
	Grant 7			Grant 8				
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	-	-	-	-	-	-	7,80,000
Granted during the year	25,000	25,000	25,000	60,000	60,000	60,000	2,55,000	21,30,000
Forfeited during the year	-	-	-	15,000	15,000	15,000	45,000	1,00,000
Exercised during the year	-	-	-	-	-	-	-	6,05,000
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	25,000	25,000	25,000	45,000	45,000	45,000	2,10,000	22,05,000
Exercisable at the end of the year	-	-	-	-	-	-	-	5,000
Weighted average remaining contractual life (in years)	1.07	2.07	3.07	2.07	3.07	4.07	-	-
Weighted average fair value of options granted during the year	173.00	183.41	192.68	183.41	192.68	200.98	-	-

Particulars	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	3	4	5	4	5	6
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	173	183.41	192.68	183.41	192.68	200.98

43 Remittances during the year in Foreign currency on account of

a)

Dividend for the financial year ended	2017-18
Dividends to non-resident shareholders	2.98
Number of non-resident shareholders	666
Number of shares	59,53,723

44 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the

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

lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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

Form AOC-1 Part"A" Subsidiaries
Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

			INR In Cr.
S. No.	**Particulars**	**Particulars**	**Particulars**
i.	Name of Subsidiary	Grace Home Fashion LLC	Dan River Properties LLC
ii.	Reporting period for the subsidiary concerned,	31st March 2019	31st March 2019
iii.	Reporting Currency and Exchange rate as on the last date of the relevant financial year/Period.	USD 1 USD = INR 69.16	USD 1 USD = INR 69.16
iv.	Share Capital	34.62	-
v.	Reserve & Surplus	-31.01	5.98
vi.	Total Assets	133.78	8.68
vii.	Total Liabilities	130.17	2.70
viii.	Investments	-	-
ix.	Turnover	106.32	1.97
x.	Profit before Taxation	-15.27	1.15
xi.	Provison for taxation	-0.03	-
xii	Profit after Taxation	-15.24	1.15
xiii.	Proposed Dividend	-	-
xiv.	% of Shareholding	100.00%	100.00%

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of GHCL Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of GHCL Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of home textile division *(as described in note 3 of the consolidated Ind AS financial statements)*	
Property plant and equipment includes assets that are related to the integrated textile manufacturing facilities (at Tamil Nadu), Home Textiles facility (in Gujrat) and overseas operations to support the business hereafter collectively referred to as the "Home Textile Division or HT Division" with a carrying value amounting to INR 460 crores. Home Textile Division has incurred losses in the last two years, as a result the management has performed an impairment assessment as per the accounting policy stated in note 2.2.L to the Consolidated Ind AS financial statements. Our audit focused on this area because the assessment of recoverable value of the aforesaid assets of HT Division requires management to make a number of key judgements and estimates with respect to the future performance and profitability of the HT Division which involves judgements and estimates on future growth rates, discount rates, etc. Accordingly, Impairment assessment of the Company's Home Textile division has been considered as a key audit matter.	• Understood management and the board's controls over the assessment of the carrying value of HTD's property, plant and equipment to determine whether any asset impairment was required. • Together with our valuation specialists, we assessed the Company's valuation methodology applied in estimating the recoverable amount of the Company's Home Textile Division. • Together with our valuation specialists, we tested the assumptions around the key drivers of the cash flow forecasts , i.e. future growth rates, discount rates used etc . • Performed sensitivity analysis around the key assumptions used by management in impairment testing to understand the impact of reasonable changes in assumptions on the estimated recoverable amounts. • Assessed the disclosures included in the financial statements in note 3 to the standalone Ind AS financial statements

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Revenue Recognition
(as described in note 2.2.c of the standalone Ind AS financial statements)</td></tr>
<tr><td>For the year ended March 31, 2019 the Company has recognized revenue from contracts with customers amounting to INR 3,341.32 crores.

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

The variety of terms that define when control are transferred to the customer, as well as the high value of the transactions, give rise to the risk that revenue is not recognized in the correct period.

Revenue is measured net of net of returns and allowances, cash discounts, trade discounts and volume rebates (collectively ‘discount and rebates’). There is a risk that these discount and rebates are incorrectly recorded as it also requires a certain degree of estimation, resulting in understatement of the associated expenses and accrual.

Revenue is also an important element of how the Company measures its performance,. The Company focuses on revenue as a key performance measure, which could create an incentive for revenue to be recognized before the risk and rewards have been transferred.

Accordingly, due to the significant risk associated with revenue recognition in accordance with terms of Ind AS 115 ‘Revenue from contracts with customers’, it was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</td><td>Our audit procedures included the following:
• Assessed the Company's revenue recognition policy prepared as per Ind AS 115 'Revenue from contracts with customers'.
• Assessed the design and tested the operating effectiveness of internal controls related to revenue recognition, discounts and rebates.
• Performed sample tests of individual sales transaction and traced to sales invoices, sales orders and other related documents. Further, in respect of the samples checked that the revenue has been recognized as per the shipping terms.
• To test cut off selected sample of sales transactions made pre- and post-year end, agreeing the period of revenue recognition to third party support, such as transporter invoice and customer confirmation of receipt of goods.
• Tested the provision calculations related to management incentives, discounts and rebates by agreeing a sample of amounts recognized to underlying arrangements with customers and other supporting documents.
• Performed monthly analytical procedures of revenue by streams to identify any unusual trends.
• Obtained confirmations from customers on sample basis to support existence of trade receivables and assessed the relevant disclosures made in the financial statements; to ensure revenue from contracts with customers are in accordance with the requirements of relevant accounting standards.</td></tr>
</table>

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

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

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose Ind AS financial statements include total assets of INR 142.46 Crores as at March 31, 2019, and total revenues of INR 108.29 Crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, refer to our separate Report in "Annexure 1" to this report;

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

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 34 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019.

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

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF GHCL LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of **GHCL Limited** as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **GHCL Limited** (hereinafter referred to as the "Holding Company"), as of that date. The subsidiary companies which are part of the Group are incorporated outside India and internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable to the subsidiary companies.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31,2019, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Atul Seksaria
Partner
Membership No. 086370

Place: New Delhi
Date: April 25, 2019

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(INR in Crores)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,577.95	2,487.98
(b) Capital work-in-progress	3	113.64	73.00
(c) Investment Property	4	8.56	8.56
(d) Other Intangible assets	4A	4.56	5.18
(e) Intangible assets under development		3.82	0.51
(f) Financial assets			
(i) Investments	5	11.59	10.28
(ii) Loans	6(a)	11.45	11.61
(iii) Other non-current financial assets	6(b)	0.24	0.23
(g) Other-non current assets	7	24.37	30.51
(2) Current assets			
(a) Inventories	8	768.50	636.70
(b) Financial assets			
(i) Trade receivables	9	290.62	228.67
(ii) Cash and cash equivalents	10	12.18	11.58
(iii) Bank balances other than cash and cash equivalents	10A	23.32	15.23
(iv) Other current financial asset	11	0.50	2.06
(v) Loans	11A	2.84	1.59
(vi) Foreign exchange forward contracts		2.26	5.17
(c) Current tax assets (net)	12	-	20.21
(d) Other current assets	13	99.28	79.07
		3,955.68	3,628.14
(3) Asset classified as held for sale	3	39.23	-
Total assets		**3,994.91**	**3,628.14**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	98.03	97.42
(b) Other equity	15	1,827.47	1,513.42
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16(a)	702.03	744.33
(b) Provisions	17(a)	6.15	6.33
(c) Deferred tax liabilities (net)	12	253.00	194.95
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16(b)	408.56	408.20
(ii) Trade payables	18		
(a) Total outstanding dues of micro enterprises and small enterprises		14.83	1.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		371.00	380.55
(iii) Other financial liabilities	19	254.55	228.11
(b) Other current liabilities	20	34.82	37.86
(c) Provisions	17(b)	15.13	15.08
(d) Current tax liabilities (net)	12	9.34	-
Total equity and liabilities		**3,994.91**	**3,628.14**

The accompanying Note are Internal parts of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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

(INR in Crores)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from operations	21	3,341.32	2,970.10
Other income	22	15.51	37.94
Total Income		**3,356.83**	**3,008.04**
Expenses			
Cost of raw materials consumed	23	1,246.46	1,100.08
Purchase of stock in trade		249.83	126.08
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(83.70)	49.44
Excise duty on sale of goods		-	50.87
Employee benefit expenses	25	201.21	176.67
Depreciation and amortization expense	26	116.94	110.10
Finance costs	27	127.34	126.56
Other expenses	28	968.12	860.84
Total expenses		**2,826.20**	**2,600.64**
Profit before exceptional items and tax		530.63	407.40
Exceptional items		-	-
Profit before tax		**530.63**	**407.40**
Tax expense:			
Current tax		153.81	106.84
Less: Tax adjustment for Earlier years (Refer Note 12)		0.84	(89.81)
Deferred tax		25.40	34.02
Total tax expense		**180.05**	**51.05**
Profit for the year		**350.58**	**356.35**
Other comprehensive income			
Items that not to be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		0.63	3.18
Income tax effect		(0.22)	(1.10)
Re-measurement of investment in equity		1.23	1.40
Exchange differences on translation of foreign operations		(4.88)	1.88
Income tax effect		-	(0.01)
Other Comprehensive Income/(Loss) for the year net of tax	29	**(3.24)**	**5.35**
Total Comprehensive income for the period		347.34	361.70
Profit attributable to :			
Owners of the Company		350.58	356.35
Non-controlling interest		-	-
Total comprehensive Income attributable to :			
Owners of the Company		347.34	361.70
Non controlling interest		-	-
Earnings per equity share (nominal value of shares INR 10 each) (Previous year INR 10 each)	30		
Basic (INR)		35.81	36.48
Diluted (INR)		35.50	36.25

The accompanying Note are Internal parts of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2019

(INR in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Operating activities		
Profit before tax	530.63	407.40
Adjustments for:		
Depreciation and amortisation expense	116.94	110.10
Profit on sale of investments	(0.72)	(0.18)
Loss/(gain) on sale of PPE	(0.41)	0.40
Interest income	(1.19)	(2.42)
Finance cost	126.02	126.55
Income from dividend	(0.05)	(0.05)
Employees share based payments	19.90	3.51
Unrealised Exchange (Gain) / Loss	(12.24)	7.94
Operating profit/(loss) before working capital changes	**778.88**	**653.25**
Movement in working capital		
(Increase) /Decrease in trade receivables	(57.41)	60.56
(Increase)/ Decrease in inventories	(131.80)	(52.37)
(Increase) /Decrease in other current financial assets	3.22	7.76
(Increase)/ Decrease in other current assets	(19.58)	(7.44)
(Increase) /Decrease in other non-current financial assets	0.15	3.44
(Increase) /Decrease in other non-current assets	(0.32)	(0.25)
Increase/ (Decrease) in trade payables	1.07	48.33
Increase/ (Decrease) in other current financial liabilities	51.77	(67.03)
Increase/ (Decrease) in other current liabilities	(3.04)	16.24
Increase/ (Decrease) in provisions	(0.13)	(1.47)
Cash generated from operations	**622.81**	**661.02**
Direct taxes paid (net of refunds)	(92.66)	(71.51)
Net cash generated from operating activities	**530.15**	**589.51**
Cash flow from investing activities		
Purchase of PPE including CWIP and capital advances	(282.83)	(287.98)
Sale proceeds of PPE	9.77	6.05
Sales/ (Purchase) of Investment (Net)	0.64	0.07
Interest received	1.19	2.42
Dividend received	0.05	0.05
Net cash used in investing activities	**(271.18)**	**(279.39)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 2019

(INR in Crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	6.19	5.60
Buyback of equity share capital	-	(65.32)
Dividend paid	(48.75)	(34.20)
Dividend distribution tax paid	(10.01)	(6.95)
Proceeds from long-term borrowings	137.13	313.02
Repayment of long-term borrowings	(201.55)	(266.65)
Proceeds from short-term borrowings	0.36	(138.42)
Unpaid dividend account (Net)	(0.33)	(0.02)
Bank deposit in escrow account and Margin Money	(7.76)	11.64
Interest paid	(133.65)	(126.53)
Net cash generated from financing activities	**(258.37)**	**(307.83)**
Net (decrease) / increase in cash and cash equivalents	**0.60**	**2.29**
Cash and cash equivalents at the beginning of the year	**11.58**	**9.29**
Cash and cash equivalents at the end of the year	**12.18**	**11.58**
Components of cash and cash equivalents		
Cash and cheques on hand	0.21	0.17
Balances with banks:		
- On current accounts	11.97	11.41
Total cash and cash equivalents (note 10)	**12.18**	**11.58**

Notes:

The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying Note are Internal parts of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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

(INR in Crores)

A. Equity Share Capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

	Number of share	Amount
Balance as at April 1, 2017	9.95	99.47
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.56
Changes in share capital- Buy back during the year (Refer note 14 on buy back)	(0.26)	(2.61)
Balance as at March 31, 2018	**9.75**	**97.42**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer note 14 on ESOS)	0.06	0.61
Balance as at March 31, 2019	**9.81**	**98.03**

B. Other Equity

(INR in Crores)

	Capital reserve (A)	Business development reserve (B)	Capital redemption reserve (C)	Securities premium (D)	FVTOCI Reserve (E)	Retained earnings (F)	Share based payment reserve (G)	Foreign currency translation reserve (H)	General reserve (I)	Total
Balance as at April 1, 2017	**7.57**	**73.89**	**10.55**	**4.30**	**7.15**	**1,039.75**	**5.75**	**(0.07)**	**98.16**	**1,247.05**
Reserve created on account of ESOS issued during the year	-	-	-	9.06	-	-	-	-	-	9.06
Reserve created on account of buy back during the year	-	-	2.61	-	-	-	-	-	(2.61)	-
Reserve Utilised on account of buy back during the year	-	-	-	(4.30)	-	-	-	-	(58.42)	(62.72)
Profit for the year	-	-	-	-	-	356.35	-	-	-	356.35
Employee stock option scheme	-	-	-	-	-	-	(0.51)	-	-	(0.51)
Proposed Dividend	-	-	-	-	-	(34.20)	-	-	-	(34.20)
Dividend distribution tax	-	-	-	-	-	(6.95)	-	-	-	(6.95)
Other comprehensive income	-	-	-	-	1.40	2.08	-	1.87	-	5.35
Balance as at March 31, 2018	**7.57**	**73.89**	**13.16**	**9.06**	**8.55**	**1,357.03**	**5.24**	**1.80**	**37.13**	**1,513.42**
Reserve created on account of ESOS issued during the year	-	-	-	10.68	-	-	-	-	-	10.68
Profit for the year	-	-	-	-	-	350.58	-	-	-	350.58
Employee stock option scheme	-	-	-	-	-	-	14.80	-	-	14.80
Dividend paid	-	-	-	-	-	(48.76)	-	-	-	(48.76)
Dividend distribution tax	-	-	-	-	-	(10.01)	-	-	-	(10.01)
Other comprehensive income	-	-	-	-	1.23	0.41	-	(4.88)	-	(3.24)
Balance as at March 31, 2019	**7.57**	**73.89**	**13.16**	**19.74**	**9.78**	**1,649.24**	**20.04**	**(3.08)**	**37.13**	**1,827.47**

The accompanying notes are Internal part of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(INR in crores unless specified otherwise)

1 Corporate information

The consolidated financial statements comprise financial statements of GHCL Limited (GHCL) and its subsidiaries (collectively, the Group) for the year ended March 31, 2019. GHCL Limited (““GHCL”” or the “”Company”” or the “”Parent””) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat. The Group are engaged in primarly two business segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufaturing, weaving, processing and cutting & sewing of home textiles products).

Information on the Group’s structure is provided in Note 44.

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

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

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS. The consolidated financial statements have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores (INR’00,00,000), except otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprises the financial statement of GHCL Limited and its subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group’s voting rights and potential voting rights

(iv) The size of the Group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the Group’s accounting policies.

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(INR in crores unless specified otherwise)

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation Procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intraGroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intraGroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). IntraGroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intraGroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary
(ii) Derecognises the carrying amount of any non-controlling interests
(iii) Derecognises the cumulative translation differences recorded in equity
(iv) Recognises the fair value of the consideration received
(v) Recognises the fair value of any investment retained
(vi) Recognises any surplus or deficit in profit or loss
(vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(d) **Change in ownership interest**

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b) Fair value measurement

The the Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Parent determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

On an interim basis, the members of Banking & Operations Committee present the valuation results to the Audit Committee. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

c) Revenue from contracts with customers

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

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

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

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

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 21 and disclosures of transition approach along with impact of adoption of Ind AS 115 on financial statements are provided in Note 2.3(w).

Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 45-120 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

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

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

Contract balances

Trade receivables

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

Contract liabilities

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

Cost to obtain a contract

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

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

Critical judgements

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

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

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

d) Other revenue streams

Export Benefits

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

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Rendering of services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Dividend

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can

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be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

In the situation where the Group is entitled to a Tax holiday under the income Tax Act, 1961 enacted in India or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment

Property, plant and equipment is stated at net of CENVAT/goods & service tax (GST) and VAT less depreciation and impairment loss, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates the useful lives for the fixed assets, except lease mines and leasehold land, as follows.

• Building	30 to 60 years
• Plant and Machinery *	5 to 25 years
• Office equipment	3 to 25 years
• Furniture and fixtures	10 years
• Salt works reservoir	10 years
• Vehicles	8 to 10 years
• Wind Turbine Generator	20 to 22 years
• Temporary structures	3 years

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* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to notes regarding significant accounting judgments, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Capital work in progess is stated at cost, net of accumulated impairment loss, if any.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets comprising of computer software and trademark with finite useful life are amortised on straight line basis over estimated useful life of three years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

h) Asset classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The group treats sale of the asset to be

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highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1st April 2015, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the companies general policy on the borrowing costs (note16). Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term for non-cancellable leases. However, in some of the non-cancellable operating lease arrangements the lease escalation is in line with expected general inflation and hence there is no requirement for straight lining of lease rentals as Ind-AS 17 does not mandate straight-lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

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k) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost, except in case of cotton, for which cost determined on specific cost basis.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses, taking into account the stage of completion.
- Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares: are stated at cost less provision, if any, for obsolescence.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Parent's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/ forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

m) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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Decommissioning liability

"The present value of the expected cost for the decommissioning of an asset after its use and leasehold improvements on termination of lease is included in the cost of the respective asset if the recognition criteria for a provision are met. The Parent records a provision for decommissioning costs of its plant for manufacturing of Soda Ash and leasehold improvements at the leasehold land. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset."

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity

n) Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Group recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

o) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost

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- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither

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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.

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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 Statement of Profit and Loss at the reclassification date."

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

p) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Cash flow hedges

The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Refer to Note 36 for more details.

q) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

r) Cash dividend to equity holders

The Group recognises a liability to make cash or distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

s) Government Grant:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

t) Investment properties

Investment properties are properties (land and buildings) that are held for long-term rental yields and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs (if any) for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 30 years from the date of original purchase.

The Group, based on technical assessment made by the management, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the Banking and Operation Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

u) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the group uses an average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items are recognised in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively)."

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

v) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

w) Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below. Several other amendments and interpretations apply for the first time in March 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group adopted Ind AS 115 using the modified retrospective method of adoption. The change did not have a material impact on the financial statements of the Group.

Amendment to Ind AS 20 Government grant related to non-monetary asset

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.

Amendment to Ind AS 38 Intangible asset acquired free of charge

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's financial statements.

Amendments to Ind AS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's financial statements.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

These amendments do not have any impact on the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2019

(INR in crores)

3 Property, Plant and equipment (PPE)

	Free-hold Land	Lease-hold Land *	Build-ings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Total	Capital work in progress	Asset classified as held for sale	Amount
As at April 1, 2017	382.04	352.75	204.71	1,429.41	7.52	7.11	1.84	2.79	9.47	139.56	2,537.20	25.49	-	2,562.69
Additions	-	-	21.68	176.61	2.89	2.26	0.54	0.90	-	-	204.88	257.69	-	462.57
Disposals	-	-	(1.44)	(20.58)	(1.40)	(0.67)	-	(0.41)	-	-	(24.50)	(210.18)	-	(234.68)
As at March 31, 2018	**382.04**	**352.75**	**224.95**	**1,585.44**	**9.01**	**8.70**	**2.38**	**3.28**	**9.47**	**139.56**	**2,717.58**	**73.00**	**-**	**2,790.58**
Additions	1.48	-	20.60	226.27	2.85	1.37	0.13	0.46	-	-	253.16	293.18	39.23	585.57
Disposals	(4.45)	-	(0.27)	(18.56)	(3.34)	(1.45)	-	(0.64)	-	-	(28.71)	(252.54)	-	(281.25)
Adjustments	(39.23)	-	-	-	-	-	-	-	-	-	(39.23)	-	-	(39.23)
As at March 31, 2019	**339.84**	**352.75**	**245.28**	**1,793.15**	**8.52**	**8.62**	**2.51**	**3.10**	**9.47**	**139.56**	**2,902.80**	**113.64**	**39.23**	**3,055.67**

Depreciation	Land	Lease-hold Land	Build-ings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines	Wind Turbine Generator	Total	Capital work in progress	Asset classified as held for sale	Amount
As at April 1, 2017	-	9.71	14.70	90.31	2.14	1.29	1.29	0.12	7.29	10.36	137.21	-	-	137.21
Depreciation charge for the year	-	4.87	9.75	80.51	2.59	1.44	0.43	0.57	1.36	7.21	108.73	-	-	108.73
Disposals	-	-	(1.44)	(12.50)	(1.40)	(0.67)	-	(0.33)	-	-	(16.34)	-	-	(16.34)
As at March 31, 2018	**-**	**14.58**	**23.01**	**158.32**	**3.33**	**2.06**	**1.72**	**0.36**	**8.65**	**17.57**	**229.60**	**-**	**-**	**229.60**
Depreciation charge for the year	-	4.87	10.52	87.70	2.39	1.44	0.09	0.58	0.44	6.56	114.59	-	-	114.59
Disposals	-	-	(0.27)	(13.81)	(3.30)	(1.45)	-	(0.52)	-	-	(19.34)	-	-	(19.34)
As at March 31, 2019	**-**	**19.45**	**33.26**	**232.21**	**2.42**	**2.05**	**1.81**	**0.42**	**9.09**	**24.13**	**324.85**	**-**	**-**	**324.85**
Net book value														
As at March 31, 2019	339.84	333.30	212.02	1,560.94	6.10	6.57	0.70	2.68	0.38	115.43	2,577.95	113.64	39.23	2,730.82
As at March 31, 2018	382.04	338.17	201.94	1,427.12	5.68	6.64	0.66	2.92	0.82	121.99	2,487.98	73.00	-	2,560.98

Net book value	**March 31, 2019**	**March 31, 2018**
Property, plant and equipment	2,577.95	2,487.98
Capital work in progress	113.64	73.00
Asset classified as held for sale	39.23	-

Refer note 16 for property plant and equipment pledged as security by the company.
Finance leases * Land for Soda Ash plant and for Corporate Office are taken on lease from the Government of India for a period of 90 to 99 years.
Leased Mines # Leased mines represents expenditure incurred on development of mines.

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

Capitalised borrowing costs

Addition to block of plant and equipments and others includes borrowing cost of INR. 7.63 Crore (for the year ended March 31, 2018: INR. 4.32 Crore) on account of capacity expansion of soda ash plant and other capital expenditure. The rate used to determine the amount of borrowing costs eligible for capitalisation was 9.17% (for the year ended March 31, 2018: 8.49%), which is the effective interest rate of the specific borrowing.

Outlook for Home Textiles Business and impairment assessment

The Textile business of Group encompasses sophisticated, integrated operations within the areas of Spinning and Home Textiles production. Our Spinning business has been consistently delivering profitable growth for past many years. The home textile division (HT) after performing well for two years faced severe Industry headwinds from last quarter of 2016 and incurred loss in the year 2017-18. For the financial year 2018-19 though there has been an improvement in performance on quarter-to-quarter basis, the same still lags the performance achieved in 2016-17.

Through innovation and consistent product development, group has created a clear differentiation from competition. The Group has taken a very clear leadership position on sustainability across global home furnishing manufacturers with launch of major brands like REKOOP, CIRKULARITY, MEDITASI, NILE HARVEST with focus on Circular Economy which emphasizes on 3R's-Reduce, Reuse and Recycle. Group has also stepped up its focus on the Dot Com business in the US and is working with major sites retailers like Amazon, Walmart, J C Penney etc.

This competitive edge and the plethora of new products, will beyond doubt help the company to grow its revenue and profitability, the latter being the key focus of the group.

As a policy, the group annually assesses the impairment of property plant and equipment by comparing the carrying value of PPE with its fair value. In case the fair value is less than the carrying value an impairment charge is created. Due to loss in home textile division, management has performed an impairment assessment of property plant and equipment of HT division. Basis the business plan and fair vale calculated using the discounted future cash flow method, which are higher than the carrying value of PPE of HT division; management has concluded that there is no impairment of PPE in home textile division.

4. Investment Property

Opening Balance at 1st April 2017	8.56
Additions (Subsequent Expenditure)	-
Closing Balance at March 31, 2018	**8.56**
Additions (Subsequent Expenditure)	-
Closing Balance at March 31, 2019	**8.56**
Depreciation and Impairment	
Opening Balance at 1st April 2017	-
Depreciation	-
Closing Balance at March 31, 2018	**-**
Depreciation	-
Closing Balance at March 31, 2019	**-**
Net Block	
March 31, 2019	8.56
March 31, 2018	8.56

	March 31, 2019 INR Crores	**March 31, 2018 INR Crores**
Rental income derived from investment properties direct operating expenses (including repairs & maintenance) generating rental income	1.97	2.19
Direct operating expenses (including repairs and maintenance) that did not generate rental Income	0.59	0.57
Profit arising from investment properties before depreciation and indirect expenses	1.39	1.62
Less- Depreciation	-	-
Profit arising from investment properties before indirect expenses	1.39	1.62

The Group's investment properties consist of one commercial property comprising of land and building thereon in USA.

As at March 31, 2019, the fair market value of the property are INR 12.60 Crores (INR 14.58 Crore as at March 31, 2018). These valuations are based on valuations performed by an accredited independent valuer who is a specialist in valuing these types of properties.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repair, maintenance and enhancements.

Investment at the year end is valued at the Fair Value which is broadly comparable with the carrying value as on the reporting date.

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

4A. Other Intangible assets

	Trademarks	Software	Total
Cost			
As at April 1, 2017	0.00	1.56	1.56
Additions (refer note below)	2.65	2.83	5.48
Disposals	-	-	-
As at March 31, 2018	**2.65**	**4.39**	**7.04**
Additions	-	1.73	1.73
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**2.65**	**3.92**	**6.57**

	Trademarks	Software	Total
Amortisation			
As at April 1, 2017	0.00	0.49	0.49
Amortization	0.66	0.71	1.37
Disposals	**-**	**-**	-
As at March 31, 2018	**0.66**	**1.20**	**1.86**
Amortization	0.88	1.47	2.35
Disposals	**-**	**(2.20)**	(2.20)
As at March 31, 2019	**1.54**	**0.47**	**2.01**

	Trademarks	Software	Total
Net book value			
As at March 31, 2019	1.11	3.45	4.56
As at March 31, 2018	1.99	3.19	5.18

Note: Intangible assets include license for trademark / patent acquired from Applied DNA Sciences Inc. New York, USA for obtaining exclusive manufaturing and marketing for one of its innovative textile product in USA

5 Investments

	As at March 31, 2019	As at March 31, 2018
Investments in equity instruments at fair value through OCI (fully paid)		
Quoted equity shares		
41,500 equity shares (as at March 31, 2018: 41,500 equity shares) of HDFC Bank Limited of INR 2/- each fully paid up	9.62	7.85
68,598 equity shares (as at March 31, 2018: 68,598 equity shares) of IDBI Limited of INR 10/- each fully paid up	0.32	0.50
2,595 equity shares (as at March 31, 2018: 2,595 equity shares) of Dena Bank of INR 10/- each fully paid up	0.00	0.00
272,146 equity shares (as at March 31, 2018: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	1.22	1.60
4,500 equity shares (as at March 31, 2018: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.13	0.12
100 equity shares (as at March 31, 2018: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up	0.00	0.00
Unquoted equity shares		
5200 equity shares (as at March 31, 2018: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.01	0.01
2,11,800 equity shares (as at March 31, 2018: 1,75,900 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.25	0.19

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

	As at March 31, 2019	As at March 31, 2018
Unquoted debt securities (at amortised cost)		
Investment in Government Securities		
7 year National Savings Certificates	0.04	0.01
(Pledged with govt authorities)		
Total	**11.59**	**10.28**
Non-current	**11.59**	**10.28**
Current	**-**	**-**
Aggregate market value of quoted investments	11.30	10.07
Aggregate Fair value of unquoted investments	0.29	0.21

6 (a) Loans

	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good, unless stated otherwise)		
(at amortised cost)		
Loan to ESOS trust (refer note 41)	6.21	6.81
Security deposits	5.24	4.80
Total loans (a)	**11.45**	**11.61**

(b) Other non-current financial assets

Other Financial assets		
Security Deposit	0.24	0.22
Demand deposit	0.00	0.01
Total non-current other financial assets (b)	**0.24**	**0.23**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risks of the counter parties.

7 Other-non current assets

	As at March 31, 2019	As at March 31, 2018
Capital advances	16.84	23.30
Deposit with statutory authorities under protest	7.53	7.21
Total	**24.37**	**30.51**

8 Inventories

	As at March 31, 2019	As at March 31, 2018
Raw materials [includes in transit INR 25.50 Crore (At March 31, 2018: 17.90 Crore)]	366.36	263.64
Work-in-progress	47.16	48.01
Finished goods [includes in transit INR 34.49 Crore (At March 31, 2018: 27.34 Crore)]	222.22	151.98
Stock-in-trade [includes in transit INR 2.41 Crore (At March 31, 2018: INR 5.49 Crore)]	30.28	15.97
Stores and spares [includes in transit INR 0.78 Crore (At March 31, 2018: INR 61.25 Crore)]	102.48	157.10
Total inventories at the lower of cost and net realisable value	**768.50**	**636.70**

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

9 Trade receivables

	As at March 31, 2019	As at March 31, 2018
Trade receivables	290.62	228.67
Total trade receivables	**290.62**	**228.67**
Break-up for security details:		
Trade receivables		
Secured, considered good	-	-
Unsecured, considered good	290.62	228.67
Trade Receivables which have significant increase in Credit Risk	2.03	-
Less: Impairment for trade receivable*	(2.03)	-
Trade Receivables - credit impaired	-	-
Current trade receivables	**290.62**	**228.67**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

For terms and conditions related to related to related party receivables, refer Note 33

Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

*The provision for the impairment of trade receivable has been made basis the expected credit loss method and other cases based on management judgement.

10 Cash and cash equivalent

	As at March 31, 2019	As at March 31, 2018
Balances with bank	11.97	11.41
Cash on hand	0.21	0.17
Total cash and cash equivalents	**12.18**	**11.58**

Changes in liabilities arising from financing activities

	April 01, 2018	Cash flow	March 31, 2019
Current borrowings	408.20	0.36	408.56
Non current borrowings	744.33	(42.31)	702.02
Current maturities of non current borrowings	169.46	22.12	191.58
Total liabilities from financial activities	**1,321.99**	**(19.83)**	**1,302.16**

	April 01, 2017	Cash flow	March 31, 2018
Current borrowings	514.02	(105.82)	408.20
Non current borrowings	697.96	46.37	744.33
Current maturities of non current borrowings	218.71	(49.25)	169.46
Total liabilities from financial activities	**1,430.69**	**(108.70)**	**1,321.99**

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10A Bank balances other than cash and cash equivalents

- On unpaid dividend account	3.81	3.48
- On escrow account	5.82	3.95
- On account of margin money deposited*	13.69	7.80
Bank balances other than cash and cash equivalents	**23.32**	**15.23**

* Margin money held with banks against opening of letter of credit (LC).

As at March 31, 2019, the holding company had available INR 104.81 Crore (As at March 31, 2018: INR 191.74 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at March 31, 2019	As at March 31, 2018
Balances with bank	11.97	11.41
Cash on hand	0.21	0.17
	12.18	**11.58**

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

		As at March 31, 2019	As at March 31, 2018
11	**Others current financial asset**		
	(Unsecured, considered good, unless stated otherwise)		
	Others (include Insurance Claim receivable)	0.50	2.06
		0.50	**2.06**
11A	**Loans current**		
	(Unsecured, considered good, unless stated otherwise)		
	Security deposits	0.73	-
	Loan to employees	2.11	1.59
		2.84	**1.59**

Break up of financial assets carried at amortised cost

	As at March 31, 2019	As at March 31, 2018
Loans (Refer note 6(a) & 11A)	14.29	13.20
Trade receiveables (Refer note 9)	290.62	228.67
Cash and cash equivalents (Refer note 10)	12.18	11.58
Total financial assets carried at amortised cost	**317.09**	**253.45**

12 Income Tax and deferred Tax

Current tax assets (net)	As at March 31, 2019	As at March 31, 2018
Income tax paid / TDS (net of provisions) of INR 153.81 Crore (At March 31, 2018: INR 106.84 Crore)	-	1.04
Income Tax refund receivable	-	19.17
Total	**-**	**20.21**

Current tax liabilities (net)	As at March 31, 2019	As at March 31, 2018
Income tax payable (net of income tax paid/TDS)	9.34	-
Total	**9.34**	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax from continuing operations	530.63	407.40
Accounting profit before income tax	**530.63**	**407.40**
At India's statutory income tax rate of 34.944 % (March 31, 2018: 34.608%)	185.42	140.99
Adjustment for tax purposes:		
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	(19.53)	(26.27)
- 43B items	0.36	(1.72)
- Charity, donation and CSR expenses	4.09	4.11
- Deduction under chapter VI-A	(18.89)	(15.02)
- VRS expenses	(1.17)	(1.16)
- Others	(0.10)	5.91
At the effective income tax rate of 28.02% (March 31, 2018: 26.23%)	**150.18**	**106.84**
Income tax expense reported in the statement of profit and loss	153.81	106.84
Deferred tax expense reported in the statement of profit and loss	25.40	34.02
Tax adjustment for Earlier years	0.84	(89.81)
	180.05	**51.05**

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

Deferred tax expense/(income) relates to the following:	As at March 31, 2019	As at March 31, 2018
Depreciation & amortisation	26.57	30.38
Mark to Mark Gain on Forward Contract	(0.52)	0.95
Employee benefit	1.17	1.17
Disallowance u/s 40 (a) & 43B	(1.54)	0.86
Unamortised cost of Term loans	(0.28)	0.66
Deferred tax expense/(income)	**25.40**	**34.02**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.22	1.10
Total Deferred tax expense/(income)	**25.62**	**35.12**

Deferred tax relates to the following:	As at March 31, 2019	As at March 31, 2018
Accelerated depreciation for tax purposes	(302.46)	(275.89)
Employee benefit	1.29	2.46
Disallowance u/s 40 (a) & 43B	7.45	5.91
Carry forward loss as per IT Act	(0.43)	(0.95)
Unamortised cost of Term loans	(1.25)	(1.53)
MAT Credit*	42.40	75.05
Net deferred tax assets/(liabilities)	**(253.00)**	**(194.95)**
Reflected in the balance sheet as follows:		
Deferred tax assets	51.14	83.41
Deferred tax liabilities	(304.14)	(278.36)
Deferred tax liabilities, net	**(253.00)**	**(194.95)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2019, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

* During the year the holding company utilised MAT credit amounting to INR 32.65 crore (March 31, 2018: INR 11.95 crore)

13 Other current assets
(Unsecured, Considered good, unless stated otherwise)

	As at March 31, 2019	As at March 31, 2018
Balances with statutory authorities	29.29	26.52
Export incentives receivable	17.59	20.18
Advances recoverable in cash or kind	40.02	21.07
Prepaid expenses	4.66	6.79
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	4.72	3.78
Subvention receivable	3.00	0.73
Total other current assets	**99.28**	**79.07**

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

14 Share capital

Authorised share capital

	Number of Shares (of INR 10 each)	Amount
At April 1, 2017	**17.50**	**175.00**
Changes during the year	-	-
At March 31, 2018	**17.50**	**175.00**
Changes during the year	-	-
At March 31, 2019	**17.50**	**175.00**

Terms / rights attached to equity shares

The holding company has one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Group, the equity shareholders are eligible to receive remaining assets of the Group, after distribution of all preferential amounts, in proportion to their shareholding.

Issued equity capital

	Number of Shares (of INR 10 each) In crores	Amount In crores
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2017	9.95	99.47
Changes during the year	(0.20)	(2.05)
At March 31, 2018	**9.75**	**97.42**
Changes during the year	0.06	0.61
At March 31, 2019	**9.81**	**98.03**

	As at March 31, 2019	As at March 31, 2018
Shareholder's holding more than 5 % shares	Nil	Nil

As per records of the parent, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No shares have been issued by the parent for consideration other than cash, during the period of five years immediately preceding the reporting date.

* The Board of Directors of the Company, at its meeting held on January 31, 2017, has approved a proposal to buy back upto 32,00,000 equity shares of the company for an aggregate amount not exceeding INR 80 crore, being 3.2% of the total paid up equity share capital at amount per share not exceeding INR 315. During previous year, the Company has bought back 26,09,450 equity share and extinguished at 31.03.2018.

15 Other equity

	As at March 31, 2019	As at March 31, 2018
Capital reserve	7.57	7.57
Business development reserve	73.89	73.89
Capital redemption reserve	13.16	13.16
Securities premium	19.74	9.06
FVTOCI reserve	9.78	8.55
Retained earnings	1,649.24	1,357.03
Share based payment reserve	20.04	5.24
Foreign currency translation reserve	(3.08)	1.80
General reserve	37.13	37.13
Total	**1,827.47**	**1,513.42**

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

Notes:

15A Capital reserve

	Amount
At April 1, 2017	7.57
Changes during the year	-
At March 31, 2018	**7.57**
Changes during the year	-
At March 31, 2019	**7.57**

The parent has recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeted shares and forfeiture of preferential warrants under capital reserve in earlier years.

15B Business development reserve

	Amount
At April 1, 2017	73.89
Changes during the year	-
At March 31, 2018	**73.89**
Changes during the year	-
At March 31, 2019	**73.89**

In earlier years, Certain Fixed assets of the Group were revalued at their respective fair value as determined by governement approved competent valuer appointed by the Company. The amount of such revaluation was transferred to Business development reserve. as per scheme of arrangement as approved by Hon'ble Gujarat High Court on 30th November, 2008.

15C Capital redemption reserve

	Amount
At April 1, 2017	10.55
Changes during the year	2.61
At March 31, 2018	**13.16**
Changes during the year	-
At March 31, 2019	**13.16**

The holding company had issued 10,000,000/- 10.75% Cumulative Redeemable Preference Shares (CRPS) of INR 10/- each, to IDBI Bank Limited during financial year 1999-2000 which was subsequently redeemed by the company in the financial year 2001-02, pursuant to the provisions of Section 80 of the Companies Act, 1956 and the article 7 of the Article of Association of the parent. Accordingly, the Capital Redemption Reserve account to the extent of 100% of the value of CRPS redeemed (i.e. INR 10 Crore), was created out of profit of the parent available for payment of dividend.

An amount of INR 2.61 Crore (equivalent to nominal value of the equity shares bought back & cancelled by the company earlier year) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Company. (refer note 14)

15D Securities premium

	Amount
At April 1, 2017	4.30
Changes - Shares buy back during the year	(4.30)
Changes - Shares issued under ESOS scheme during the year	9.06
At March 31, 2018	**9.06**
Changes - Shares issued under ESOS scheme during the year	10.68
At March 31, 2019	**19.74**

During the earlier years, the holding company issued 4,500,000 Preferential convertible warrants which were converted into equity shares of INR 10 each at a premium of INR 55.10 per share in the year ended March 31, 2007. The premium amounting to INR 24.80 Crore received on such conversion was transferred to the securities premium.

During the earlier year, the holding company has bought back and cancelled 26,09,450 equity shares of INR 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to INR 4.30 Crore, is adjusted against the securities Premium. (Refer Note 14)

During the earlier year, the holding company has issued 560,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to INR 9.06 Crore, is credited to securities Premium. (Refer Note 14)

During the current year, the holding company has issued 605,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to INR 10.68 Crore, is credited to securities Premium. (Refer Note 14)

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15E FVTOCI reserve	Amount
At April 1, 2017	7.15
Changes during the year	1.40
At March 31, 2018	**8.55**
Changes during the year	1.23
At March 31, 2019	**9.78**

The parent recognises the profit or loss on fair value of quoted investments under fair value through other comprehensive income (FVTOCI) reserve.

15F Retained earnings	Amount
At April 1, 2017	1,039.75
Changes during the year	317.28
At March 31, 2018	**1,357.03**
Changes during the year	292.21
At March 31, 2019	**1,649.24**

15G Share based payment reserve	Amount
At April 1, 2017	5.75
Changes during the year	(0.51)
At March 31, 2018	**5.24**
Changes during the year	14.80
At March 31, 2019	**20.04**

The parent has share option schemes under which options to subscribe for the parent's shares have been granted to certain executives and senior employees

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 42 for further details of these plans

15H Foreign currency translation reserve	Amount
At April 1, 2017	**(0.07)**
Changes during the year	1.87
At March 31, 2018	**1.80**
Changes during the year	(4.88)
At March 31, 2019	**(3.08)**

15I General reserve	Amount
At April 1, 2017	98.16
Changes during the year	(61.03)
At March 31, 2018	**37.13**
Changes during the year	-
At March 31, 2019	**37.13**
Grand Total (15) as on March 2017	**1,247.05**
Grand Total (15) as on March 2018	**1,513.42**
Grand Total (15) as on March 2019	**1,827.47**

Distributions made and proposed	**As at March 31, 2019**	**As at March 31, 2018**
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2019: INR 5.00 per share (March 31, 2018: INR 3.50 per share)	48.75	34.20
Dividend distribution tax on final dividend (DTT)	10.01	6.95
	58.76	**41.15**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on March 31, 2019: INR 5.00 per share (March 31, 2018: INR 5.00 per share)	49.03	48.76
Dividend distribution tax on proposed dividend (DTT)	10.08	9.93
	59.11	**58.69**

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16 Borrowings

(a) Long term borrowings

Particulars	Non current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Term loans from banks				
Rupee Term Loans (secured)	638.65	392.97	125.75	92.58
Foreign currency loans (secured)	44.52	299.73	40.83	76.88
Others (secured)	18.86	26.63	-	-
Total secured loans from banks	**702.03**	**719.33**	**166.58**	**169.46**
Rupee term loan (unsecured)	-	25.00	25.00	-
Current maturities of long term loan (refer note 19)	-	-	(191.58)	(169.46)
Total	**702.03**	**744.33**	**-**	**-**

16.1 Term loans from banks / institutions have been secured against:

a) Loan aggregating to INR.53.50 crores (Previous Year INR 72.29 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 6 years.

b) Loan aggregating to INR 353.71 crores (Previous Year INR 338.59 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval, Gujarat excluding assets exclusively charged to other lenders both present and future. The remaining tenure of the loans is 7 to 9 years.

c) Loan aggregating to INR 31.71 crores (Previous Year INR.89.65 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 1 years.

d) Loan aggregating to INR 73.38 crores (Previous Year INR 72.89 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 1 to 9 years.

e) Loan aggregating to INR 42.96 crores (Previous Year NIL) is secured by exclusive charge on specific movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loan is 5 years.

f) f) Loan aggregating to INR 8.47 crores (Previous Year INR 9.15 crores) is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Jodia, Jamnagar District, Gujarat, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 8 years.

g) g) Loan aggregating to INR.186.70 crores (Previous Year INR.152.58 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 1 to 10 years.

h) Loan aggregating to INR 13.35 crores (Previous Year INR 25.14 crores) is secured by first charge on pari passu basis over entire movable and immovable fixed assets of Company's Textile division present and future situated at Paravai and Manaparai, Tamilnadu excluding movable assets already hypothecated on exclusive charge basis. The remaining tenure of the loans is 1 year.

i) Loan aggregating to INR 42.00 crores (Previous Year INR 57.15 crores) is secured by first exclusive charge on movable fixed assets of Textile Division (including Phase I, II, III) Madurai, Tamil Nadu. The remaining tenure of the loan is 2 years.

j) Loan aggregating to INR 36.91 (Previous Year INR.42.13 crores) crores is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 6 years.

k) Loan aggregating to INR 25.23 crores (Previous Year INR 29.22 crores) is secured by an exclusive first charge over movable and immovable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 7 years.

l) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (k) totaling INR 893.61 crores (Previous Year INR 913.79 crores), an amount of INR 191.58 crores (Previous Year INR 169.46 crores) is due for payment in next 12 months and accordingly reported under Note 19 under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
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(b) Short term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Short term loans from banks - Secured		
Cash credit facilities	149.92	23.95
Working capital demand loan	9.00	71.00
Export Packing Credit (Rupee loan)	96.08	138.77
Bill Discounting	2.78	-
Packing Credit in foreign currency	-	5.01
Buyers credit in foreign currency	-	70.68
Total Secured Short Term Borrowing	**257.78**	**309.41**
Short term loans from banks - (Unsecured)		
Cash credit facilities	30.33	0.13
Short Term Loan	35.00	46.00
Export Packing Credit (Rupee loan)	43.61	-
Bill Discounting	41.84	52.66
Total Unsecured Short Term Borrowing	**150.78**	**98.79**
Total	**408.56**	**408.20**

16.2 Short term borrowings: This facility is secured by way of hypothecation on inventory and trade receivables and borrowed as under:

(a) Credit Facilities in Indian Rupees: The facilities availed by way of Cash Credit, Working capital demand loan, Export Packing Credit and Bill Discounting are repayable on demand and carries an average interest rate of 8.12% p.a (Previous Year 7.22% p.a) on the amount outstanding.

(b) Credit facilities in foreign currency : The facilities availed by way of foreign currency non resident borrowing, packing credit in foreign currency and buyer's credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 3.42% p.a (Previous Year 4.24% p.a) on the amount outstanding.

16.3 The Company has satisfied all the loan covenants.

16.4 The Company also has undrawn borrowing facilities (refer note 10A).

17 Provisions

	Provision for mines restoration*
(A) Long term provisions	
At 1 April 2017	6.13
Arising during the year	1.02
Utilised	(0.82)
At March 31, 2019	**6.33**
Arising during the year	(0.18)
Utilised	-
At March 31, 2019	**6.15**
Long Term Provisions	**6.15**

*** Provision for mines restoration**

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

(B) Short term provisions	As at March 31, 2019	As at March 31, 2018
Employee benefits (refer note 32)		
Provision for Compensated absences	12.19	12.14
Provision for litigation	2.94	2.94
	15.13	**15.08**

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

18 Trade payables

	As at March 31, 2019	As at March 31, 2018
(a) Total outstanding dues of micro enterprises and small enterprises	14.83	1.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	371.00	380.55
	385.83	**382.44**
Non-current	-	-
Current	385.83	382.44

Trade payables are non-interest bearing and are normally settled on around 90 days terms

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2019 is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

		As at March 31, 2019	As at March 31, 2018
i)	Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
	Principal	14.80	1.89
	Interest	1.32	-
ii)	The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
iv)	The amount of interest accrued and remaining unpaid at the end of each accounting year	1.32	-
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	1.32	-

19 Other current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Other financial liabilities at amortised cost		
Current maturity of long term borrowings (refer note 16)	191.58	169.46
Other financial liabilities		
Dealer deposits	5.89	5.44
Security deposits	0.74	0.70
Capital creditors	25.92	23.99
Unpaid dividend	3.81	3.48
Interest accrued	1.32	-
Employee benefit payable	23.58	21.67
Others	1.71	3.37
	254.55	**228.11**

Dealer deposits are non-interest bearing and have an average term of around 75 days. Interest payable is normally settled annually. Other than dealer deposits all other payables are non-interest bearing and have an average term of around 75 days.

20 Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Advance received from customers	3.66	2.24
Statutory dues	25.34	14.96
Deferred Income	-	14.60
Others	5.82	6.06
	34.82	**37.86**

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

21 Revenue from operations

Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segment	For the year ended March 31, 2019			Total	For the year ended March 31, 2018			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Type of goods or service								
Sale of manufactures products								
Sale of Soda Ash	1,895.31	-	-	1,895.31	1,731.14	-	-	1,731.14
Sale of Textile products	-	1,165.63	-	1,165.63	-	1,059.16	-	1,059.16
Sale of Consumer products	40.44	-	-	40.44	29.38	-	-	29.38
Sale of traded products								
Sale of Consumer products	28.41	-	-	28.41	20.09	-	-	20.09
Sale of Chemicals	211.53	-	-	211.53	130.33	-	-	130.33
Total revenue from contracts with customers	**2,175.69**	**1,165.63**	**-**	**3,341.32**	**1,910.94**	**1,059.16**	**-**	**2,970.10**
India	2,152.82	595.86	-	2,748.68	1,871.40	504.01	-	2,375.41
Outside India	22.87	569.77	-	592.64	39.54	555.14	-	594.69
Total revenue from contracts with customers	**2,175.69**	**1,165.63**	**-**	**3,341.32**	**1,910.94**	**1,059.16**	**-**	**2,970.10**
Timing of revenue recognition								
Goods transferred at a point in time	2,175.69	1,165.63	-	3,341.32	1,910.94	1,059.16	-	2,970.10
Services transferred over time	-	-	-	-	-	-	-	-
Total revenue from contracts with customers	**2,175.69**	**1,165.63**	**-**	**3,341.32**	**1,910.94**	**1,059.16**	**-**	**2,970.10**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Revenue	For the year ended March 31, 2019			Total	For the year ended March 31, 2018			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
External customer	2,175.69	1,165.63	-	3,341.32	1,910.94	1,059.16	-	2,970.10
Inter-segment	-	105.04	-	105.04	-	111.32	-	111.32
	2,175.69	**1,270.67**	**-**	**3,446.36**	**1,910.94**	**1,170.48**	**-**	**3,081.42**
Inter-segment adjustment and elimination	-	-105.04	-	-105.04	**-**	-111.32	-	-111.32
Total revenue from contracts with customers	**2,175.69**	**1,165.63**	**-**	**3,341.32**	**1,910.94**	**1,059.16**	**-**	**2,970.10**

Note: Revenue from operations for the year ended March 31, 2019 includes excise duty NIL (Previous year INR 50.87 Crore). From 1 July 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The holding company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2019 is not comparable with March 31, 2018.

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	As at March 31, 2019	As at March 31, 2018
Trade receivables *	290.62	228.67
Contract liabilities		
Advances from customers	3.66	2.24

* Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

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3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue as per contracted price	3,470.07	3,053.20
Adjustments		
Significant financing component	-	-
Sales return	(1.27)	(2.37)
Rebate	(0.08)	(0.36)
Discount	(127.40)	(140.37)
Revenue from contract with customers	**3,341.32**	**2,970.10**

4) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2019 are, as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Advances from customers (Refer Note no 20)	3.66	2.24
	3.66	**2.24**

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

22 Other income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income	1.19	2.42
Dividend income	0.05	0.05
Other non-operating income		
Gain on exchange (net)	-	26.18
Profit on sale of investments	0.72	0.18
Rental income	1.97	2.19
Gain on sale of PPE	0.41	-
Sale of scrap	6.82	5.61
Miscellaneous income	4.35	1.31
	15.51	**37.94**

23 Cost of raw material consumed (Refer no 40)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventory at the beginning of the year	263.64	202.70
Add: Purchases during the year	1,349.18	1,161.02
	1,612.82	1,363.72
Less: inventory at the end of the year	(366.36)	(263.64)
Cost of raw material consumed	**1,246.46**	**1,100.08**

24. (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

	For the year ended March 31, 2019	For the year ended March 31, 2018	(Increase)/ decrease in inventories
Opening stock			
Finished Goods	151.98	199.34	47.36
Stock in Process	48.01	51.45	3.44
Stock in trade	15.97	14.61	(1.36)
	215.96	**265.40**	**49.44**

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	For the year ended March 31, 2019	For the year ended March 31, 2018	(Increase)/ decrease in inventories
Closing stock			
Finished Goods	222.22	151.98	(70.34)
Stock in Process	47.16	48.01	0.85
Stock in trade	30.28	15.97	(14.31)
	299.66	**215.96**	**(83.70)**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	(83.70)	49.44	

25 Employee benefit expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	163.55	154.87
Contribution to provident and other funds	10.19	9.54
Share based payment Expenses	19.90	3.51
Gratuity	2.38	2.95
Staff welfare expenses	5.19	5.80
	201.21	**176.67**

26 Depreciation and amortization expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depriciation of tangible assets	114.59	108.73
Amortization of intangible assets	2.35	1.37
	116.94	**110.10**

27 Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	94.09	98.42
(Net of TUF interest subsidy amounting to INR 3.95 crore (March 31, 2018 INR 3.14 crore))		
Exchange differences regarded as an adjustment to borrowing costs	16.82	15.43
Interest others	9.47	6.89
Bank charges	6.96	5.81
	127.34	**126.55**

28 Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spares	64.63	63.53
Power, fuel and water	505.33	390.30
Job Work charges	50.26	51.06
Other manufacturing expenses	35.76	39.72
Packing expenses	96.71	89.22
Bad Debts - Written Off	0.38	5.32
Freight and forwarding	45.42	63.51
Commission On Sales	12.24	14.45
Advertisement and Business promotion expenses	17.20	7.40

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	For the year ended March 31, 2019	For the year ended March 31, 2018
Travelling and conveyance	16.99	16.65
Rent	12.07	15.86
Repairs and maintenance		
Plant and machinery repair & maintenance	26.11	29.99
Buildings repair & maintenance	4.58	3.82
Others repair & maintenance	5.06	6.25
Rates and taxes	1.86	1.63
Deficit on sale/discarding of PPE (Net)	-	0.40
Insurance	9.88	10.68
Commission to Non Whole time Directors	2.84	2.99
Communication expenses	1.93	1.90
Legal and professional expenses	15.21	17.10
Donation	0.13	-
Donation to Political Parties	2.36	3.20
CSR Expenditure (refer details below)	9.10	8.61
Excise duty on increase/decrease of stock	-	(2.10)
Miscellaneous expenses	26.04	19.35
Loss on exchange (net)	6.03	-
	968.12	**860.84**

Payment to auditors

	For the year ended March 31, 2019	For the year ended March 31, 2018
To Statutory auditor:		
Audit fee	0.40	0.30
Limited review	0.60	0.45
In other capacity		
Other services (certification fees)	0.10	0.15
Reimbursements of expenses	0.03	0.05
	1.13	**0.95**
To Cost auditor		
Audit fee	0.03	0.03
Out of pocket expenses	0.00	0.00
	0.03	**0.03**

Details of CSR expenditure			For the year ended March 31, 2019	For the year ended March 31, 2018
a Gross amount required to be spent by the Group during the year			8.63	7.57
b Amount spent during the year	In cash	Yet to be paid in cash	Total	Total
i) Construction / acquisition of any asset	-	-	-	-
ii) On purpose other than (i) above	9.10	-	9.10	8.61

29 Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Re-measurement gains (losses) on defined benefit plans	0.41	2.08
Re-measurement of investment in equity	1.23	1.40
Exchange differences on translation of foreign operations	(4.88)	1.87
Total	**(3.24)**	**5.35**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019
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30 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares

The following reflects the income and share data used in computation of Basic EPS:	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Profit attributable to the equity holders of the Group	350.58	356.35
Weighted average number of equity shares for basic EPS	9,79,06,026	9,76,65,143
Basic Earnings Per share (Face value of INR 10/- per share)	35.81	36.48
Profit attributable to the equity holders of the Company	350.58	356.35
Weighted average number of equity shares and common equivalent shares outstanding*	9,87,60,495	9,82,92,614
Diluted earnings per equity share - (Face value of INR 10/- per share)	35.50	36.25

***Weighted average number of Equity shares adjusted for the effect of dilution**	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Weighted average number of equity shares for basic EPS	9,79,06,026	9,76,65,143
Effect of dilution:		
Employee Share Option Scheme	8,54,469	6,27,471
Weighted average number of equity shares and common equivalent shares outstanding*	9,87,60,495	9,82,92,614

31 Segment information

The Group is primarily engaged in the business of manufacture of inorganic chemicals and textiles and based on this it has two reportable segments:

Inorganic chemicals segment majorly includes manufacture of soda ash which is an important raw material for detergent and glass industry. Major raw materials to manufacture soda ash are salt, limestone, coke, briquette, coal and lignite.

Textiles segment manufactures cotton and polyester yarn and home textile products. GHCL Limited is one of the largest integrated textile manufacturers in the country with own spinning, weaving and processing & dyeing and cutting & sewing manufacturing facility.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed on Company basis and are not allocated to Operating segments.

Summary of Segment information

Year ended March 31, 2019

	Inorganic Chemicals	**Textiles**	**Others unallocated**	**Total**
Revenue				
External customers	2,175.69	1,165.63	-	3,341.32
Inter-segment	-	-	-	-
Total revenue	**2,175.69**	**1,165.63**	**-**	**3,341.32**
Segment profit	620.19	55.77	1.39	677.35
Total assets	2,219.22	1,688.78	86.91	3,994.91
Total liabilities	880.41	925.78	263.22	2,069.41
Capital expenditure	155.66	99.24	-	254.90
Depreciation and amortization	71.22	45.64	-	116.86

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Year ended March 31, 2018

	Inorganic Chemicals	Textiles	Others unallocated	Total
Revenue				
External customers	1,910.94	1,059.16	-	2,970.10
Inter-segment	-	-	-	-
Total revenue	**1,910.94 -**	**1,059.16**	**-**	**2,970.10**
Segment profit	554.46	(3.57)	1.62	552.51
Total assets	2,035.59	1,521.04	71.51	3,628.14
Total liabilities	1,007.31	815.04	194.95	2,017.30
Capital expenditure	96.87	113.49	-	210.36
Depreciation and amortization	64.40	45.70	-	110.10

All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	For the year ended March 31, 2019	For the year ended March 31, 2018
Segment profit	677.35	552.51
Un- allocated expenditure	(19.37)	(18.56)
Other finance costs	(127.35)	(126.55)
Profit before tax	**530.63**	**407.40**

Reconciliation of assets	As at March 31, 2019	As at March 31, 2018
Inorganic chemicals	2,219.22	2,035.59
Home textiles	1,688.78	1,521.04
Un-allocated	86.91	71.51
Total assets	**3,994.91**	**3,628.14**

Reconciliation of liabilities	As at March 31, 2019	As at March 31, 2018
Inorganic chemicals	880.41	1,007.31
Home textiles	925.78	815.04
Un-allocated	263.22	194.95
Total liabilities	**2,069.41**	**2,017.30**

Revenue from external customers	For the year ended March 31, 2019	For the year ended March 31, 2018
India	2,814.00	2,375.41
Outside India	527.32	594.69
Total revenue per statement of profit and loss	**3,341.32**	**2,970.10**

Trade receivable	As at March 31, 2019	As at March 31, 2018
India	213.99	173.89
Outside India	76.63	54.78
Total Trade Receivable	**290.62**	**228.67**

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32 Defined benefit and contribution plan

Defined contribution plan

Provident fund and superannuation fund are defined contribution plan. Contribution paid for provident fund and superannuation fund are recognised as expense for the year :

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employer's contribution to provident fund/pension scheme	8.23	8.29
Employer's contribution to superannuation fund	1.25	1.28

Defined benefit plan

Gratuity (funded)

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Reconciliation of opening and closing balances of the present value of defined benefit obligation in respect of gratuity Fund.

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 1, 2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2019
Defined benefit obligation	39.88	2.79	3.05	5.84	(2.74)	-	(0.26)	(0.63)	(0.89)	-	42.09
Fair value of plan assets	43.66	-	(3.46)	(3.46)	-	0.38	-	-	0.38	0.07	46.81
Benefit liability	(3.78)			2.38					(0.51)		(4.72)

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
	April 1, 2017	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2018
Defined benefit obligation	38.98	2.81	2.86	5.67	(2.91)		(1.18)	(0.68)	(1.86)		39.88
Fair value of plan assets	37.09		(2.72)	(2.72)	-	(1.32)			(1.32)	2.53	43.66
Benefit liability	1.89			2.95					(3.18)		(3.78)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details of plan assets

	As at March 31, 2019	As at March 31, 2018
Insurance fund	46.81	43.66

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality (2006-08)
Discount rate	7.94%
Estimated rate of return on plan assets	7.94%
Estimated future salary growth	8.00%
Rate of employee turnover	2.00%

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A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Assumptions	**Employee turnover**		**Salary**		**Discount rate**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(0.06)	0.07	2.52	(2.23)	(2.21)	2.55

The following payments are projected benefits payable in future years from the date of reporting from the fund:

	As at March 31, 2019	**As at March 31, 2018**
Within the next 12 months (next annual reporting period)	9.84	8.38
Following year 2-5	16.18	15.12
Sum of years 6 To 10	17.53	18.34
Total expected payments	**43.55**	**41.84**

33 Related party transactions

a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

A) Key managerial personnel

Mr. R. S. Jalan, Managing Director

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

Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary

B) Non-whole-time directors

Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mr. Neelabh Dalmia

Mrs. Vijaylaxmi Joshi

Mr. K C. Jani

Mr. Lavanya Rastogi

Dr. B. C. Jain (upto July 17, 2018)

Mr. G. C. Srivastava (upto March 31, 2019)

Mr. Mahesh Kumar Kheria (upto March 31, 2019)

C) Relative of key managerial personnel

Mrs. Sarita Jalan, w/o Mr. R. S. Jalan

Mrs. Bharti Chopra, w/o Mr. Raman Chopra

Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra

D) Enterprises over which key managerial personnel are able to exercise significant influence

Dalmia Centre for Research & Development

GHCL Foundation Trust

GHCL Employees Group Gratuity Scheme

Gujarat Heavy Chemical Limited Superannuation Scheme

Dalmia Biz Pvt. Ltd.

Dalmia Healthcare Limited

b) Transactions with relative of key management personnel

	For the year ended March 31, 2019	**For the year ended March 31, 2018**
Leasing & hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.12	0.12
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.09	0.09
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02

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	For the year ended March 31, 2019	For the year ended March 31, 2018
c) Transactions with enterprises over which significant influence exercised by directors		
Purchase of goods		
Dalmia Centre for Research & Development	0.02	0.02
Royalty paid		
Dalmia Centre for Research & Development	0.07	0.07
Rent & Other Receipts		
Dalmia Biz Private Limitd.	0.26	0.06
Dalmia Healthcare Limited	0.23	0.04
Rent deposit received		
Dalmia Biz Private Limitd.	-	0.05
Dalmia Healthcare Limited	-	0.05
Net contribution		
GHCL Foundation Trust	9.10	8.57
GHCL Employees Group Gratuity Scheme	0.07	2.53
Gujarat Heavy Chemical Limited Superannuation Scheme	1.25	1.28

d) Compensation of key management personnel of the Group

	For the year ended March 31, 2019	For the year ended March 31, 2018
Mr. Ravi Shanker Jalan	9.56	8.75
Mr. Raman Chopra	5.46	4.98
Mr.Bhuwneshwar Mishra	0.67	0.54
Total compensation paid to key management personnel	**15.69**	**14.27**

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	12.40	12.07
Post-employment gratuity and medical benefits	0.67	0.65
Share-based payment transactions*	2.62	1.55
Total compensation paid to key management personnel	**15.69**	**14.27**

*** Taxable component of ESOS**

f) Transactions with non-whole-time directors

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sitting fees	0.28	0.28
Commission	2.84	2.98
	3.12	**3.26**

g) Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6 (a) and Note 11A)

Name of the Loanee	As at March 31, 2019	As at March 31, 2018
GHCL Employee Stock Option Trust	6.21	6.81

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34 Commitments and contingencies

a) Operating lease commitments

Leases future obligation/rights as at balance sheet date for lease arrangements amount to:

		As at March 31, 2019	As at March 31, 2018
	Within one year	1.76	2.19
	After one year but not more than five years	4.46	0.62
	More than five years	3.09	0.01
b)	Estimated value of contracts remaining to be executed on capital account and not provided for	20.29	109.38
c)	Contingent Liabilities :		
	Claims against the Group not acknowledged as debts*		
	- Income tax	154.85	161.60
	- Sales tax / VAT	0.04	0.04
	- Excise, custom & service tax	124.08	110.66
	- Other claims	36.54	48.09

Cases pending before appellate authorities/dispute resolution panel in respect of which the Group has filed appeals.

*On the basis of current status of individual case for respective years and as per legal advice obtained by the Group, wherever applicable, the Group is confident of winning the above cases and is of the view that no provision is required in respect of above cases.

These include claims against the Group for recovery lodged by various parties.

		As at March 31, 2019	As at March 31, 2018
d)	Guarantees:		
	Guarantees issued by banks	-	1.84
	Corporate guarantee to Bank on behalf of erstwhile subsidiaries of the Group	2.72	2.75
e)	Bills discounted with banks (since realized)	-	11.11
f)	EPCG Commitment (value of exports) - The Company has export obligations to the extent INR 253.25 crores (as at March 31, 2018 INR 338.61 crores) of on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight /six years. Due to the remote likelihood of the Company being unable to meet its export obligations, the Company does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	42.21	56.43

g) There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated February 28, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.

35 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of expected sales and purchases, generally from one to 24 months. These contracts are not designated in hedge relationships and are measured at fair value through statement of profit or loss.

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36 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying value March 31, 2019	Fair value March 31, 2019	Carrying value March 31, 2018	Fair value March 31, 2018
Financial assets measured at fair value				
FVTOCI investments (refer note 5 (b))	11.59	11.59	10.28	10.28
Foreign exchange forward contracts (Refer Balance sheet)	2.26	2.26	5.17	5.17
Financial assets measured at amortised cost				
Loan to ESOS trust (refer note 6 (a))	6.21	6.21	6.81	6.81
Security deposits (refer note 6 (a))	5.24	5.24	4.80	4.80
Loan to employees (refer note 11A)	2.11	2.11	1.59	1.59
Demand deposits (refer note 6 (b))	0.00	0.00	0.01	0.01
Others (refer note 11)	0.50	0.50	2.06	2.06
Financial liabilities carried at amortised cost				
Term loans (refer note 16)	893.61	893.61	913.79	913.79
Short term borrowings (refer note 16)	408.56	408.56	408.20	408.20

The management assessed that cash and cash equivalents, trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

i. The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii. The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

	Date of valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments					
Quoted equity shares (refer note 5)	March 31, 2019	11.29	11.29		
	March 31, 2018	10.07	10.07		
Unquoted equity shares (refer note 5)	March 31, 2019	0.26			0.26
	March 31, 2018	0.20			0.20
Financial assets measured at fair value through statement of profit and loss					
Foreign exchange forward contracts (Refer Balance sheet)	March 31, 2019	2.26			2.26
	March 31, 2018	5.17			5.17
Financial assets measured at amortised cost					
Security deposits (refer note 6 (a))	March 31, 2019	5.24		5.24	
	March 31, 2018	4.80		4.80	
Loan to ESOS trust (refer note 6 (a))	March 31, 2019	6.21		6.21	
	March 31, 2018	6.81		6.81	
Loan to employees (refer note 11A)	March 31, 2019	2.11		2.11	
	March 31, 2018	1.59		1.59	

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	Date of valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Demand deposits (refer note 6 (b))	March 31, 2019	0.00		0.00	
	March 31, 2018	0.01		0.01	
Others (refer note 11)	March 31, 2019	0.50		0.50	
	March 31, 2018	2.06		2.06	
Financial liabilities carried at amortised cost					
Floating rate borrowings (India)	March 31, 2019	1,302.17		1,302.17	
	March 31, 2018	1,321.99		1,321.99	

There have been no transfers between Level 1 and Level 2 during the period.

Particulars	Fair value hierarchy	Valuation technique	Inputs used	Sensitivity of the input to fair value
FVTOCI financial investments				
Quoted equity shares	Level 1	Market valuation techniques	Prevailing rates in the active markets	
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, Weighted average cost of capital, Long-term operating margin, Discount for lack of marketability	3% (March 31, 2018: 3%) increase (decrease) in the growth rate would result
Financial assets measured at fair value through statement of profit and loss				
Foreign exchange forward contracts	Level 3	Market valuation techniques	Forward foreign currency exchange rates	
Financial assets measured at amortised cost				
Security deposits	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts.	
Loan to ESOS trust				
Loan to employees				
Financial liabilities measured at fair value				
Foreign exchange forward contracts	Level 2	Market valuation techniques	Forward foreign currency exchange rates	
Financial liabilities carried at amortised cost				
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts	

37 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions. The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a Banking and Opeartions committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Group's policy that, no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

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Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Group in not exposed the significant interest rate as at a respective reporting date.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is effected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis points	Effect on PBT
March 31, 2019	+/(-).50%	INR (-)/+ 6.51
	Increase/decrease in basis points	**Effect on PBT**
March 31, 2018	+/(-).50%	INR (-)/+ 6.61

b) Foreign currency risk

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month periods for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

Foreign currency sensitivity	Change in USD rate	Effect on PBT
March 31, 2019	+/(-)1%	INR +/(-) 2.19
	Change in USD rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ -2.19
	Change in GBP rate	**Effect on PBT**
March 31, 2019	+/(-)1%	INR (-)/+ 0.02
	Change in GBP rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ 0.02
	Change in EUR rate	**Effect on PBT**
March 31, 2019	+/(-)1%	INR +/(-) 0.09
	Change in EUR rate	**Effect on PBT**
March 31, 2018	+/(-)1%	INR (-)/+ 0.00

d) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 0.25 crores as on March 31, 2019 (INR 0.20 as on March 31, 2018).

At the reporting date, the exposure to listed equity securities at fair value was INR 11.30 Crore as on March 31, 2019 (INR 10.07 as on March 31, 2018). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 1.01 Crore on the OCI or equity attributable to the company. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

e) Commodity risk

"The Group is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market,

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the Group has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Group's Commercial Department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

f) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogeneous Group's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Set out below is the information about the credit risk exposure of the group's trade receivables using provision matrix:

	1-181 days	181-270 days	271-365 days	1 year to 2 years	More than 2 years	Total
ECL rate	0.01%	0.55%	3.48%	5.81%	9.26%	
Estimated total gross carrying amount at default	86.68	84.04	0.1	0.14	0.00	170.96
ECL - simplified approach	0.01	0.46	0.00	0.01	0.00	0.48

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2019 and March 2018 is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

Liquidity risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Group to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As on March 31, 2019	within 1 year	More than 1 year	Total
Borrowings	600.14	702.02	1,302.16
Trade and other payables	385.83	-	385.83
Other financial liabilities	62.97	-	62.97
	1,048.94	**702.02**	**1,750.96**

As on March 31, 2018	within 1 year	More than 1 year	Total
Borrowings	577.66	744.33	1,321.99
Trade and other payables	382.44	-	382.44
Other financial liabilities	58.65	-	58.65
	1,018.75	**744.33**	**1,763.08**

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38 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, security premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio of less than 75%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	As at March 31, 2019	As at March 31, 2018
Borrowings	1,302.16	1,321.99
Trade payables	385.83	382.44
Other financial liabilities	62.97	58.65
Less: Cash and bank balances	12.18	11.58
Net debt	**1,738.78**	**1,751.50**
Equity	1,925.50	1,610.84
Capital and net debt	**3,664.28**	**3,362.34**
Gearing ratio	47%	52%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019.

39 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the Group's financial statements:

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Assessment of lease contracts

Classification of leases under finance lease or operating lease requires judgment with regard to the estimated economic life and estimated cost of the asset. The Group has analyzed each lease contract on a case to case basis to classify the arrangement as operating or finance lease, based on an evaluation of the terms and conditions of the arrangements.

Assessment of Equity instruments

The Group has designated investments in equity instruments as FVTOCI investments since the group expects to hold these investment with no intention to sale. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change

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

due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangibles with indefinite useful lives, impairment assessment of property plant and equipment, investment in subsidiary companies, recognised by the Company. Holding company has done the impairment assessment of Home Textile Division during the year refer note 3 for details.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Group reviews the useful life of property, plant and equipment at the end of each reporting date.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

40 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

(INR in Crores)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Manufacturing expenses*	191.58	178.70
Stores and spares consumed	1.37	2.18
Power and fuel	5.32	4.55
Excise duty, cess and royalty	9.67	6.78
Repairs and maintenance		-
Building	0.29	0.15
Plant and machinery	0.99	0.65
Earth work	3.57	1.01
Others	0.43	0.33
Salaries and wages	9.90	9.50
Travelling & conveyance	0.77	0.94
Lease rent	0.71	0.84
Rates and taxes	0.36	0.13
Insurance	0.87	0.95
Misc. expenses (including deferred revenue & intangible expenses)	2.62	1.51
Less: Other misc. income	(0.52)	(1.83)
Total	**227.93**	**206.39**

* It includes consumption of breeze, starch binder and other production and mining cost.

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

41 In prior years as per SEBI (ESOS & ESPS) guidelines 1999 the Employees Stock Option Schemes of GHCL was administered by the registered Trust named GHCL Employees Stock Option Trust. However, the SEBI circular dated November 29, 2013, required the closure of all Employee Stock Option Trusts by June 2014. Accordingly, GHCL closed its ESOS Scheme, disposed of GHCL shares but retained its ESOS Trust for a limited purpose of litigation. ESOS Trust owns 20,46,195 GHCL shares, out of which 15,79,922 shares were illegally sold by a party against which ESOS Trust has initiated legal proceedings and 4,66,273 shares are held by Stock Exchange based on an arbitration award.

During the tenure of ESOS Trust, the holding company had advanced interest free loan to the Trust to buy the shares and at the end of March'2014, the holding company had written off an amount of INR 23.34 crores due from ESOS Trust on account of permanent diminution in the value of 20,46,195 shares as on 31st March, 2014 held by the Trust.

Once the legal matter is settled and ESOS Trust gets the possession of 20,46,195 shares, the sale proceeds from the disposal of these shares by ESOS Trust will first be used to repay the loan amounting to INR 29.54 crores due to GHCL which includes restatement of earlier write-off of INR 23.34 crores taken in March, 2014 and the balance surplus (if any) will be used for the benefit of the employees of the company as per the recommendation of GHCL's Compensation Committee

42 Share based compensation

In accordance with the Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014 and the Guidance Note on Accounting for 'Employees Share-based Payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the Group. To have an understanding of the scheme, relevant disclosures are given below.

a) As approved by the shareholders at their Annual General Meeting held on 23rd July 2015, the Group has got 50,00,000 number of Options under the employee stock option scheme "GHCL ESOS 2015". The following details show the actual status of ESOS granted during the financial year ended on March 31, 2019.

	Grant 1		Grant 2		Grant 3		Grant 4	
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,05,000	6,05,000	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)								
Fair value on the date of grant (In INR)	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	**Grant 1**		**Grant 2**		**Grant 3**		**Grant 4**	
On completion of 12 months	6,05,000	-	15,000	-	25,000	-	-	-
On completion of 24 months	-	6,05,000	-	15,000	-	25,000	90,000	-
On completion of 36 months	-	-	-	-	-	-	-	90,000

	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	161.33	173.00	183.41	173.00	183.41	192.68
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

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

Details of the vesting period are:

Vesting Period from the Grant date	Grant 5			Grant 6		
On completion of 12 months	6,10,000	-	-	-	-	-
On completion of 24 months	-	6,10,000	-	15,000	-	-
On completion of 36 months	-	-	6,10,000	-	15,000	
On completion of 48 months	-	-	-	-	-	15,000

	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	25,000	25,000	25,000	60,000	60,000	60,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	173.00	183.41	192.68	183.41	192.68	200.98
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 7			Grant 8		
On completion of 24 months	25,000	-	-	-	-	-
On completion of 36 months	-	25,000	-	60,000	-	-
On completion of 48 months	-	-	25,000	-	60,000	-
On completion of 60 months	-	-	-	-	-	60,000

Set out below is a summary of options granted under the plan:

	As at March 2019		As at March 2018	
	Total No. of Stock options	**Weighted average exercise price**	**Total No. of Stock options**	**Weighted average exercise price**
Options outstanding at beginning of year	7,80,000	121	12,00,000	100
Options granted during the year	21,30,000	150	2,30,000	170
Options forfeited/lapsed during the year	1,00,000	158	90,000	100
Options exercised during the year	6,05,000	100	5,60,000	100
Options expired during the year	-	-	-	-
Options outstanding at end of year	22,05,000	151	7,80,000	121
Options vested but not exercised during the year	5,000	170	20,000	100

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

The details of activity of the Scheme have been summarized below:-

Particulars	As at March 2019								Total
	Grant 1		Grant 2		Grant 3		Grant 4		
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	20,000	5,50,000	15,000	15,000	25,000	25,000	65,000	65,000	7,80,000
Granted during the year	-	-	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	20,000	20,000	40,000
Exercised during the year	20,000	5,50,000	15,000	-	20,000	-	-	-	6,05,000
Expired during the year	-	-			-	-			-
Outstanding at the end of the year	-	-	-	15,000	5,000	25,000	45,000	45,000	1,35,000
Exercisable at the end of the year	-	-	-	-	5,000	-	-	-	-
Weighted average remaining contractual life (in years)	-	-	-	-	-	0.57	0.57	1.57	-
Weighted average fair value of options granted during the year	71.79	80.68	198.55	204.79	110.59	123.20	123.20	134.18	-

Particulars	Grant 1		Grant 2		Grant 3		Grant 4	
Date of grant	19-05-2016	19-05-2016	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Stock price at the date of grant	148.1	148.1	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	100	100	170	170	170	170
Expected volatility	50	50	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	2	2.5	2.5	3.5
Risk free interest rate (%)	7.467	7.467	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	71.79	80.68	198.55	204.79	110.59	117.13	117.13	128.87

Particulars	As at March 2019						Total
	Grant 5			Grant 6			
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	-	-	-	-	-	-
Granted during the year	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000	18,75,000
Forfeited during the year	5,000	5,000	5,000	-	-	-	15,000
Exercised during the year	-	-	-	-	-	-	-
Expired during the year	-	-			-	-	-
Outstanding at the end of the year	6,05,000	6,05,000	6,05,000	15,000	15,000	15,000	18,60,000
Exercisable at the end of the year	-	-	-	-	-	-	-
Weighted average remaining contractual life (in years)	0.07	1.07	2.07	1.07	2.07	3.07	-
Weighted average fair value of options granted during the year	161.33	173.00	183.41	173.00	183.41	192.68	-

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

Particulars	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	2	3	4	3	4	5
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	161.33	173	183.41	173	183.41	192.68

Particulars	As at March 2019						Total	Grand Total of ESOS
	Grant 7			Grant 8				
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	-	-	-	-	-	-	7,80,000
Granted during the year	25,000	25,000	25,000	60,000	60,000	60,000	2,55,000	21,30,000
Forfeited during the year	-	-	-	15,000	15,000	15,000	45,000	1,00,000
Exercised during the year	-	-	-	-	-	-	-	6,05,000
Expired during the year	-	-	-	-	-	-	-	-
Outstanding at the end of the year	25,000	25,000	25,000	45,000	45,000	45,000	2,10,000	22,05,000
Exercisable at the end of the year	-	-	-	-	-	-	-	5,000
Weighted average remaining contractual life (in years)	1.07	2.07	3.07	2.07	3.07	4.07	-	-
Weighted average fair value of options granted during the year	173.00	183.41	192.68	183.41	192.68	200.98	-	-

Particulars	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	3	4	5	4	5	6
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	173	183.41	192.68	183.41	192.68	200.98

43 Remittances during the year in Foreign currency on account of

a)

Dividend for the financial year ended	2017-18
Dividends to non-resident shareholders	2.98
Number of non-resident shareholders	666
Number of shares	59,53,723

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

44 Group information

(i) The Consolidated financial statement of the Group includes subsidiarires as mentioned below :

S.No	Name of the entity	Country of incorporation	Nature	Ownership interest held by the Group	Year Ended	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive income	
						As % of consolidated Net Assets	Amount (INR In crores)	As % of consolidated profit or loss	Amount (INR In crores)	As % of consolidated other comprehensive Income	Amount (INR In crores)	As % of consolidated comprehensive Income	Amount (INR In crores)
1	2	3	4		6	7	8	9	10	11	12	13	14
(I)	**Parent**												
	GHCL Limited	India	Parent Company		Mar 31 ,2019	101.37%	1,951.95	102.98%	361.03	-50.62%	1.64	104.41%	362.67
					Mar 31 ,2018	100.69%	1,621.94	102.29%	364.51	65.13%	3.48	101.74%	367.99
(II)	**Foreign Subsidiaries having no minority interests**												
1	Grace Home Fashions LLC	USA	WOS	100%	Mar 31 ,2019	-1.68%	(32.43)	-3.37%	(11.84)	143.16%	(4.64)	-4.74%	(16.46)
				100%	Mar 31 ,2018	-0.99%	(15.94)	-2.74%	(9.76)	36.15%	1.94	-2.17%	(7.83)
2	Dan River Properties LLC	USA	WOS	100%	Mar 31 ,2019	0.31%	5.98	0.40%	1.39	7.46%	(0.24)	0.33%	1.15
				100%	Mar 31 ,2018	0.30%	4.84	0.45%	1.60	-1.27%	(0.07)	0.43%	1.53
	Other consolidation adjustment				Mar 31 ,2019	0.00%	-	0.00%	-				
					Mar 31 ,2018	0.00%	-	0.00%	-				
		Total - March 31, 2019				100%	1,925.50	100%	350.58	100%	(3.24)		347.34
		Total - March 31, 2018				100%	1,610.84	100%	356.35	100%	5.35		361.70

Note

i) WOS refers to 'Wholly Owned Subsidiary'

(ii) In the consolidated financial statements, the figures of subsidiary Company ' Grace Home Fashions LLC and Dan River properties LLC' have been incorporated based on the audited financial statements as at March 31, 2019 and March 31, 2018 .

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

45 Standards issued but not yet effective up to the date of Financial Statements

Standards issued but not yet effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

I) Ind AS 116 Leases

Ind AS 116 Leases was notified by MCA on 30 March 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The holding company intends to adopt these standards from 1 April 2019. The impact on adoption of Ind AS 116 on the financial statements is given below. Ind AS 116 also requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

Transition to Ind AS 116

The holdng company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ending or ended March 31, 2019 will not be retrospectively adjusted. The holding company has elected certain available practical expedients on transition.

The holding company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria
Partner
Membership No. 086370

Place : New Delhi
Date: April 25, 2019

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

Sanjay Dalmia
Chairman

K.C. Jani
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director-Finance

Place : New Delhi
Date: April 25, 2019

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

Independent Auditor's Report

To the Members of **GHCL Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of GHCL Limited ("the Company"), which comprise the Balance sheet as at March 31 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive loss, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 47 of the accompanying standalone financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Company. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Home Textile Division *(as described in Note 3 of the standalone Ind AS financial statements)*	
Property, plant and equipment, Assets and Liabilities that are related to the integrated textile manufacturing facilities (at Tamil Nadu), Home Textiles facility (in Gujrat) and investments made in subsidiary to support the business hereafter collectively referred to as the "Home Textile Division or HT Division" with a carrying value amounting to INR 1152 crores.	Our audit procedures included the following: • Understood management and the board's controls over the assessment of the carrying value of HTD's property, plant and equipment to determine whether any asset impairment was required.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Home Textile Division *(as described in Note 3 of the standalone Ind AS financial statements)*	
Home Textile Division has incurred losses in the last three years, as a result the management has performed an impairment assessment as per the accounting policy stated in note 2.2.L to the standalone Ind AS financial statements. Our audit focused on this area because the assessment of recoverable value of the aforesaid assets of HT Division requires management to make a number of key judgements and estimates with respect to the future performance and profitability of the HT Division which involves judgements and estimates on future growth rates, discount rates and Impact of Covid-19 etc. Accordingly, Impairment assessment of the Company's Home Textile division has been considered as a key audit matter.	• Together with valuation specialists, we assessed the Company's valuation methodology applied in estimating the recoverable amount of the Company's Home Textile Division based on the cash flow projections provided by the management. • Together with valuation specialists, we tested the assumptions of the cash flow forecasts (Post Covid-19), i.e. future growth rates, discount rates used. • Performed sensitivity analysis around the key assumptions used by management in impairment testing to understand the impact of reasonable changes in assumptions on the estimated recoverable amounts. • Assessed the disclosures included in the financial statements in note 3 to the standalone Ind AS financial statements.

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report 2019-20, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the standalone Ind AS Financial Statements

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) The matter described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;

   (f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

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

(h) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

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

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

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

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

per **Atul Seksaria**
Partner
MembershipNumber:086370
UDIN: 20086370AAAABE2136

Place of Signature: Gurugram
Date: May 20, 2020

ANNEXURE 1

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

Re: GHCL Limited ("the company")

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) All property, plant & equipment have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2020 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loan to a subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the company's interest.

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

(c) There are no amount of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Soda Ash and Textile products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the company, the dues outstanding of employees' state insurance, income-tax, sales-tax, duty of custom, duty of excise, goods and service tax, cess and other statutory dues ,on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Demand raised (Amount in INR Crore)	Pre - Deposit (Amount in INR Crore)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Differential duty on account of classification under different chapters of CETA	6.78	0.27	F.Y. 2012-13, 2014-15	Customs, Excise and Service tax Appellate Tribunal, Chennai & Customs, Excise and Service tax Appellate Tribunal, Ahmedabad
	Denial of Import Eligibility	0.59	0.04	F.Y 2015-16	Principal Commissioners Customs- (Chennai-III)
Central Excise Act, 1944	Denial of service tax credit on ineligible services	4.26	0.10	F.Y 2004-2005, F.Y 2009-10, F.Y.2016-17	Dy. Commissioner, Junagadh & Commissioner, Bhavnagar
	Denial of CENVAT Credit & Non Payment of Service Tax & Excise Duty, Demand of excise duty on Fly Ash & Trading Material	65.48	4.72	F.Y. 2008-09 to F.Y. 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad
	Denial of service tax credit on foreign services	1.29	0.10	F.Y 2005-2006	Customs, Excise and Service Tax Appellate Tribunal, Delhi
	Denial of CENVAT credit on capital goods and others	0.03	-	F.Y 2001-2002	Hon'ble High Court, Chennai
	Short reversal of CENVAT credit on goods under duty drawback scheme	0.59	0.06	F.Y 2008-2009	CESTAT Ahmedabad (Appeal)
The Employee's State Insurance Act, 1948	Contribution Demand	0.03	-	F.Y 1989-2002	ESI Court, Madurai
	Contribution Demand	0.01	-	F.Y 1985-1986	Hon'ble Supreme Court of India
Income Tax Act	Disallowance of write off of loans to subsidiaries and interest thereon, corporate guarantees encashed by third parties on subsidiaries' s behalf, foreign sales commission, service income of subsidiaries and disallowances under section 14A	154.65	-	F.Y 2008-09 to F.Y 2013-14	ITAT Ahmedabad
	Disallowance for claim u/s 80-IA, Section 14A and others	3.63	-	F.Y 2015-2016	Joint Comm, Ahmedabad
Gujarat Sales Tax Act, 1969	Disallowance of Set off of Sales Tax	0.02	0.02	FY 2002-2003	VAT Tribunal, Ahmedabad
		0.02	-	FY 2003-2004	

According to the information and explanations given to us, there are no dues of Provident Fund, service tax, value added tax, goods and service tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company did not have any outstanding debentures during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were obtained. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per **Atul Seksaria**
Partner
MembershipNumber:086370
UDIN: 20086370AAAABE2136

Place of Signature: Gurugram
Date: May 20, 2020

ANNEXURE 2

to the Independent Auditor's Report of even date on the Standalone Financial Statements of GHCL Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of GHCL ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone financial statements.

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

A company's internal financial control over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Atul Seksaria**
Partner
MembershipNumber:086370
UDIN: 20086370AAAABE2136

Place of Signature: Gurugram
Date: May 20, 2020

Standalone Balance Sheet

as at March 31, 2020, (INR in crores)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,635.40	2,576.92
(b) Capital work-in-progress	3	119.96	113.64
(c) Other Intangible assets	4	5.46	4.56
(d) Right-of-use assets	34	13.73	-
(e) Intangible assets under development		1.76	3.82
(f) Financial assets			
(i) Investments	5	34.23	46.56
(ii) Loans	6A	15.51	11.45
(iii) Other non-current financial assets	6B	0.00	0.00
(g) Other-non current assets	7	67.19	24.37
Total Non-Current Assets		**2,893.24**	**2,781.32**
(2) Current assets			
(a) Inventories	8	724.27	668.26
(b) Financial assets			
(i) Trade receivables	9	357.58	380.23
(ii) Cash and cash equivalents	10A	89.60	4.44
(iii) Bank balances other than cash and cash equivalents	10B	23.92	23.32
(iv) Loans	11A	3.86	4.86
(v) Derivative instruments	11B	-	2.26
(vi) Other current financial asset	11C	22.78	18.09
(c) Current tax assets (net)	12	7.59	-
(d) Other current assets	13	46.66	81.59
Total Current Assets		**1,276.26**	**1,183.05**
Assets held for sale	3	31.46	39.23
Total assets		**4,200.96**	**4,003.60**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	95.01	98.03
(b) Other equity	15	2,090.55	1,853.92
Total Equity		**2,185.56**	**1,951.95**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	807.89	701.35
(ii) Lease liabilities	34	13.92	-
(b) Provisions	17A	6.27	6.15
(c) Deferred tax liabilities (net)	12	253.08	253.00
Total Non- Current Liabilities		**1,081.16**	**960.50**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16B	268.88	398.86
(ii) Lease liabilities	34	0.68	-
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	12.92	14.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	392.87	393.02
(iv) Derivative instruments	19A	6.25	-
(v) Other financial liabilities	19B	216.78	230.97
(b) Provisions	17B	12.83	15.13
(c) Current tax liabilities (net)	12	-	9.34
(d) Other current liabilities			
(i) Contract liabilities	21.2	6.11	3.66
(ii) Other liabilities	20	16.92	25.34
Total Current Liabilities		**934.24**	**1,091.15**
Total equity and liabilities		**4,200.96**	**4,003.60**

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 086370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Standalone Statement of Profit and Loss

for the year ended March 31, 2020, (INR in crores)

Particulars	Note No.	For Year ended March 31, 2020	For Year ended March 31, 2019
Revenue			
Revenue from operations	21	3,256.01	3,371.18
Other income	22	16.43	13.54
Total Income		**3,272.44**	**3,384.72**
Expenses			
Cost of raw materials consumed	23	1,253.45	1,246.46
Purchase of stock in trade		182.39	237.17
(Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(14.02)	(31.77)
Power, fuel and water expense		513.17	505.33
Employee benefit expense	25	188.36	200.91
Depreciation and amortization expense	26	130.51	116.29
Finance cost	27	118.18	126.32
Other expenses	28	395.93	442.90
Total expenses		**2,767.97**	**2,843.61**
Profit before exceptional items and tax		504.47	541.11
Profit before tax		**504.47**	**541.11**
Tax expense:			
Current tax		143.38	153.84
Less: Tax adjustment for Earlier years (Refer Note 12)	12	(2.48)	0.84
Deferred tax		(42.93)	25.40
Total tax expense		**97.97**	**180.08**
Profit for the year		**406.50**	**361.03**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement Gain/(Loss) on defined benefit plans		(2.80)	0.63
Income tax effect		0.71	(0.22)
Re-measurement Gain/(Loss) on investment in equity		(3.44)	1.23
Income tax effect		-	-
Net other comprehensive Gain/(Loss) not to be reclassified to profit or loss in subsequent periods	29	**(5.53)**	**1.64**
Total comprehensive income for the year, net of tax		**400.97**	**362.67**
Earnings per equity share nominal value of shares INR 10 (Previous year INR 10 each)	30		
Basic (INR)		41.51	36.88
Diluted (INR)		41.51	36.56

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 086370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Standalone Statement of Cash Flows

for the year ended March 31, 2020, (INR in crores)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Operating activities		
Profit before tax	504.47	541.11
Adjustments for:		
Depreciation/amortisation	130.51	116.29
Loss/(Gain) on sale of investments/ diminution on value of on investment	9.12	(0.72)
Loss/(Gain) on sale of fixed assets	1.48	(0.41)
Interest income	(0.64)	(1.19)
Finance cost	118.19	125.01
Income from dividend	(0.08)	(0.05)
Employees share based payments	(7.18)	19.90
Unrealised exchange Loss/(Gain)	13.19	(7.36)
Operating Profit before working capital changes	**769.06**	**792.58**
Changes in working capital		
Adjustments for (Increase)/decrease in assets:		
Trade receivables	17.93	(90.13)
Inventories	(56.01)	(80.38)
Derivative instruments	(8.51)	2.91
Other current financial assets	(3.69)	0.19
Other current assets	32.13	(21.57)
Non-current financial assets	(4.06)	1.81
Other non-current assets	2.21	(0.32)
Adjustments for (Increase)/decrease in liabilities:		
Contract liabilities	(2.45)	(1.41)
Trade payables	(10.37)	(0.49)
Other current financial liabilities	1.34	51.77
Other current liabilities	8.42	(1.39)
Provisions	(2.18)	(0.13)
Cash generated from operations	**743.82**	**653.44**
Direct taxes paid (net)	(115.53)	(92.70)
Net cash generated from operating activities	**628.29**	**560.74**
Cash flow from investing activities		
Payment for Property, plant and equipment	(225.33)	(282.72)
Proceeds from sale of Property, plant and equipment	9.73	9.77
Sales/ (Purchase) of Investment (Net)	(0.23)	(34.30)
Interest received	0.64	1.19
Dividend received	0.08	0.05
Net cash used in investing activities	**(215.11)**	**(306.01)**

Standalone Statement of Cash Flows

for the year ended March 31, 2020, (INR in crores)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	2.74	6.19
Buyback of equity share capital (including tax paid)	(69.46)	-
Dividend paid	(76.26)	(48.75)
Dividend distribution tax paid	(10.08)	(10.01)
Proceeds from long-term borrowings	252.74	136.45
Repayment of long-term borrowings	(174.92)	(201.55)
Proceeds from short-term borrowings	(129.98)	(0.90)
Payment of lease liabilities	(2.06)	-
Unpaid dividend account (Net)	(1.26)	(0.33)
Bank deposit in escrow account and Margin Money	0.66	(7.76)
Interest paid	(120.14)	(132.64)
Net cash generated from financing activities	**(328.02)**	**(259.30)**
Net (decrease) / increase in cash and cash equivalents	**85.16**	**(4.57)**
Cash and cash equivalents at the beginning of the year	**4.44**	**9.01**
Cash and cash equivalents at the end of the year	**89.60**	**4.44**
Components of cash and cash equivalents		
Cash on hand	0.26	0.21
Balances with banks:		
- On current accounts	89.34	4.23
Total cash and cash equivalents (Note 10A)	**89.60**	**4.44**

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows.

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 086370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Standalone Statement of Changes in Equity

for the year ended March 31, 2020, (INR in crores)

A. Equity share capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

Particulars	Number of share	Amount
As at April 1, 2018	9,74,23,286	97.42
Changes in share capital- Shares issued under ESOS scheme during the year (Refer Note 14 on ESOS)	6,05,000	0.61
Balance as at March 31, 2019	**9,80,28,286**	**98.03**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer Note 14 on ESOS)	1,85,000	0.18
Changes in share capital- Buyback during the year (Refer Note 14 on Buyback)	(32,00,000)	(3.20)
Balance as at March 31, 2020	**9,50,13,286**	**95.01**

B. Other equity

Particulars	Reserves and Surplus							FVTOCI Reserve (H)	Total
	Capital reserve (A)	Business development reserve (B)	Capital redemption reserve (C)	Securities premium (D)	Retained earnings (E)	Share based payment reserve (F)	General reserve (G)		
Balance as at April 1, 2018	7.57	73.89	13.16	9.06	1,369.92	5.24	37.13	8.55	1,524.52
Reserve created on account of ESOS issued during the year	-	-	-	10.68	-	-	-	-	10.68
Profit for the year	-	-	-	-	361.03	-	-	-	361.03
Employee stock option scheme	-	-	-	-		14.80		-	14.80
Dividend paid	-	-	-	-	(48.74)	-	-	-	(48.74)
Dividend distribution tax	-	-	-	-	(10.01)	-	-	-	(10.01)
Other comprehensive income	-	-	-	-	0.41	-	-	1.23	1.64
Balance as at March 31, 2019	**7.57**	**73.89**	**13.16**	**19.74**	**1,672.61**	**20.04**	**37.13**	**9.78**	**1,853.92**
Reserve created on account of ESOS issued during the year	-	-	-	5.54	-	-	-	-	5.54
Reserve created on account of buy back during the year	-	-	3.20	-	-	-	(3.20)	-	-
Reserve Utilised on account of buy back during the year	-	-	-	(25.28)	-	-	(28.48)	-	(53.76)
Profit for the year	-	-	-	-	406.50	-	-	-	406.50
Employee stock option scheme	-	-	-	-	-	(10.17)	-	-	(10.17)
Dividend paid	-	-	-	-	(77.52)	-	-	-	(77.52)
Dividend distribution tax	-	-	-	-	(15.93)	-	-	-	(15.93)
Tax paid on Buy Back	-	-	-	-	(12.49)	-	-	-	(12.49)
Other comprehensive income	-	-	-	-	(2.10)	-	-	(3.44)	(5.53)
Balance as at March 31, 2020	**7.57**	**73.89**	**16.36**	**-**	**1,971.07**	**9.87**	**5.45**	**6.34**	**2,090.55**

The accompanying notes are Internal part of the standalone financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 086370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

1 Corporate information

GHCL Limited ("GHCL" or the "Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Company is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat.

The Company is engaged in primarily two segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufacturing, weaving, processing and cutting and sewing of home textiles products).

Information on related party relationships of the Company is provided in Note 36.

The financial statements are approved for issue in accordance with a resolution of the Board of Directors on May 20, 2020.

2 Significant accounting policies

2.1 Basis of preparation

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities that have been carried at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR) and all values are recorded to the nearest crores (INR'00, 00,000), except otherwise indicated.

2.2 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

b) Fair value measurement

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Banking & Operations Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the members of Banking & Operations Committee present the valuation results to the Audit Committee and the Company's independent auditors This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

- Financial instruments (including those carried at amortised cost)

c) Revenue from Operations

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

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

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

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

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

Sale of Goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 45-120 days. The Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

If the consideration in a contract includes a variable amount, estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the period in which the change occurs Some contracts for the sale of goods provide customers with cash discount, volume rebates and pricing incentives, which give rise to variable consideration. The Company provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

The disclosures of significant judgements relating to the revenue from contracts with customers are provided in Note 31.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

Contract balances

Trade receivables

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

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Cost to obtain a contract

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company applies the optional practical expedient to immediately expense costs to obtain a contract if amortisation period would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of **employee benefits**. Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

Critical judgements

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

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

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

d) Other revenue streams

Export Benefits

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

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Rendering of Services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Dividend

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In the situation where the Company is entitled to a Tax holiday under the income Tax Act, 1961 enacted in India or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Items such as spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates the useful lives for the fixed assets, except lease mines and leasehold land, as follows.

• Building	30 to 60 years
• Plant and Machinery *	5 to 25 years
• Office equipment	3 to 25 years
• Furniture and fixtures	10 years
• Salt works reservoir	10 years
• Vehicles	8 to 10 years
• Wind Turbine Generator	20 to 22 years
• Temporary structures	3 years
• Freehold Land	Not Amortised

*For these class of assets, based on internal assessment, the management believes that the useful

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets comprising of computer software and trademark with finite useful life are amortised on straight line basis over estimated useful life of three years

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

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h) Asset classified as held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

- The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

  - Leasehold builidngs 2 to 10 years
  - Salt works 3 to 30 years

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If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost basis, except in case of cotton, for which cost is determined on specific cost basis.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses taking into account the stage of completion.
- Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares: are stated at cost less provision, if any, for obsolescence.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual

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asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

m) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The present value of the expected cost for the decommissioning of an asset after its use and leasehold improvements on termination of lease is included in the cost of the respective asset if the recognition criteria for a provision are met. The Company records a provision for decommissioning costs of its plant for manufacturing of Soda Ash and leasehold improvements at the leasehold land. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset.

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The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

n) Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Company recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

o) Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Employees working in the business development Company are granted share appreciation rights, which are settled in cash (cash-settled transactions).

- **Equity-settled transactions**

  The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

  That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

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Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into

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account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company financial assets at amortised cost includes trade receivables and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Companies continuing involvement. In that case, the Company also recognises an associated

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liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and Borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be

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required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The following table shows various reclassification and how they are accounted for as per below:

i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

r) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, that

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are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

s) Cash dividend

The Company recognises a liability to pay dividend to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders A corresponding amount is recognised directly in equity.

t) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions complied in. When the grant relates to an expense item, it Is recognised as Income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset. When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

u) Foreign currencies

The company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items e recognised in Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

v) Investment in subsidiary

Investment in subsidiary is carried at cost in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36.

w) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

x) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

y) Onerous Contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

z) Changes in accounting policies and disclosures

New and amended standards

The Company applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the standalone financial statements of the Company. The Company has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Effective April 1, 2019 the company has adopted IND AS 116 'Leases' and applied the same on all lease contracts existing on April 1, 2019 using modified retrospective approach. Under this approach Right-To-Use Asset and corresponding Lease Liability have been recognised at INR 15.00 Crore as at April 1, 2019 . Accordingly the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and there is no impact on opening reserves. The effect of this adoption is not material to the current financial statements and earnings per share for the year ending

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

March 31, 2020. Due to application of IND AS 116 for the year ended March 31, 2020, Depreciation and Finance cost has increased by INR 1.62 Crores & INR 1.49 Crores and other expenses have decreased by INR 2.06 Crores .Total expenses(net) have increased by INR 1.06 Crores. Refer details of the movement during the year in the balances of the Right-To-Use Asset and corresponding Lease Liability in Note 34.

The Company has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.2 (j) Leases for the accounting policy prior to April 1, 2019.

Upon adoption of Ind AS 116, the Company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.3 (n) Leases for the accounting policy beginning April 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Company.

- Leases previously classified as finance leases

  The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

- Leases previously accounted for as operating leases

  The Company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

The lease liabilities as at April 1, 2019, can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Amount
Operating lease commitments as at March 31, 2019	39.57
Weighted average incremental borrowing rate as at April 1, 2019	10%
Discounted operating lease commitments as at April 1, 2019	19.6
Less:	
Commitments relating to short-term leases and low value assets	4.6
Lease liabilities as at April 1, 2019	**15.00**

ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Company applies significant judgement in identifying uncertainties over income tax treatments. Since the Company operates in a complex tax environment, it assessed whether the Appendix had an impact on its standalone financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company's tax filings includes deduction relatied to 80IA, deduction allowances on subsidiary losses, 14A disallowances, transfer pricing matters and others . The taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study , that it is probable that its tax treatments will be accepted by the taxation authorities.

The aforesaid Appendix did not have an impact on the financial statements of the Company.

iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the standalone financial statements of the Company.

iv) **Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement**

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset). The amendments had no impact on the standalone financial statements of the Company as it did not have any plan amendments, curtailments, or settlements during the period.

v) **Amendments to Ind AS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests.

The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the standalone financial statements as the Company does not have long-term interests in its associate and joint venture.

vi) **Annual Improvements to Ind AS 2018**

Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019.

Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. Since the Company's current practice is in line with these amendments, they had no impact on the standalone financial statements of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, plant and equipment

Cost	Freehold Land	Leasehold Land *	Buildings	Plant and Equipments	Office Equipments	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Asset held for sale**	Total Amount
As at April 1, 2018	**382.04**	**352.75**	**224.95**	**1,585.40**	**8.96**	**6.62**	**2.38**	**3.26**	**9.47**	**139.56**	**-**	**2,715.39**	**73.00**	**-**	**2,788.39**
Additions	1.48	-	20.60	226.27	2.85	1.30	0.13	0.46	-	-	-	253.09	293.18	39.23	585.50
Disposals	(4.45)	-	(0.27)	(18.56)	(3.34)	(1.45)	-	(0.64)	-	-	-	(28.71)	(252.54)	-	(281.25)
Adjustments	(39.23)	-	-	-	-	-	-	-	-	-	-	(39.23)	-	-	(39.23)
As at March 31, 2019	**339.84**	**352.75**	**245.28**	**1,793.11**	**8.47**	**6.47**	**2.51**	**3.08**	**9.47**	**139.56**	**-**	**2,900.54**	**113.64**	**39.23**	**3,053.41**
Additions	0.65	-	11.66	158.37	3.66	0.40	1.70	1.10	-	1.17	8.23	186.94	193.26	-	380.20
Disposals	-	-	(2.50)	(25.44)	(2.39)	(0.61)	-	(0.53)	-	-	-	(31.48)	(186.94)	(7.77)	(226.19)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**340.49**	**352.75**	**254.44**	**1,926.04**	**9.74**	**6.26**	**4.21**	**3.64**	**9.47**	**140.73**	**8.23**	**3,056.00**	**119.96**	**31.46**	**3,207.42**

Depreciation	Freehold Land	Leasehold Land*	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines#	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Asset held for sale ##	Total Amount
As at April 1, 2018	**-**	**14.58**	**23.01**	**158.30**	**3.35**	**1.48**	**1.72**	**0.36**	**8.65**	**17.57**	**-**	**229.02**	**-**	**-**	**229.02**
Depreciation charge for the year	-	4.87	10.52	87.70	2.39	0.79	0.09	0.59	0.44	6.56	-	113.95	-	-	113.95
Disposals	-	-	(0.27)	(13.81)	(3.30)	(1.45)	-	(0.52)	-	-	-	(19.35)	-	-	(19.35)
As at March 31, 2019	**-**	**19.45**	**33.26**	**232.19**	**2.44**	**0.82**	**1.81**	**0.43**	**9.09**	**24.13**	**-**	**323.62**	**-**	**-**	**323.62**
Depreciation charge for the year	-	4.87	11.53	96.18	2.96	0.77	0.15	0.61	0.09	7.36	0.49	125.01	-	-	125.01
Disposals	-	-	(2.39)	(22.46)	(2.37)	(0.32)	-	(0.49)	-	-	-	(28.04)	-	-	(28.04)
As at March 31, 2020	**-**	**24.32**	**42.40**	**305.91**	**3.03**	**1.27**	**1.96**	**0.56**	**9.18**	**31.49**	**0.49**	**420.60**	**-**	**-**	**420.60**

Net book value	Freehold Land	Leasehold Land*	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines#	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Asset held for sale**	Total Amount
As at March 31, 2020	**340.49**	**328.43**	**212.04**	**1,620.13**	**6.71**	**4.99**	**2.25**	**3.09**	**0.29**	**109.24**	**7.74**	**2,635.40**	**119.96**	**31.46**	**2,786.82**
As at March 31, 2019	**339.84**	**333.30**	**212.02**	**1,560.92**	**6.03**	**5.65**	**0.70**	**2.65**	**0.38**	**115.43**	**-**	**2,576.92**	**113.64**	**39.23**	**2,729.79**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, plant and equipment (Contd..)

Net book value	March 31, 2020	March 31, 2019
Property, plant and equipment	2,635.40	2,576.92
Capital work in progress	119.96	113.64
Asset held for sale**	31.46	39.23

Property plant and equipment are subject to charge to secure the company's borrowings as discussed in Note 16

Leasehold land*

Land for soda ash plant and for corporate office are taken on lease from the Government of India for a period of 90 to 99 years

Leased Mines #

Leased mines represents expenditure incurred on development of mines.

Asset held for sale **

Assets held for sale represents Land in Madurai (Yarn Unit) approved by Board for transfer in future. (Refer Note no 47)

Capitalised borrowing costs

The amount of borrowing cost capitalised during the year ended March 31, 2020, was INR 4.49 Crore (for the year March 31, 2019: INR 7.63 Crore) on account of capacity expansion of soda ash plant and other capital expenditure. The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.75%, (for the year March 31, 2019: 9.17%) which is the effective interest rate of the specific borrowing.

Outlook for Home Textiles Business and impairment assessment

"The Textile business of Company encompasses sophisticated, integrated operations within the areas of Spinning and Home Textiles production. Our Spinning business has been consistently delivering profitable growth for past many years. The home textile division (HT) after performing well for two years faced severe Industry headwinds from last quarter of 2016 and incurred loss in the year 2017-18 and 2018-19. For the financial year 2019-20, though there has been an improvement in performance on quarter-to-quarter basis, the same still lags the performance achieved in 2016-17.

Through innovation and consistent product development, company has created a clear differentiation from competition. The Company has taken a very clear leadership position on sustainability across global home furnishing manufacturers with launch of major brands like REKOOP, CIRKULARITY, MEDITASI, and REKOOP 2.0, with focus on Circular Economy which emphasizes on 3R's-Reduce, Reuse and Recycle. Innovation has been a hallmark of the company's efforts and several new options have been developed around fit, functionality and performance.

The company anticipates a reduction of our export volume by about 25% for the year on account of the COVID-19 pandemic. The company will focus on ensuring greater levels of agility and flexibility. Moreover, the company will further step up its focus on the Dot Com business in the US and other parts of the world. The company will continue to keep sustainability at the core of all it does and will also focus on offering special finishes on sheets, including antimicrobial or antibacterial finishes and immunity boosting finishes, in keeping with what customers will demand in times to come.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, plant and equipment

As a policy, the company annually assesses the impairment of property plant and equipment by comparing the carrying value of PPE with its fair value. In case the fair value is less than the carrying value an impairment charge is created. Due to loss in home textile division, management has performed an impairment assessment of property plant and equipment of HT division. Basis the business plan and fair vale calculated using the discounted future cash flow method, which are higher than the carrying value of PPE of HT division; management has concluded that there is no impairment of PPE in home textile division."

4 Other Intangible assets

Cost	Trademarks	Software	Total Amount
As at April 1, 2018	2.65	4.39	7.04
Additions	-	1.73	1.73
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**2.65**	**3.92**	**6.57**
Additions	-	4.78	4.78
Disposals	-	(0.09)	(0.09)
As at March 31, 2020	**2.65**	**8.61**	**11.26**

Amortisation	Trademarks	Software	Total Amount
As at April 1, 2018	0.66	1.20	1.86
Additions	0.88	1.47	2.35
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**1.54**	**0.47**	**2.01**
Additions	0.89	2.99	3.88
Disposals	-	(0.09)	(0.09)
As at March 31, 2020	**2.43**	**3.37**	**5.80**

Net book value	Trademarks	Software	Total Amount
As at March 31, 2020	**0.22**	**5.24**	**5.46**
As at March 31, 2019	**1.11**	**3.45**	**4.56**

Note: Intangible assets include license for trademark acquired for obtaining exclusive manufacturing and marketing rights for one of its innovative textile product in USA.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

5 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Unquoted equity shares		
Investment in Subsidiary Companies, at cost		
Investment in Grace Home Fashion LLC		
Gross Amount of Investment	34.97	34.97
Less: Diminution in value of investment (Refer Note No. 47)	(10.00)	-
Net Amount of Investment in Grace Home Fashions LLC	**24.97**	**34.97**
Investment in Dan River Properties LLC	0.00	0.00
Total Investments in subsidiaries	**24.97**	**34.97**
(During the year the Company has invested INR. NIL (PY INR 34.93 crores (USD 5 Million)) as a capital contribution in its wholly owned subsidiary Grace Homes Fashions LLC, USA.)		
Unquoted equity shares, at amortised cost		
5200 equity shares (as at March 31, 2019: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd *	0.01	0.01
1,07,300 equity shares (as at March 31, 2019: 2,11,800 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.12	0.24
12,00,000 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of SSMT Power Pvt Ltd *	1.20	-
4,200 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Aadhav Green Power Pvt Ltd	0.00	-
950 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Puvaneshwari Enterprises	0.00	-
950 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Sarojarajan Green Power Eenergy	0.00	-
970 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of AFCM Wind Farms Pvt Ltd	0.00	-
970 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of AJSM Green Energy Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of APGL Green Energy Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jaichander Wind Farms Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Sushmitha Titiksha Green Energy Pvt Ltd	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Prechander Wind Farms	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Prechander Green Energy	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jayanthi Wind Farms	0.00	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

5 Investments (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jayanthi Green Energy	0.00	-
Unquoted debt securities (at amortised cost)		
Investment in government securities		
7 years National Savings Certificates	0.04	0.04
(Pledged with government authorities)		
Quoted equity shares, at Fair value through OCI		
83,000 equity shares (as at March 31, 2019: 83,000 equity shares) of HDFC Bank Limited of INR 1/- each fully paid up	7.15	9.62
68,598 equity shares (as at March 31, 2019: 68,598 equity shares) of IDBI Bank Limited of INR 10/- each fully paid up	0.13	0.32
285 equity shares (as at March 31, 2019: 285 equity shares) of Bank of Baroda (formally known as Dena Bank) of INR 10/- each fully paid up	0.00	0.00
272,146 equity shares (as at March 31, 2019: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	0.54	1.22
4,500 equity shares (as at March 31, 2019: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.04	0.13
100 equity shares (as at March 31, 2019: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up	0.00	0.00
Total	**9.25**	**11.60**
Non-current	**9.25**	**11.60**
Aggregate book value of quoted investments	7.87	11.30
Aggregate market value of quoted investments	7.87	11.30
Aggregate value of unquoted investments	26.36	35.26
Aggregate amount of diminution in value of investments	10.00	-
Total	**34.23**	**46.56**

***Company does not excise any significant influence on DM Solar and SSMT Power Pvt Ltd and thus are not considered as associates.**

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities and quoted debt securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Company. Thus disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. The Company has not transferred any gain or loss within equity in the previous year. Refer Note 41 for determination of their fair values

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

6A Loans

(Unsecured, considered good, unless stated otherwise)
(at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Related Party		
- Loan to ESOS trust (Refer Note 36 & 43)	5.82	6.21
Security deposits	9.69	5.24
Total loan	**15.51**	**11.45**

6B Other non-current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Demand deposit	0.00	0.00
(Amount in absolute terms is INR 35,000 (Previous Year INR 35,000))		
Total other non-current financial assets	**0.00**	**0.00**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risks of the counter parties.

No Loans are due from directors or othe rofficer of the Company either severally or jointly with any other person. Nor any loans are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

7 Other-non current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	61.87	16.84
Deposit with statutory authorities under protest	5.32	7.53
Total	**67.19**	**24.37**

No Advances are due from directors or other officer of the Company either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

8 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories valued at lower of cost and net realizable value		
Raw materials	387.32	366.36
[includes in transit INR 11.13 Crore (At March 31, 2019: 25.50 Crore)]		

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

8 Inventories (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Work-in-progress	54.11	47.16
Finished goods	141.12	121.98
[includes in transit INR 10.76 Crore (At March 31, 2019: 34.49 Crore)]		
Stock-in-trade	18.21	30.28
[includes in transit NIL (At March 31, 2019: INR 2.41 Crore)]		
Stores and spares	123.51	102.48
[includes in transit NIL (At March 31, 2019: INR 0.78 Crore)]		
Total inventories at the lower of cost and net realisable value	**724.27**	**668.26**

Refer Note 16B for information on inventories pledged as security by the company.

9 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	265.24	267.12
Receivable from related parties (Refer Note 36)	92.34	113.11
Total trade receivables	**357.58**	**380.23**

Break-up for security details:	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Secured, considered good	56.02	35.33
Unsecured, considered good	301.56	344.90
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	2.03
Less: Impairment Allowance (allowance for bad and doubtful debts)*	-	(2.03)
Total trade receivables	**357.58**	**380.23**

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

For terms and conditions related to related party receivables, refer Note 36.

Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

*The provision for the impairment of trade receivable has been made in the previous year on the basis of the expected credit loss method and other cases based on management judgement.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

10A Cash and cash equivalent

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- On current account	89.34	4.23
Cash on hand	0.26	0.21
Total cash and cash equivalents	**89.60**	**4.44**

10B Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
- On unpaid dividend account	5.07	3.81
- On escrow account#	7.70	5.82
- On account of margin money deposited*	11.15	13.69
Bank balances other than cash and cash equivalents	**23.92**	**23.32**

#As per the guidelines of the Ministry of Coal, Government of India all Coal Mine owners who are operating Coal Mines are required to prepare a Mine Closure Plan and on approval of such plan need to open an escrow for depositing money towards mine closure activity. Annual amount to be deposited shall be as per mine closure plan. Total amount deposited along with interest shall be refunded as per conditions of approved mine plan.

*Margin money held with banks against opening of letter of credit (LC).

As at March 31, 2020, the Company had available NIL (As at March 31, 2019: INR 104.81 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- On current account	89.34	4.23
Cash on hand	0.26	0.21
	89.60	**4.44**

11A Loans

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	0.20	0.73
Loan to employees	2.16	2.11
Loan to subsidiary company (Refer Note 36)	1.50	2.02
	3.86	**4.86**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

11A Loans (Contd..)

(Unsecured, considered good, unless stated otherwise)

No Loans are due from directors or other officer of the Company either severally or jointly with any other person. Nor any loans are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risks of the counter parties.

Breakup of financial assets carried at amortised cost

Particulars	As at March 31, 2020	As at March 31, 2019
Loans (Note 6A & 11A)	19.37	16.31
Trade receivables (Note 9)	357.58	380.23
Cash and cash equivalents (Note 10)	89.60	4.44
Total financial assets carried at amortised cost	**466.55**	**400.98**

11B Derivative instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	2.26
Total derivative instruments at fair value through profit or loss	**-**	**2.26**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

11C Other current financial asset

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Export incentives receivable	21.29	17.59
Others	1.49	0.50
(Include Insurance claim receivable)		
	22.78	**18.09**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

12 Income Tax and deferred tax

Current tax assets (net)	As at March 31, 2020	As at March 31, 2019
Income tax paid / TDS (net of provisions) of INR 143.38 Crore (At March 31 2019: INR 153.84 Crore)	7.59	-
Total	**7.59**	**-**

Current tax liabilities (net)	As at March 31, 2020	As at March 31, 2019
Income tax payable (net of income tax paid/TDS)	-	9.34
Total	**-**	**9.34**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before tax from continuing operations	504.47	541.11
Accounting profit before income tax	**504.47**	**541.11**
At India's statutory income tax rate of 34.944% (March 31, 2019: 34.944%)	176.28	189.08
Adjustment for tax purposes:		
- Effect of tax rate change on opening deferred tax balances	(82.62)	-
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	20.36	7.04
- Charity, donation and CSR expenses	5.18	4.09
- Deduction under chapter VI-A	(25.80)	(18.89)
- Dimunition in value of investment	3.49	-
- Others	3.56	(2.08)
At the effective income tax rate of 19.91% (March 31, 2019: 33.34%)	**100.45**	**179.24**
Amounts recognised in profit or loss		
Income tax expense reported in the statement of profit and loss	143.38	153.84
Deferred tax expense reported in the statement of profit and loss	(42.93)	25.40
	100.45	**179.24**
Tax adjustment for Earlier years	(2.48)	0.84
Total tax expense	**97.97**	**180.08**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

12 Income Tax and deferred tax (Contd..)

Deferred tax expense/(income) relates to the following:	As at March 31, 2020	As at March 31, 2019
Effect of tax rate change on opening deferred tax balance	(82.62)	-
Depreciation & amortisation	41.64	26.57
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	(1.73)	(1.17)
Right to use asset	3.46	-
Lease liabilites	(3.68)	-
Deferred tax expense/(income)	**(42.93)**	**25.40**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.71	(0.22)
Total Deferred tax expense/(income)	**(42.22)**	**25.18**

Deferred tax relates to the following:	As at March 31, 2020	As at March 31, 2019
Deferred tax Liability		
Property, Plant and Equipment	(259.51)	(302.46)
Right to use asset	(3.46)	-
Deferred Tax Assets		
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	6.22	7.06
MAT Credit*	-	42.40
Lease liabilites	3.67	-
Net deferred tax assets/(liabilities)	**(253.08)**	**(253.00)**
Reflected in the balance sheet as follows:		
Deferred tax assets	9.89	49.46
Deferred tax liabilities	(262.97)	(302.46)
Deferred tax liabilities, net	**(253.08)**	**(253.00)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31, 2020, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

* During the year the Company utilised MAT credit amounting to INR 52.48 crore (March 31, 2019: INR 32.65 crore)

Pursuant to The Taxation Laws (Amendment) Act, 2019 dated December 02, 2019, the Company has decided to measure the Income tax liability for FY 19-20 at existing rates of 34.944% and to opt the lower tax rates 25.17% from next financial year. Accordingly the deferred tax liability has been re-measured and amount of INR 82.62 crores has been written back during the current financial year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

13 Other current assets

(Unsecured, Considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with statutory authorities	24.05	29.29
Advances recoverable in cash or kind	15.08	39.96
Prepaid expenses	3.10	4.61
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	-	4.73
Subvention receivable	4.43	3.00
Total other current assets	**46.66**	**81.59**

No Advances are due from directors or other officer of the Company either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

14 Share capital

Authorised share capital

Particulars	Number of Shares (of INR 10 each)	Amount
At April 1, 2018	**17,50,00,000**	**175.00**
Increase/(Decrease) during the year	-	-
At March 31, 2019	**17,50,00,000**	**175.00**
Increase/(Decrease) during the year	-	-
At March 31, 2020	**17,50,00,000**	**175.00**

Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation on the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

Issued, Subscribed and fully paid up equity shares

Particulars	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2018	**9,74,23,286**	**97.42**
Changes in share capital- ESOS issued during the year	6,05,000	0.61
At March 31, 2019	**9,80,28,286**	**98.03**
Changes in share capital- ESOS issued during the year (July 29,2019)	1,85,000	0.18
Changes in share capital- Buyback during the year *	(32,00,000)	(3.20)
At March 31, 2020	**9,50,13,286**	**95.01**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

14 Share capital

Issued, Subscribed and fully paid up equity shares (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Shareholder's holding more than 5 % shares		
Promoter & Promoter Group	19.18%	18.87%
Ares Diversified	5.19%	5.03%
DSP Small Cap Fund	9.07%	3.37%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

* During the year ended March 31, 2020, the Company has carried out the share buyback of 32,00,000 fully paid-up equity shares of face value of INR 10 each at a price of INR 178 per share paid in cash for an aggregate consideration of 56.96 crores. Same has been recorded as reduction in equity share capital by INR 3.2 crores, Securities Premium by INR 25.28 crores and General Reserve by 28.48 crores (The expenses of INR 0.13 crores relating to buyback has been adjusted against general reserve).

As required by the Companies Act, 2013, capital redemption reserve of INR 3.2 crores has been created out of general reserve to the extent of share capital extinguished. The tax paid on buyback u/s 115QA of the Income Tax Act 1961 amounting INR 12.49 crores debited to retained earnings.

Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the company, please Refer Note 33

15 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	7.57	7.57
Business development reserve	73.89	73.89
Capital redemption reserve	16.36	13.16
Securities premium	-	19.74
Retained earnings	1,971.07	1,672.61
Share based payment reserve	9.87	20.04
General reserve	5.45	37.13
FVTOCI reserve	6.34	9.78
Total	**2,090.55**	**1,853.92**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

Notes:

15A Capital reserve

Particulars	Amount
At April 1, 2018	**7.57**
Changes during the year	-
At March 31, 2019	**7.57**
Changes during the year	-
At March 31, 2020	**7.57**

The company had recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeited shares and forfeiture of preferential warrants under capital reserve in earlier years.

15B Business development reserve

Particulars	Amount
At April 1, 2018	**73.89**
Changes during the year	-
At March 31, 2019	**73.89**
Changes during the year	-
At March 31, 2020	**73.89**

In earlier years, certain fixed assets of the Company were revalued at their respective fair value as determined by government approved competent valuer appointed by the Company. The amount of such revaluation was transferred to business development reserve, as per scheme of arrangement as approved by Hon'ble Gujarat High Court on 30th November, 2008.

15C Capital redemption reserve

Particulars	Amount
At April 1, 2018	**13.16**
Changes during the year	-
At March 31, 2019	**13.16**
Changes during the year	3.20
At March 31, 2020	**16.36**

In earlier years, the Company had issued 10,000,000/- 10.75% cumulative Redeemable Preference Shares (CRPS) of INR 10/- each, to IDBI Bank Limited during financial year 1999-2000 which was subsequently redeemed by the Company in the financial year 2001-02, pursuant to the provisions of Section 80 of the Companies Act, 1956 and the article 7 of the Article of Association of the Company. Accordingly, the Capital Redemption Reserve account to the extent of 100% of the value of CRPS redeemed (i.e. INR 10 Crore), was created out of profit of the company available for payment of dividend.

In earlier years, an amount of INR 2.61 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the company in the year ended March 2018) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15C Capital redemption reserve (Contd..)

In current year, an amount of INR 3.20 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the company in the year ended March 2020) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Company. (Refer No 14).

15D Securities premium

Particulars	Amount
At April 1, 2018	**9.06**
Changes - Shares issued under ESOS scheme during the year	10.68
At March 31, 2019	**19.74**
Changes - Shares issued under ESOS scheme during the year	5.54
Changes - Utilised on account of buy back during the year	(25.28)
At March 31, 2020	**-**

During the earlier years, the Company has issued 11,65,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to 19.74 Crore, is credited to securities premium.

During the Current year, the Company has issued 1,85,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to INR 5.54 Crore, is credited to securities premium. (Refer Note 14).

During the current year, the Company has bought back and cancelled 32,00,000 equity shares of INR 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to 25.28 Crore, is adjusted against the Securities Premium Account. (Refer Note 14)

15E Retained earnings

Particulars	Amount
At April 1, 2018	**1,369.92**
Changes during the year-Profit for the year	361.03
Changes during the year-Dividend paid	(48.74)
Changes during the year-Dividend distribution tax	(10.01)
Changes during the year-Other comprehensive income	0.41
At March 31, 2019	**1,672.61**
Changes during the year-Profit for the year	406.50
Changes during the year-Dividend paid	(77.52)
Changes during the year-Dividend distribution tax	(15.93)
Changes during the year-Tax paid on Buy Back	(12.49)
Changes during the year-Other comprehensive income	(2.09)
At March 31, 2020	**1,971.07**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15F Share based payment reserve

Particulars	Amount
At April 1, 2018	**5.24**
Changes during the year	14.80
At March 31, 2019	**20.04**
Changes during the year (Refer Note 25)	(10.17)
At March 31, 2020	**9.87**

The Company has share option scheme under which options to subscribe for the Company's shares have been granted to certain executives and senior employees.

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 33 for further details of these plans.

15G General reserve

Particulars	Amount
At April 1, 2018	**37.13**
Changes during the year	-
At March 31, 2019	**37.13**
Changes - Utilised on account of buy back during the year	(31.68)
At March 31, 2020	**5.45**

During the current year, the Company has bought back and cancelled 32,00,000 equity shares of INR 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to 28.48 Crore, is adjusted against the General Reserves. (Refer Note 14)

An amount of INR 3.20 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the company in the year ended March 2020) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the Company. (Refer Note 14)

15H FVTOCI reserve

Particulars	Amount
At April 1, 2018	**8.55**
Changes during the year	1.23
At March 31, 2019	**9.78**
Changes during the year	(3.44)
At March 31, 2020	**6.34**

The company recognises the profit or loss on fair value of investments under fair value through other comprehensive income (FVTOCI) reserve.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15H FVTOCI reserve (Contd..)

Particulars	Amount
Grand Total (15) as at March 2018	1,524.52
Grand Total (15) as at March 2019	1,853.92
Grand Total (15) as at March 2020	**2,090.55**

Distributions made and proposed

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Cash dividends on equity shares declared and paid:		
Final cash dividend for the year ended on March 31, 2020: INR 5.00 per share (March 31, 2019: INR 5.00 per share)	49.01	48.75
Dividend distribution tax on final dividend	10.08	10.01
Interim dividend for the year ended on March 31, 2020: INR 3.00 per share (March 31, 2019: NIL)	28.50	-
Dividend distribution tax on Interim dividend	5.86	-
	93.45	**58.76**
Proposed dividends on equity shares:		
Final cash dividend for the year ended on March 31, 2020: NIL (March 31, 2019: INR 5.00 per share)	-	49.01
Dividend distribution tax on proposed dividend	-	10.08
	-	**59.09**

The Board of Directors of GHCL Ltd at its meeting held on March 16, 2020 has approved the interim dividend of INR 3/- per equity share for the financial year 2019-20 on the paid-up capital of 9,50,13,286 equity shares of the Company. Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at year end.

16A Long Term Borrowings

Particulars	Effective interest rate	Maturity	As at March 31, 2020	As at March 31, 2019
	%		INR Crores	INR Crores
Non-current Borrowings				
Term Loans				
From Banks				
Rupee Term Loans (secured)	8.94%	Jun 2021 - April 2029	774.84	638.65
Foreign currency loans (secured)	5.11%	September 2021 - July 2025	30.58	44.52
Others (secured)	5.77%	April 2029	2.47	18.18
Total non-current borrowings			**807.89**	**701.35**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16A Long Term Borrowings (Contd..)

Particulars	Effective interest rate	Maturity	As at March 31, 2020	As at March 31, 2019
	%		INR Crores	INR Crores
Current Borrowings				
Current maturities of long term loan				
Rupee Term Loans (secured)	8.94%	March 31,2019 and 2020	147.28	125.75
Foreign currency loans (secured)	5.11%	March 31,2019 and 2020	15.58	40.83
Rupee Term Loans (Unsecured)		March 31,2019	-	25.00
Total current Borrowings			**162.86**	**191.58**
Less: Amount clubbed under "other current liabilities"			-	-
Net current borrowings			162.86	191.58
Aggregate Secured loans			970.75	867.92
Aggregate Unsecured loans			-	25.00

16.1 Term loans from banks / institutions have been secured against: -

a) Loan aggregating to INR 41.82 crores (Previous Year INR 53.50 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 5 years.

b) Loan aggregating to INR 417.00 crores (Previous Year INR 353.71 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval, Gujarat excluding assets exclusively charged to other lenders both present and future. The remaining tenure of the loans is 6 to 8 years.

c) Loan aggregating to INR 4.00 crores (Previous Year INR 31.71 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is less than 1 years.

d) Loan aggregating to INR 62.54 crores (Previous Year INR 73.38 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 2 to 8 years.

e) Loan aggregating to INR 36.53 crores (Previous Year INR 42.96 crores) is secured by exclusive charge on specific movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loan is 4 years.

f) Loan aggregating to INR 7.44 crores (Previous Year INR 8.47 crores) is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Jodia, Jamnagar District, Gujarat, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 7 years.

g) Loan aggregating to INR 175.70 crores (Previous Year INR 186.70 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 2 to 9 years.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16A Long Term Borrowings (Contd..)

16.1 Term loans from banks / institutions have been secured against: - (Contd..)

h) Loan aggregating to INR 146.96 crores (Previous Year INR 13.35 crores) is secured by first charge on pari passu basis over movable fixed assets of Company's Textile division present and future situated at Paravai and Manaparai, Tamil Nadu excluding movable assets already hypothecated on exclusive charge basis. The remaining tenure of the loans is 4 to 5 years.

i) Loan aggregating to INR 25.50 crores (Previous Year INR 42.00 crores) is secured by first exclusive charge on movable fixed assets of Textile Division (including Phase I, II, III) Madurai, Tamil Nadu. The remaining tenure of the loan is 1 years.

j) Loan aggregating to INR 32.02 (Previous Year INR 36.91 crores) crores is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 5 to 6 years.

k) Loan aggregating to INR 21.24 crores (Previous Year INR 25.23 crores) is secured by an exclusive first charge over movable and immovable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 6 years.

l) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (k) totalling INR 970.75 crores (Previous Year INR 867.92 crores), an amount of INR 162.86 crores (Previous Year INR 191.58 crores) is due for payment in next 12 months and accordingly reported under Note 19B under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings".

16B Short term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Short term loans from banks (Secured)		
Cash credit facilities	8.14	149.92
Working capital demand loan	55.00	9.00
Sales Bill Discounting	7.75	2.77
Export Packing Credit (Rupee loan)	36.02	96.08
Export Packing Credit in foreign currency	2.95	-
Total Secured Short Term Borrowing	**109.86**	**257.79**
Short term loans from banks - (Unsecured)		
Cash credit facilities	0.23	30.33
Short Term Loan	49.41	35.00
Sales Bill Discounting	0.72	32.14
Export Packing Credit (Rupee loan)	89.50	43.61
Export Packing Credit (Foreign currency loan)	15.58	-
Export Bill Discounting Foreign Currency Loan)	3.58	-
Total Unsecured Short Term Borrowing	**159.02**	**141.08**
Total	**268.88**	**398.86**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16B Short term borrowings (Contd..)

16.2 Short term borrowings: This facility is secured by way of hypothecation on inventory and trade receivables and borrowed as under:

(a) Credit Facilities in Indian Rupees: The facilities availed by way of Cash Credit, Working capital demand loan, Export Packing Credit and Bill Discounting are repayable on demand and carries an average interest rate of 6.56% p.a (Previous Year 8.12% p.a) on the amount outstanding.

(b) Credit facilities in foreign currency : The facilities availed by way of foreign currency non resident borrowing, packing credit in foreign currency, Supplier's Credit and buyer's credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 3.18% p.a (Previous Year 3.42% p.a) on the amount outstanding.

16.3 The Company has satisfied all the loan covenants.

16.4 The Company also has no undrawn borrowing facilities (Refer Note 10A).

16.5 The Company's long term borrowings under Indian rupees carry interest rate in range of 7.75% to 10.20%

16.6 The Company's long term borrowings under foreign currency carry interest rate in range of 5.11% to 5.77%

17 Provisions

(A) Long term provisions

Particulars	Provision for mines restoration *
At April 1, 2018	**6.33**
Arising during the year	0.64
Utilised	(0.82)
At March 31, 2019	**6.15**
Arising during the year	0.79
Utilised	(0.67)
At March 31, 2020	**6.27**
Long term provisions	**6.27**

* The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

17 Provisions (Contd..)

(B) Short term provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Compensated absences	12.83	12.19
Provision for litigation	-	2.94
	12.83	**15.13**

18 Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises	12.92	14.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	392.87	393.02
	405.79	**407.85**
Trade Payables	405.79	407.85
Trade Payables to related parties	-	-
	405.79	**407.85**
Non-current	-	-
Current	405.79	407.85

Trade payables are non-interest bearing and are normally settled on around 90 days terms

For explanation on company's credit risk management process refer note no 40(e)

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020, is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Particulars	As at March 31, 2020	As at March 31, 2019
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	12.92	14.83
Interest	0.88	1.32
ii) The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year:		
Principal	38.99	-
Interest	1.16	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

18 Trade payables (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.88	1.32
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	0.88	1.32

19A Derivative instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	6.25	-
	6.25	**-**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

19B Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Other financial liabilities at amortised cost		
Current maturity of long term borrowings	162.86	191.58
(Refer Note 16)		
Other financial liabilities		
Dealer deposits	6.23	5.89
Security deposits	1.19	0.74
Capital creditors	38.12	25.92
Unpaid dividend	5.07	3.81
Interest accrued	0.88	1.32
Others	2.43	1.71
	216.78	**230.97**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

19B Other financial liabilities Current (Contd..)

Dealer deposits are non-interest bearing and have an average term of around 75 days. Interest payable is normally settled annually. Other than dealer deposits all other payables are non-interest bearing and have an average term of around 75 days.

20 Other liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	16.10	25.34
Others	0.82	-
	16.92	**25.34**

21 Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

Segment	For Year ended March 31, 2020			Total	For Year ended March 31, 2019			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Type of goods or service								
Sale of manufactures products								
- Soda Ash	1,943.94	-	-	1,943.94	1,895.31	-	-	1,895.31
- Textile products	-	1,067.90	-	1,067.90	-	1,195.49	-	1,195.49
- Consumer products	51.79	-	-	51.79	40.44	-	-	40.44
Sale of traded products								
- Consumer products	7.15	-	-	7.15	28.41	-	-	28.41
- Chemicals	185.23	-	-	185.23	211.53	-	-	211.53
Total revenue from contracts with customers	**2,188.11**	**1,067.90**	**-**	**3,256.01**	**2,175.69**	**1,195.49**	**-**	**3,371.18**
India	2,133.16	515.45	-	2,648.61	2,152.82	595.86	-	2,748.68
Outside India	54.95	552.45	-	607.40	22.87	599.63	-	622.50
Total revenue from contracts with customers	**2,188.11**	**1,067.90**	**-**	**3,256.01**	**2,175.69**	**1,195.49**	**-**	**3,371.18**
Timing of revenue recognition								
Goods transferred at a point in time	2,188.11	1,067.90	-	3,256.01	2,175.69	1,195.49	-	3,371.18
Services transferred over time	-	-	-	-	-	-	-	-
Total revenue from contracts with customers	**2,188.11**	**1,067.90**	**-**	**3,256.01**	**2,175.69**	**1,195.49**	**-**	**3,371.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

21 Revenue from contracts with customers (Contd..)

1) Disaggregated revenue information (Contd..)

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Segment	For Year ended March 31, 2020			Total	For Year ended March 31, 2019			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Revenue								
External customer	2,188.11	1,067.90	-	3,256.01	2,175.69	1,195.49	-	3,371.18
Inter-segment	-	90.93	-	90.93	-	105.04	-	105.04
	2,188.11	**1,158.83**	**-**	**3,346.94**	**2,175.69**	**1,300.53**	**-**	**3,476.22**
Inter-segment adjustment and elimination	-	(90.93)	-	(90.93)	-	(105.04)	-	(105.04)
Total revenue from contracts with customers	**2,188.11**	**1,067.90**	**-**	**3,256.01**	**2,175.69**	**1,195.49**	**-**	**3,371.18**

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables *	357.58	380.23
Contract liabilities		
Advances from customers**	6.11	3.66

* Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

** Advances from customers relate to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract.

3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Revenue as per contracted price	3,416.56	3,494.02
Adjustments		
Significant financing component	-	-
Sales return	(1.87)	(1.27)
Rebate	(0.61)	(0.07)

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

21 Revenue from contracts with customers (Contd..)

3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price (Contd..)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Discount	(158.07)	(121.50)
Revenue from contract with customers	**3256.01**	**3,371.18**

4) The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are, as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers (Refer Note 21.2)	6.11	3.66
Total expenses	**6.11**	**3.66**

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

22 Other income

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.61	0.32
- from others	0.03	0.87
Dividend income	0.08	0.05
Other non-operating income		
Gain on exchange (net)	2.43	-
Profit on sale of investments	0.88	0.72
Gain on sale of PPE	-	0.41
Sale of scrap	4.95	6.82
Miscellaneous income	7.45	4.35
	16.43	**13.54**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

23 Cost of raw material consumed (Refer Note 42)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Inventory at the beginning of the year	366.36	263.64
Add: Purchases	1,274.41	1,349.18
	1,640.77	**1,612.82**
Less: inventory at the end of the year	(387.32)	(366.36)
Cost of raw material consumed	**1,253.45**	**1,246.46**

24 (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019	(Increase)/decrease in inventories
Opening stock			
Finished goods	121.98	103.67	(18.32)
Stock in process	47.16	48.01	0.85
Stock in trade	30.28	15.97	(14.31)
	199.42	**167.65**	**(31.77)**
Closing stock			
Finished goods	141.12	121.98	(19.15)
Stock in process	54.11	47.16	(6.95)
Stock in trade	18.21	30.28	12.07
	213.44	**199.42**	**(14.02)**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	(14.02)	(31.77)	

25 Employee benefit expenses

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Salaries, wages and bonus	174.46	163.24
Contribution to provident and other funds	12.86	10.19
Share based payment expenses (Refer Note 33)	11.60	19.90
Gratuity expenses (Refer Note 32)	2.39	2.38
Staff welfare expenses	5.83	5.20
	207.14	**200.91**
Share based payment Written back (Refer Note 33)	(18.78)	-
	188.36	**200.91**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

26 Depreciation and amortization expense

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Depreciation of tangible assets (Refer Note 3)	125.01	114.59
Amortization of intangible assets (Refer Note 4)	3.88	1.70
Depreciation of Right-of-use assets (Refer Note 34)	1.62	-
	130.51	**116.29**

27 Finance costs

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest on borrowings	96.02	94.09
(Net of TUF interest subsidy amounting to INR 0.89 Crore (March 31, 2019 INR 3.66 Crore))		
Exchange differences regarded as an adjustment to borrowing costs	10.39	16.82
Interest others	4.77	8.45
Bank charges	5.51	6.96
Interest on lease liabilities	1.49	-
	118.18	**126.32**

28 Other expenses

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Consumption of stores and spares	59.64	64.63
Diminution in value of investment	10.00	-
Job Work charges	29.69	50.26
Other manufacturing expenses	37.21	35.76
Packing expenses	77.48	96.66
Bad Debts - written Off	0.85	0.38
Freight and forwarding	37.72	45.42
Commission on sales	9.69	10.01
Advertisement and business promotion expenses	13.79	14.10
Travelling and conveyance	15.97	16.88
Rent	4.25	6.71
Repairs and maintenance		
Plant and machinery	21.34	26.11
Buildings	3.52	4.58
Others	6.65	5.06
Rates and taxes	3.22	1.57
Insurance	12.66	9.63
Loss on Discard/Disposal of property, plant & equipment	1.48	-

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

28 Other expenses (Contd..)

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Commission to Non Whole time Directors	2.72	2.84
Communication expenses	1.63	1.75
Legal and professional expenses	11.67	11.46
Donation	0.08	0.13
Donation to Political Parties	5.00	2.36
CSR Expenditure (refer details below)	9.75	9.10
Loss on exchange (net)	-	6.03
Miscellaneous expenses	19.92	21.47
	395.93	**442.90**

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
To Statutory auditor:		
Audit fee	0.45	0.40
Limited review	0.75	0.60
In other capacity		
Other services (certification fees)	0.15	0.10
Reimbursements of expenses	0.07	0.03
	1.42	**1.13**
To Cost auditor		
Audit fee	0.03	0.03
Out of pocket expenses	0.00	0.00
	0.03	**0.03**

Details of CSR expenditure

Particulars			For year ended March 31, 2020	For year ended March 31, 2019
a Gross amount required to be spent by the Company during the year			9.75	9.10
b Amount spent during the year ending on March 31, 2020:	**In cash**	**Yet to be paid in cash**	**Total**	
i) Construction / acquisition of any asset	0.30	-	0.30	
ii) On purpose other than (i) above	9.45	-	9.45	
c Amount spent during the year ending on March 31, 2019:	**In cash**	**Yet to be paid in cash**	**Total**	
i) Construction / acquisition of any asset	0.24	-	0.24	
ii) On purpose other than (i) above	8.86	-	8.86	

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

29 Components of Other comprehensive income (OCI)

Particulars	FVTOCI reserve	Retained earnings	Total
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2020			
Gain/(Loss) on FVTOCI financial assets			-
Re-measurement Gain/(Loss) on defined measurement plans	-	(2.09)	(2.09)
Re-measurement of investment in equity	(3.44)	-	(3.44)
	(3.44)	**(2.09)**	**(5.53)**
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2019			
Re-measurement Gain/(Loss) on defined benefit plans	-	0.41	0.41
Re-measurement of investment in equity	1.23	-	1.23
Total	**1.23**	**0.41**	**1.64**

30 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in computation of Basic EPS:	For Year ended March 31, 2020	For Year ended March 31, 2019
Profit attributable to the equity holders of the Company	406.50	361.03
Weighted average number of equity shares for basic EPS	9,79,17,070	9,79,06,026
Basic earnings per share (Face value of INR 10/- per share)	41.51	36.88
Profit attributable to the equity holders of the Company	406.50	361.03
Weighted average number of equity shares and common equivalent shares outstanding*	9,79,17,070**	9,87,60,495
Diluted earnings per equity share - (face value of INR 10/- per share)	41.51	36.56

**The effect of dilution on weighted avg no. of equity shares is anti dilutive (refer below details). Therefore, weighted avg no. of equity shares considered for basic EPS and Diluted EPS are same.

*Weighted average number of Equity shares adjusted for the effect of dilution	For Year ended March 31, 2020	For Year ended March 31, 2019
Weighted average number of equity shares for basic EPS	9,79,17,070	9,79,06,026
Effect of dilution:		
Employee Share Option Scheme	(15,28,086)	8,54,469
Weighted average number of equity shares and common equivalent shares outstanding	9,63,88,984	9,87,60,495

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the Company's financial statements:

Determining the lease term of contracts with renewal and termination options – Company as lessee

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform the irrespective obligations under the contract, and the contract is legally enforceable.

The Company's contracts with customers could include promises to transfer multiple product. The Company assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, cash discount, price concessions and incentives. The estimated amount of variable

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (Contd..)

consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Assessment of equity instruments

The Company has designated investments in equity instruments as FVTOCI investments since the Company expects to hold these investment with no intention to sale. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to impairment assessment of property plant and equipment and investment in subsidiary companies, recognised by the Company. Company has done the impairment assessment of Home Textile Division during the year Refer Note 3 for details.

Share-based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Company uses a Black-Scholes model for Employee Share Option Plan (GESP). The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

Useful lives of property, plant and equipment

` The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of property, plant and equipment at the end of each reporting date.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (Contd..)

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 41 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

32 Defined benefit and contribution plan

Defined contribution plan

The Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Contribution paid for provident fund and superannuation fund are recognised as expense for the year :

Particulars	For year ended March 31, 2020	For year ended March 31, 2019
Employer's contribution to provident fund/pension scheme	9.89	8.23
Employer's contribution to superannuation fund	1.60	1.25

Defined benefit plan

Gratuity (funded)

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

Defined benefit plan (Contd..)

Gratuity (funded) (Contd..)

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Group Gratuity Trust registered under Income Tax Act-1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Company

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2020:

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
Particulars	April 01, 2019	Service cost	Net interest expense/ (Income)	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2020
Defined benefit obligation	42.09	2.93	3.36	6.29	(7.23)		(1.07)	3.17	2.10		43.25
Fair value of plan assets	46.81		(3.74)	(3.74)	(7.23)	0.71			0.71	-	42.61
Benefit liability	**(4.72)**			**2.55**					**2.81**		**0.64**

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2019:

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
Particulars	April 01, 2018	Service cost	Net interest expense/ (Income)	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2019
Defined benefit obligation	39.88	2.79	3.05	5.84	(2.74)		(0.26)	(0.63)	(0.89)		42.09
Fair value of plan assets	43.66		(3,46)	(3.46)	-	0.38			0.38	0.07	46.81
Benefit liability	**(3.78)**			**2.38**					**(0.51)**		**(4.72)**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Investment details of plan assets		
Insurance fund	42.61	46.81
The principal assumptions used in determining gratuity are:		
Mortality table - LIC	Indian Assured Lives Mortality Indian Assured Lives Mortality(2006-08)	
Discount rate	6.59%	7.94%
Estimated rate of return on plan assets	6.59%	7.94%
Estimated future salary growth	4.00%*	8.00%
Rate of employee turnover	11.00%	2.00%

*4% p.a. for next 1 year, 7% p.a. thereafter, starting from the 2nd year.

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(0.09)	0.09	1.45	(1.34)	(1.32)	1.46

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(0.06)	0.07	2.52	(2.23)	(2.21)	2.55

The following payments are projected benefits payable in future years from the date of reporting from the fund:

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	14.16	9.84
2nd Following Year	4.78	2.94
3rd Following Year	5.93	4.28
4th Following Year	4.95	4.70
5th Following Year	4.60	4.26
Sum of Years 6 to 10	12.13	17.53
Total expected payments	**46.55**	**43.55**

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2019: 7 years).

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

Interest rate Risk:	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher proportion. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Salary Risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Investment Risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Asset Liability Matching Risk:	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM Risk.
Mortality Risk:	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration Risk:	Plan is having a concentration risk all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines

33 Share based compensation

In accordance with the Securities and Exchange Board of India (share based employee benefits) Regulations, 2014 and the guidance Note on accounting for 'Employees share-based payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the company. To have an understanding of the scheme, relevant disclosures are given below.

a) As approved by the shareholders at their Annual General Meeting held on 23rd July 2015, the Company has got 50,00,000 number of Options under the employee stock option scheme "GHCL ESOS 2015". The following details show the actual status of ESOS granted during the financial year ended on March 31, 2020.

b) During the year 2,15,000 equity share options lapsed upon cessation of employment. Further 3,62,500 ESOP's (which were deferred for vesting in the Nomination and Remuneration Committee meeting held on April 25, 2019) and ESOP's 6,15,000 stock options (due for vesting on April 25, 2020) has now been considered as lapsed after the approval of the Nomination and Remuneration Committee in the meeting held on January 23, 2020 on account of non-performance of benchmark set for the specific businesses and Company as a whole. The ESOP provision to the extent of INR 18.78 crores has been written back on account of the above options lapsed.

The relevant details of the Scheme are as under:

Particulars	Grant 2		Grant 3		Grant 4	
Date of grant	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	198.55	204.79	110.59	123.20	123.20	134.18

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

The relevant details of the Scheme are as under: (Contd..)

Particulars	Grant 2		Grant 3		Grant 4	
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 2		Grant 3		Grant 4	
On completion of 12 months	15,000	-	25,000	-	-	-
On completion of 18 months	-	15,000	-	25,000	90,000	-
On completion of 30 months	-	-	-	-	-	90,000

Particulars	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	161.33	173.00	183.41	173.00	183.41	192.68
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 5			Grant 6		
On completion of 12 months	6,10,000	-	-	-	-	-
On completion of 24 months	-	6,10,000	-	15,000	-	-
On completion of 36 months	-	-	6,10,000	-	15,000	
On completion of 48 months	-	-	-	-	-	15,000

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Details of the vesting period are: (Contd..)

Particulars	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	25,000	25,000	25,000	60,000	60,000	60,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	173.00	183.41	192.68	183.41	192.68	200.98
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 7			Grant 8		
On completion of 24 months	25,000	-	-	-	-	-
On completion of 36 months	-	25,000	-	60,000	-	-
On completion of 48 months	-	-	25,000	-	60,000	-
On completion of 60 months	-	-	-	-	-	60,000

Set out below is a summary of options granted under the plan:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	22,05,000	151	7,80,000	121
Options granted during the year	-	-	21,30,000	150
Options forfeited/lapsed during the year	11,92,500	152	1,00,000	158
Options exercised during the year	1,85,000	148	6,05,000	100
Options expired during the year	-	-	-	-
Options outstanding at end of year	8,27,500	150	22,05,000	151
Options vested but not exercised during the year	1,12,500	151	5,000	170

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Set out below is a summary of options granted under the plan:(Contd..)

Particulars	March 31, 2020						Total
	Grant 2		Grant 3		Grant 4		
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	15,000	5,000	25,000	45,000	45,000	1,35,000
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	12,500	37,500	45,000	95,000
Exercised during the year	-	15,000	-	10,000	7,500	-	32,500
Expired during the year			-	-			-
Outstanding at the end of the year	-	-	5,000	2,500	-	-	7,500
Exercisable at the end of the year	-	-	5,000	2,500	-	-	7,500
Weighted average remaining contractual life (in years)	-	-	-	-	-	-	
Weighted average fair value of options granted during the year	198.55	204.79	110.59	123.20	123.20	134.18	

Particulars	Grant 2		Grant 3		Grant 4	
Date of grant	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Stock price at the date of grant	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	170	170	170	170
Expected volatility	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	3	4
Risk free interest rate (%)	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	198.55	204.79	110.59	123.20	123.20	134.18

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Set out below is a summary of options granted under the plan:(Contd..)

Particulars	March 31, 2020						Total
	Grant 5			Grant 6			
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	6,05,000	6,05,000	6,05,000	15,000	15,000	15,000	18,60,000
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	3,47,500	6,05,000	75,000	15,000	5,000	5,000	10,52,500
Exercised during the year	1,52,500	-	-	-	-	-	1,52,500
Expired during the year	-	-			-	-	-
Outstanding at the end of the year	1,05,000	-	5,30,000	-	10,000	10,000	6,55,000
Exercisable at the end of the year	1,05,000	-	-	-	-	-	1,05,000
Weighted average remaining contractual life (in years)	-	-	1.07	-	1.07	2.07	
Weighted average fair value of options granted during the year	161.33	173.00	183.41	173.00	183.41	192.68	

Particulars	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	2	3	4	3	4	5
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	161.33	173	183.41	173	183.41	192.68

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Set out below is a summary of options granted under the plan:(Contd..)

Particulars	March 31, 2020						Total	Grand Total of ESOS
	Grant 7			Grant 8				
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	25,000	25,000	25,000	45,000	45,000	45,000	2,10,000	22,05,000
Granted during the year	-	-	-	-	-	-	-	-
Forfeited during the year	25,000	10,000	10,000	-	-	-	45,000	11,92,500
Exercised during the year	-	-	-	-	-	-	-	1,85,000
Expired during the year	-	-			-	-	-	-
Outstanding at the end of the year	-	15,000	15,000	45,000	45,000	45,000	1,65,000	8,27,500
Exercisable at the end of the year	-	-	-	-	-	-	-	1,12,500
Weighted average remaining contractual life (in years)	-	1.07	2.07	1.07	2.07	3.07		
Weighted average fair value of options granted during the year	173.00	183.41	192.68	183.41	192.68	200.98		

Particulars	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	3	4	5	4	5	6
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	173	183.41	192.68	183.41	192.68	200.98

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

34 Leases

Company as a lessee

The Company has lease contracts for various items of Building and Salt works (fields taken on lease for salt production) in its operations. Leases of Building generally have lease terms between 1 and 10 years, while salt works generally have lease terms between 3 and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. There are no major lease contracts that include extension and termination options and variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold building	Saltworks	Total
As at April 1, 2019	**7.11**	**7.89**	**15.00**
Additions	0.44	-	0.44
Depreciation expense	(1.15)	(0.47)	(1.62)
Termination	(0.09)	-	(0.09)
As at March 31, 2020	**6.31**	**7.42**	**13.73**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at March 31, 2020
As at April 1, 2019	**15.00**
Additions	0.26
Accretion of interest	1.49
Payments	(2.06)
Termination	(0.09)
As at March 31, 2020	**14.60**
Current	0.68
Non-current	13.92

The maturity analysis of lease liabilities are disclosed in Note 40.
The effective interest rate for lease liabilities is 10%.

The following are the amounts recognised in profit or loss:

Particulars	As at March 31, 2020
Depreciation expense of right-of-use assets	1.62
Interest expense on lease liabilities	1.49
Expense relating to short-term leases and low value leases (included in other expenses)	4.60
Total amount recognised in profit or loss	**7.71**

The Company had total cash outflows for leases of INR 6.66 crores in March 31, 2020 (INR 6.71 crores in March 31, 2019). There are no non-cash additions to right-of-use assets and lease liabilities . There are no future cash outflows relating to leases that have not yet commenced.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

35 Commitments and contingencies

	Particulars	As at March 31, 2020	As at March 31, 2019
a)	Estimated value of contracts remaining to be executed on Capital Account and not provided for	83.49	20.29

b) Contingent liabilities :

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Company not acknowledged as debts*		
- Income tax	158.27	154.85
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	128.92	124.08
- Other claims	18.26	36.54

Cases pending before appellate authorities/dispute resolution panel in respect of which the Company has filed appeals.

*On the basis of current status of individual case for respective years and as per legal advice obtained by the company, wherever applicable, the company is confident of winning the above cases and is of the view that no provision is required in respect of above cases.

These include claims against the Company for recovery lodged by various parties.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Company's tax filings includes deduction relatied to 80IA, deduction allowances on subsidiary losses, 14A disallowances, transfer pricing matters and others . The taxation authorities may challenge those tax treatments. The Company determined, based on its tax compliance and transfer pricing study , that it is probable that its tax treatments will be accepted by the taxation authorities.

The aforesaid Appendix did not have an impact on the financial statements of the Company.

	Particulars	As at March 31, 2020	As at March 31, 2019
c)	**Guarantees:**		
	Corporate Guarantees to bank on behalf of erstwhile subsidiaries of the Company	2.82	2.72
d)	**Bills discounted with banks (since realized)**	-	-
e)	EPCG Commitment (value of exports) - The Company has export obligations to the extent INR 390.61 crores (as at March 31, 2019, INR 253.25 crores) of on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight / six years. Due to the remote likelihood of the Company being unable to meet its export obligations, the Company does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	42.59	42.21

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions

a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

A) Wholly owned subsidiaries

Dan River Properties LLC

Grace Home Fashions LLC

B) Key managerial personnel

Mr. R. S. Jalan, Managing Director

Mr. Raman Chopra, CFO & Executive Director -Finance

Mr. Neelabh Dalmia- Executive Director -Textiles (w.e.f February 01,2020)

Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary

C) Non-whole-time directors

Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mr. Neelabh Dalmia (Upto January 31,2020)

Mrs. Vijaylaxmi Joshi

Mr. Lavanya Rastogi

Mr. Manoj Vaish (W.e.f April 01,2019)

Mr. Arun Kumar Jain (W.e.f April 01,2019)

Justice Ravindra Singh (W.e.f April 01,2019)

Mr. K C. Jani (Upto September 17, 2019)

D) Relative of key managerial personnel

Mrs. Sarita Jalan, w/o Mr. R. S. Jalan

Mrs. Bharti Chopra, w/o Mr. Raman Chopra

Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra

E) Enterprises over which key managerial personnel are able to exercise significant influence

Dalmia Centre for Research & Development

GHCL Foundation Trust

GHCL Employees Group Gratuity Scheme

Gujarat Heavy Chemical Limited Superannuation Scheme

Dalmia Biz Private Limited.

Dalmia Healthcare Limited

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions (Contd..)

b) Transactions with subsidiaries

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in equities		
Grace Home Fashions LLC (Diminution in Value of Investment in Subsidiary)	(10.00)	34.93
Sales of Goods		
Grace Home Fashions LLC	85.54	136.18
Net payment/(receipt) of loans & advances		
Dan River Properties LLC	(0.52)	(1.52)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans & advances recoverable at the year end		
Dan River Properties LLC	1.50	2.02
Balance of investment in equities at the year end		
Grace Home Fashions LLC	24.97	34.97
(After considering Diminution in Value of Investment in Subsidiary)		
Balance receivable at the year end		
Grace Home Fashions LLC	92.34	113.11
c) Transactions with relative of key management personnel		
Leasing & hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.18	0.12
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.12	0.09
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02
d) Transactions with enterprises over which significant influence exercised by directors		
Purchase of goods		
Dalmia Centre for Research & Development	-	0.02
Royalty paid		
Dalmia Centre for Research & Development	0.07	0.07
Rent & Other Receipts		
Dalmia Biz Private Limited	0.18	0.26
Dalmia Healthcare Limited	0.16	0.23
Net contribution		
GHCL Foundation Trust	9.75	9.10
GHCL Employees Group Gratuity Scheme	-	0.07
Gujarat Heavy Chemical Limited Superannuation Scheme	1.60	1.25

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions (Contd..)

e) Compensation of key management personnel of the Company

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Mr. Ravi Shanker Jalan	8.09	9.56
Mr. Raman Chopra	4.68	5.46
Mr. Neelabh Dalmia	0.34	-
Mr. Bhuwneshwar Mishra	0.54	0.67
Total compensation paid to key management personnel	**13.65**	**15.69**

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Short-term employee benefits	13.26	12.40
Post-employment gratuity and medical benefits	0.36	0.67
Share-based payment transactions*	0.03	2.62
Total compensation paid to key management personnel	**13.65**	**15.69**

* Taxable component of ESOS

f) Transactions with non-whole-time directors

Particulars	For Year ended March 31, 2020		For Year ended March 31, 2019	
	Sitting Fees	Commission	Sitting Fees	Commission
Mr. Sanjay Dalmia	0.03	0.60	0.03	0.60
Mr. Anurag Dalmia	0.02	0.50	0.02	0.50
Mr. Neelabh Dalmia	0.02	0.30	0.02	0.40
Dr. Manoj Vaish	0.04	0.26	-	-
Justice Ravindra Singh	0.05	0.25	-	-
Mrs. Vijaylaxmi Joshi	0.06	0.25	0.05	0.25
Mr. Arun Kumar Jain	0.05	0.25	-	-
Mr. K C Jani	0.02	0.11	0.05	0.27
Dr. Lavanya Rastogi	0.02	0.20	0.02	0.25
Dr. B. C. Jain	-	-	0.01	0.07
Mr. G. C. Srivastava	-	-	0.04	0.25
Mr. Mahesh Kumar Kheria	-	-	0.04	0.25
Total	**0.32**	**2.72**	**0.28**	**2.84**

g) Disclosure required under Sec 186(4) of the Companies Act 2013 (Refer Note 6A and Note 11A)

Particulars	As at March 31, 2020	As at March 31, 2019
GHCL Employee Stock Option Trust	5.82	6.21
Dan River Properties LLC (Subsidiary Company)	1.50	2.02

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information

The Company is primarily engaged in the business of manufacture of inorganic chemicals and textiles and based on this it has two reportable segments:

Inorganic chemicals segment majorly includes manufacture of soda ash which is an important raw material for detergent and glass industry. Major raw materials to manufacture soda ash are salt, limestone, coke, briquette, coal and lignite. The total Inorganic chemical segment contributes approximately 67% of total Indian Standalone revenue.

Textiles segment manufactures cotton yarn and polyester yarn and home textile products. GHCL Limited is one of the largest integrated textile manufacturers own spinning, weaving and processing & dyeing and cutting & sewing manufacturing facility.

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed on Company basis and are not allocated to Operating segments.

Summary of Segment information

For Year ended March 31, 2020

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	2,188.11	1,067.90	-	3,256.01
Inter-segment	-	-	-	-
Total revenue	**2,188.11**	**1,067.90**	**-**	**3,256.01**
Segment profit	629.40	25.83	-	655.23
Total assets	2,523.41	1,613.13	64.42	4,200.96
Total liabilities	1,134.92	626.53	253.95	2,015.40
Capital expenditure	144.50	47.22	-	191.72
Depreciation and amortization	79.50	51.01	-	130.51

For Year ended March 31, 2019

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	2,175.69	1,195.49	-	3,371.18
Inter-segment	-	-	-	-
Total revenue	**2,175.69**	**1,195.49**	**-**	**3,371.18**
Segment profit	620.19	66.62	-	686.81
Total assets	2,221.24	1,704.13	78.23	4,003.60
Total liabilities	880.41	908.02	263.22	2,051.65
Capital expenditure	155.66	99.18	-	254.84
Depreciation and amortization	71.22	45.07	-	116.29

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information (Contd..)

All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a company basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a company basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets."

Reconciliations to amounts reflected in the financial statements

Particulars	For Year ended March 31, 2019	For Year ended March 31, 2019
Reconciliation of profit		
Segment profit	645.23	686.81
Un-allocated expenditure	(22.58)	(19.38)
Other finance costs	(118.18)	(126.32)
Profit before tax	**504.47**	**541.11**

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of assets		
Inorganic chemicals	2,523.41	2,221.24
Home textiles	1,613.13	1,704.13
Un-allocated	64.42	78.23
Total assets	**4,200.96**	**4,003.60**

Particulars	As at March 31, 2020	As at March 31, 2019
Reconciliation of liabilities		
Inorganic chemicals	1,134.92	880.41
Home textiles	626.53	908.02
Un-allocated	253.95	263.22
Total liabilities	**2,015.40**	**2,051.65**

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Revenue from external customers		
India	2,648.61	2,748.68
Outside India	607.40	622.50
Total revenue per statement of profit and loss	**3,256.01**	**3,371.18**

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivable		
India	203.02	213.99
Outside India	154.56	166.24
Total trade receivable	**357.58**	**380.23**

38 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Company's risk management strategy and how it is applied to manage risk are explained in Note 40.

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 24 months.

These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

Foreign Currency Risk Exposure

Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows:

		In Crores			
		Unhedged Exposure		Unhedged Exposure	
		As on March 31,2020		As on March 31,2019	
Particulars	**Currency**	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables					
	USD	-	-	-	-
	NZD	0.03	1.56	-	-
	EUR	0.00	0.19	0.00	0.18
	GBP	-	-	0.02	1.43
Current Liabilities					
	USD	0.82	66.79	1.47	99.10
	EUR	0.03	2.84	0.00	0.10

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

38 Hedging activities and derivatives

Foreign Currency Risk Exposure (Contd..)

Foreign Currency exposures that are not hedged by derivative instruments or otherwise are as follows: (Contd..)

Particulars	Currency	In Crores			
		Unhedged Exposure As on March 31,2020		Unhedged Exposure As on March 31,2019	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
	CHF	-	-	0.00	0.09
	DKK	0.01	0.05	0.01	0.05
	GBP	0.00	0.16	0.00	0.14
	NZD	0.00	0.01	-	-
Non-Current Liabilities					
	USD	0.40	30.58	0.64	44.52

39 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value March 31, 2020	Fair value March 31, 2020	Carrying value March 31, 2019	Fair value March 31, 2019
Financial assets measured at fair value				
Investments* (Refer Note 5)	9.25	9.25	11.59	11.59
Derivative instruments (Refer Note 11B)	-	-	2.26	2.26
Financial assets measured at amortised cost				
Loan to ESOS trust (Refer Note 6A)	5.82	5.82	6.21	6.21
Security deposits (Refer Note 6A & 11A)	9.89	9.89	5.24	5.24
Demand deposits# (Refer Note 6B)	0.00	0.00	0.00	0.00
Loan to subsidiary (Refer Note 11A)	1.50	1.50	2.02	2.02
Loan to employees (Refer Note 11A)	2.16	2.16	2.11	2.11
Others** (Refer Note 11C)	1.49	1.49	0.50	0.50

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

Particulars	Carrying value March 31, 2020	Fair value March 31, 2020	Carrying value March 31, 2019	Fair value March 31, 2019
Financial liabilities at fair value				
Derivative instruments (Refer Note 19A)	6.25	6.25	-	-
Financial liabilities measured at amortised cost				
Term loans (Refer Note 16)	970.75	970.75	892.93	892.93
Short term borrowings (Refer Note 16)	268.88	268.88	398.86	398.86

The management assessed that cash and cash equivalents, trade receivables, Export incentives receivable, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The other current financial liabilities represents Dealer deposits, Security deposits, Capital creditors, Unpaid dividend and Interest accrued on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

* Investments excludes investment in subsidiary which is carried at cost.

**The other non-current financial assets represents bank deposits and insurance receivable.

#Amount in absolute terms is INR 35,000 (Previous Year INR 35,000)

The following methods and assumptions were used to estimate the fair values:

i The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Date of valuation	Carrying amount	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments					
Quoted equity shares (Refer Note 5)	March 31, 2020	7.87	7.87		
	March 31, 2019	11.30	11.30		
Unquoted equity shares (Refer Note 5)	March 31, 2020	1.35			1.35
	March 31, 2019	0.25			0.25
Unquoted debt securities (Refer Note 5)	March 31, 2020	0.04			0.04
	March 31, 2019	0.04			0.04

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

Particulars	Date of valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through profit and loss					
Derivative instruments (Refer Note 11B)	March 31, 2020	-			-
	March 31, 2019	2.26		2.26	-
Financial assets measured at amortised cost					
Security deposits (Refer Note 6A)	March 31, 2020	9.69		9.69	
	March 31, 2019	5.24		5.24	
Loan to ESOS trust (Refer Note 6A)	March 31, 2020	5.82		5.82	
	March 31, 2019	6.21		6.81	
Demand deposits (Refer Note 6B)	March 31, 2020	0.00		0.00	
	March 31, 2019	0.00		0.00	
Loan to subsidiary (Refer Note 11A)	March 31, 2020	1.50		1.50	
	March 31, 2019	2.02		2.02	
Loan to employees (Refer Note 11A)	March 31, 2020	2.16		2.16	
	March 31, 2019	2.11		2.11	
Others (Refer Note 11C)	March 31, 2020	1.49		1.49	
	March 31, 2019	0.50		0.50	
Financial liability measured at fair value through profit and loss					
Derivative instruments (Refer Note 19A)	March 31, 2020	6.25		6.25	-
	March 31, 2019	-		-	-
Financial liabilities measured at amortised cost					
Floating rate borrowings (India)	March 31, 2020	1,239.63		1,239.63	
	March 31, 2019	1,291.79		1,291.79	

There have been no transfers between Level 1 and Level 2 during the year.

	Fair value hierarchy	Valuation technique	Inputs used
FVTOCI financial investments			
Quoted equity shares	Level 1	Market valuation techniques	Prevailing rates in the active markets
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, weighted average cost of capital, long-term operating margin, discount for lack of marketability
Unquoted debt securities	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, weighted average cost of capital, long-term operating margin,discount for lack of marketability

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

	Fair value hierarchy	Valuation technique	Inputs used
Financial assets measured at fair value through profit and loss			
Derivative instruments	Level 2	Market valuation techniques	Forward foreign currency exchange rates
Financial assets measured at amortised cost			
Security deposits	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts
Loan to subsidiary			
Loan to ESOS trust			
Loan to employees			
Financial liabilities measured at fair value			
Derivative instruments	Level 2	Market valuation techniques	Forward foreign currency exchange rates
Financial liabilities measured at amortised cost			
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, future payouts

40 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTOCI investments and enters into derivative transactions. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a banking and operations committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Company's policy, that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

The sensitivity analyses in the following sections relate to the position as at March 31, 2020 and March 31, 2019. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Company is not exposed the significant interest rate as at a respective reporting date.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is effected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2020	+/(-).50%	'(-)/+ 6.20

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2019	+/(-).50%	'(-)/+ 6.46

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month periods for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

Foreign currency sensitivity

Particulars	Change in USD rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.49

Particulars	Change in USD rate	Effect on PBT in INR
March 31, 2019	+/(-)1%	'(-)/+ 2.19

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

b) Foreign currency risk (Contd..)

Foreign currency sensitivity (Contd..)

Particulars	Change in GBP rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.00

Particulars	Change in GBP rate	Effect on PBT
March 31, 2019	+/(-)1%	'(-)/+ 0.02

Particulars	Change in EUR rate	Effect on PBT
March 31, 2020	+/(-)1%	'+/(-) -0.16

Particulars	Change in EUR rate	Effect on PBT
March 31, 2019	+/(-)1%	'+/(-) 0.09

c) Equity price risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 1.35 crores as on March 31, 2020, (INR 0.25 as on March 31, 2019).

At the reporting date, the exposure to listed equity securities at fair value was INR 7.87 Crore as on March 31, 2020, (INR 11.30 as on March 31, 2019). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 0.79 Crore on the OCI or equity attributable to the company. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

d) Commodity risk

The Company is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the company has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Company's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

e) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous Company's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company is not having the history of the significant bad debts expect one off cases. The receivables are recovered in business operating cycle. The company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Therefore the Company has not created any provision on receivables according to the ECL - Simplified approach.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019, is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

Liquidity risk

Liquidity risk is the risk that the company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the company to manage liquidity is to ensure , as far as possible, that it should have sufficient liquidity to meet its respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The Company also beleives a significant liquidity risk with regard to its lease liabilities as the current aseets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

e) Credit risk (Contd..)

Liquidity risk (contd..)

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

As at March 31, 2020	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	268.88	162.86	628.51	179.38	1,239.63
Trade and other payables	-	405.79	-	-	405.79
Lease Liablities	-	0.68	2.05	11.87	14.60
Other financial liabilities	11.18	64.58	1.19	-	76.95
	280.06	**633.64**	**631.75**	**191.25**	**1,736.97**

As at March 31, 2019	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	398.86	191.58	498.33	203.02	1,291.79
Trade and other payables	-	407.85	-	-	407.85
Other financial liabilities	7.47	60.18	0.74	-	68.39
	406.33	**659.61**	**499.07**	**203.02**	**1,768.03**

41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio of less than 75%. The Company includes within net debt, interest bearing loans and borrowings, lease liabilities, trade and other payables, less cash and cash equivalents.

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	1,239.63	1,291.79
Lease liabilities	14.60	-
Trade payables	405.79	407.85
Other financial liabilities	76.95	68.39

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

41 Capital management (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Less: Cash and bank balances	(89.60)	(4.44)
Net debt	**1,647.37**	**1,763.59**
Equity	2,185.56	1,951.95
Capital and net debt	**3,832.93**	**3,715.54**
Gearing ratio	43%	47%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020.

42 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

Particulars	For Year ended March 31, 2019	For Year ended March 31, 2019
Manufacturing expenses*	154.60	191.58
Stores and spares consumed	1.52	1.37
Power and fuel	4.13	5.32
Excise duty, cess and royalty	5.59	9.67
Repairs and maintenance		
Building	0.17	0.29
Plant and machinery	0.88	0.99
Earth work	2.01	3.57
Others	0.48	0.43
Salaries and wages	10.37	9.90
Travelling & conveyance	0.71	0.77
Lease rent	1.00	0.71
Rates and taxes	0.24	0.36
Insurance	1.35	0.87
Misc. expenses (including deferred revenue & intangible expenses)	1.86	2.62
Less: Other misc. income	(0.58)	(0.51)
Total	**184.33**	**227.93**

* It includes consumption of breeze, starch binder and other production and mining cost.

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

43 In prior years as per SEBI (ESOS & ESPS) guidelines 1999 the Employees Stock Option Schemes of GHCL was administered by the registered Trust named GHCL Employees Stock Option Trust. However, the SEBI circular dated November 29, 2013, required the closure of all Employee Stock Option Trusts by June 2014. Accordingly, GHCL closed its ESOS Scheme, disposed of GHCL shares but retained its ESOS Trust for a limited purpose of litigation. ESOS Trust owns 20,46,195 GHCL shares, out of which 15,79,922 shares were illegally sold by broker involved, against which ESOS Trust has initiated legal proceedings and 4,66,273 shares were blocked for transactions by Stock exchange under legal proceedings. During the year, 4,66,274 shares were transferred/released to ESOS Trust as per NSE order dated July 24, 2019 and are currently held by the Trust.

During the tenure of ESOS Trust, the company had advanced INR 29.54 crores interest free loan to the Trust to buy the shares and at the end of March'2014, the company had written off an amount of INR 23.34 crores due from ESOS Trust on account of permanent diminution in the value of 20,46,195 shares as on March 31, 2014 held by the Trust.

Once the legal matter will settle ESOS Trust will get the possession of 15,79,922 shares also, the sale proceeds from the disposal of these 20,46,195 shares by ESOS Trust will first be used to repay the loan amounting to INR 29.54 crores due to GHCL which includes restatement of earlier write-off of INR 23.34 crores taken in March, 2014 and the balance surplus (if any) will be used for the benefit of the employees of the company as per the recommendation of GHCL's Compensation Committee.

44 Demerger

The Board of Directors of Company on March 16, 2020, approved a Scheme of Arrangement u/s 230- 232 of the Companies Act 2013, involving a demerger of its Textiles Business into a separate company (to be incorporated as a Resulting Company) (the 'Scheme'). Upon the Scheme becoming effective, the Textile Business (along with all assets and liabilities thereof) shall be carved out and transferred to the Resulting Company on a going concern basis. As a consideration for the Demerger, the Resulting Company would issue its equity shares to the shareholders of GHCL as on the record date in a 1:1 swap ratio (i.e. One (1) share of INR 2 each would be issued by the Resulting Company for every one (1) share of INR 10 each held in GHCL), following which the shareholding of both Companies shall be same as at the record date.

Post Demerger, GHCL shall continue with the Chemicals Business while the Resulting Company shall house the Textiles Business. Shares of GHCL shall continue to be listed on the BSE and NSE and that of the Resulting Company shall also be listed on the BSE and NSE. The Demerger is expected to facilitate focused growth, concentrated approach, business synergies and increased operational and customer focus for respective business verticals apart from exploring independent business opportunities with efficient capital allocation.

The Company shall be filing the requisite documents with the appropriate jurisdiction of NCLT after taking necessary approval or clearance form concerned regulatory authorities . The Scheme would become effective on filing of certified copies of the order of the NCLT sanctioning the scheme by the Demerged Company and the Resulting Company with the registrar of companies

45 Remittances during the year in Foreign currency on account of

Dividend for the financial year ended	2018-19	2019-20 (Interim)
Dividends to non-resident shareholders	2,96,28,540	1,77,52,524
Number of non-resident shareholders	629	617
Number of shares	59,25,708	59,17,508

Notes to the Standalone Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

46 Non-Current Assets held for Sale

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Assets		
Property, Plant & Equipments	31.46	39.23
Current Assets		
Other Current Assets	-	-

The management has identified excessive and surplus land of 64.43 acres outside the premises of factory at Madurai, that is being disposed off and balance is held as non current asset held for sale.

47 Coronavirus (COVID-19) Impact on Financial Reporting – Accounting Year Ending March 31, 2020

Pursuant to outbreak of Coronavirus Disease (Covid 19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led the temporary suspension of operations of the Company and has impacted the overall business activities of the Company. On account of this, management has prepared future cash flow projections and also assessed the recoverability of its assets and factored assumptions used in the annual impairment assessment of its cash generating units, using various internal and external information up-to the date of approval of these financial results/statements. The Company has on a prudent basis charged off INR 30 crores (including provision of INR 10 Crore for declining in value of investment in subsidiary) as an additional one time charge in the statement of profit and loss and adjusted the corresponding carrying value of the current assets and investment. Further on the basis of this evaluation and current indicators of future economic conditions, the Company expects to recover the remaining carrying amounts of these assets and does not anticipate any reduction of its financial and non-financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Company's business operations. The Company will continue to closely monitor any material changes to future economic conditions viz a viz its business operations.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Atul Seksaria**
Partner
Membership No. 086370

Place : Gurugram
Date: May 20, 2020

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

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : New Delhi
Date: May 20, 2020

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

Form AOC-1 Part"A" Subsidiaries
Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Sl. No.	Particulars	Particulars	Particulars
i.	Name of Subsidiary	Grace Home Fashion LLC	Dan River Properties LLC
ii.	Reporting period for the subsidiary concerned,	March 31, 2020	March 31, 2020
iii.	Reporting Currency and Exchange rate as on the last date of the relevant financial year/Period.	USD 1 USD = INR 75.55	USD 1 USD = INR 75.55
iv.	Share Capital	34.62	0.00
v.	Reserve & Surplus	(51.25)	6.33
vi.	Total Assets	79.82	8.72
vii.	Total Liabilities	96.44	2.39
viii.	Investments	-	-
ix.	Turnover	135.58	1.17
x.	Profit before Taxation	(20.22)	0.35
xi.	Provision for taxation	0.01	-
xii	Profit after Taxation	(20.24)	0.35
xiii.	Proposed Dividend	-	-
xiv.	% of Shareholding	100.00%	100.00%

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

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

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

Place : New Delhi
Date: May 20, 2020

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

Independent Auditor's Report

To the Members of **GHCL Limited**

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of GHCL Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, the consolidated Statement of Profit and Loss, including other comprehensive loss, the consolidated Cash Flow Statement and the consolidated statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Groupas at March 31, 2020, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 48 of the accompanying Consolidated financial statements, which describes the management's evaluation of impact of uncertainties related to COVID-19 and its consequential effects on the operations of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Home Textile Division *(as described in Note 3 of the Consolidated Ind AS financial statements)*	
Property, plant and equipment, Assets and Liabilities that are related to the integrated textile manufacturing facilities (at Tamil Nadu), Home Textiles facility (in Gujrat) and overseas business to support the business hereafter collectively referred to as the "Home Textile Division or HT Division" with a carrying value amounting to INR. 1127 crores. Home Textile Division has incurred losses in the last three years, as a result the management has performed an impairment assessment as per the accounting policy stated in note 2.2.L to the consolidated Ind AS financial statements. Our audit focused on this area because the assessment of recoverable value of the aforesaid assets of HT Division requires management to make a number of key judgements and estimates with respect to the future performance and profitability of the HT Division which involves judgements and estimates on future growth rates, discount rates and Impact of Covid-19 etc. Accordingly, Impairment assessment of the Group's Home Textile division has been considered as a key audit matter.	Our audit procedures included the following: • Understood management and the board's controls over the assessment of the carrying value of HTD's property, plant and equipment to determine whether any asset impairment was required. • Together with valuation specialists, we assessed the Group's valuation methodology applied in estimating the recoverable amount of the Group's Home Textile Division based on the cash . • Together with valuation specialists, we tested the assumptions of the cash flow forecasts (Post Covid-19), i.e. future growth rates, discount rates used. • Performed sensitivity analysis around the key assumptions used by management in impairment testing to understand the impact of reasonable changes in assumptions on the estimated recoverable amounts. • Assessed the disclosures included in the financial statements in note 3 to the consolidated Ind AS financial statements.

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

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

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

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

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive loss, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and are responsible for assessing the ability of the Group and to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of two subsidiaries whose Ind AS financial statements include total assets of INR 88.54 crores as at March 31, 2020, and total revenues of INR 136.75 crores and net cash outflows of INR 5.61 crores for the year ended on that date. These Ind AS financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion the managerial remuneration for the year ended March 31, 2020 has been paid / provided by the Holding Company to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:

   i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer Note 35 to the consolidated Ind AS financial statements;

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

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

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

per **Atul Seksaria**
Partner
Membership Number: 086370
UDIN: 20086370AAAABF3288

Place of Signature: Gurugram
Date: May 20, 2020

Annexure 1

to The Independent Auditor's Report of even date on the Consolidated Financial Statements of GHCL Limted

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of **GHCL Limited** as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **GHCL Limited** (hereinafter referred to as the "Holding Company"), as of that date. The subsidiary companies which are part of the Group are incorporated outside India and internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable to the subsidiary companies.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

A company's internal financial control over financial reporting with reference to these consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per **Atul Seksaria**
Partner
Membership Number: 086370
UDIN: 20086370AAAABF3288

Place of Signature: Gurugram
Date: May 20, 2020

Consolidated Balance Sheet

as at March 31, 2020, (INR in crores)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,635.88	2,577.95
(b) Capital work-in-progress	3	119.96	113.64
(c) Investment Property	4	8.56	8.56
(d) Other Intangible assets	4A	5.46	4.56
(e) Right-of-use assets	34	13.73	-
(f) Intangible assets under development		1.76	3.82
(g) Financial assets			
(i) Investments	5	9.26	11.59
(ii) Loans	6A	15.51	11.45
(iii) Other non-current financial assets	6B	0.26	0.24
(h) Other-non current assets	7	67.19	24.37
Total Non-Current Assets		**2,877.57**	**2,756.18**
(2) Current assets			
(a) Inventories	8	790.62	768.50
(b) Financial assets			
(i) Trade receivables	9	274.40	290.62
(ii) Cash and cash equivalents	10A	91.74	12.18
(iii) Bank balances other than cash and cash equivalents	10B	23.92	23.32
(iv) Loans	11A	2.36	2.84
(v) Derivative instruments	11B	-	2.26
(vi) Other current financial asset	11C	22.78	18.09
(c) Current tax assets (net)	12	7.59	-
(d) Other current assets	13	46.91	81.69
Total Current Assets		**1,260.32**	**1,199.50**
Assets held for sale	3	31.46	39.23
Total assets		**4,169.35**	**3,994.91**
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	95.01	98.03
(b) Other equity	15	2,053.96	1,827.47
Total Equity		**2,148.97**	**1,925.50**
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	806.39	702.03
(ii) Lease liabilities	34	13.92	-
(b) Provisions	17A	6.27	6.15
(c) Deferred tax liabilities (net)	12	253.08	253.00
(d) Other non-current liabilities		2.38	-
Total Non- Current Liabilities		**1,082.04**	**961.18**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16B	268.88	408.56
(ii) Lease liabilities	34	0.68	-
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18A	12.92	14.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18A	394.80	394.58
(iv) Derivative instruments	19A	6.25	-
(v) Other financial liabilities	19B	216.78	230.97
(b) Provisions	17B	12.85	15.13
(c) Current tax liabilities (net)	12	-	9.34
(d) Other current liabilities			
(i) Contract liabilities	21.2	6.11	3.66
(ii) Other liabilities	20	19.07	31.16
Total Current Liabilities		**938.34**	**1,108.23**
Total equity and liabilities		**4,169.35**	**3,994.91**

The accompanying Note are Internal parts of the consolidated financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 86370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020, (INR in crores)

Particulars	Note No.	For Year ended March 31, 2020	For Year ended March 31, 2019
Revenue			
Revenue from operations	21	3,305.12	3,341.32
Other income	22	17.60	15.51
Total Income		**3,322.72**	**3,356.83**
Expenses			
Cost of raw materials consumed	23	1,253.45	1,246.46
Purchase of stock in trade		182.39	249.83
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	19.59	(83.70)
Power, fuel and water expense		513.17	505.33
Employee benefit expenses	25	189.97	201.21
Depreciation and amortization expense	26	131.21	116.94
Finance costs	27	119.79	127.34
Other expenses	28	418.55	462.79
Total expenses		**2,828.12**	**2,826.20**
Profit before exceptional items and tax		494.60	530.63
Profit before tax		**494.60**	**530.63**
Tax expense:			
Current tax		143.39	153.81
Less: Tax adjustment for Earlier years (Refer Note 12)	12	(2.48)	0.84
Deferred tax		(42.93)	25.40
Total tax expense		**97.98**	**180.05**
Profit for the year		**396.62**	**350.58**
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent periods			
Re-measurement Gain/(Loss) on defined benefit plans		(2.80)	0.63
Income tax effect		0.71	(0.22)
Re-measurement Gain/(Loss) on investment in equity		(3.44)	1.23
Exchange differences on translation of foreign operations		(0.26)	(4.88)
Income tax effect		-	-
Net other comprehensive Gain/(Loss) not to be reclassified to profit or loss in subsequent periods	29	**(5.79)**	**(3.24)**
Total Comprehensive income for the period		**390.83**	**347.34**
Profit attributable to :			
Owners of the Company		396.62	350.58
Non-controlling interest		-	-
Total comprehensive Income attributable to :			
Owners of the Company		390.83	347.34
Non controlling interest		-	-
Earnings per equity share nominal value of shares INR 10 (Previous year INR 10 each)	30		
Basic (INR)		40.50	35.81
Diluted (INR)		40.50	35.50

The accompanying Note are Internal parts of the consolidated financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
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Sanjay Dalmia
Chairman
DIN: 00206992

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per **Atul Seksaria**
Partner
Membership No. 86370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Consolidated Statement of Cash Flows

for the year ended March 31, 2020, (INR in crores)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Operating activities		
Profit before tax	494.60	530.63
Adjustments for:		
Depreciation/amortisation	131.21	116.94
Loss/(Gain) on sale of investments	(0.88)	(0.72)
Loss/(Gain) on sale of fixed assets	1.48	(0.41)
Interest income	(0.64)	(1.19)
Finance cost	119.79	126.02
Income from dividend	(0.08)	(0.05)
Employees share based payments	(7.19)	19.90
Unrealised Exchange Loss/(Gain)	19.99	(12.24)
Operating profit/(loss) before working capital changes	**758.28**	**778.88**
Changes in working capital		
Adjustments for (Increase)/decrease in assets:		
Trade receivables	11.49	(57.41)
Inventories	(22.12)	(131.80)
Derivative instruments	(8.51)	2.91
Other current financial assets	(4.21)	0.31
Other current assets	31.98	(19.58)
Non-current financial assets	(4.08)	0.15
Other non-current assets	2.21	(0.32)
Adjustments for (Increase)/decrease in liabilities:		
Other non-current financial liabilities	(2.39)	-
Contract liabilities	(2.45)	(1.42)
Trade payables	(9.99)	1.07
Other current financial liabilities	(20.23)	51.77
Other current liabilities	12.09	(1.62)
Provisions	(2.16)	(0.13)
Cash generated from operations	**739.91**	**622.81**
Direct taxes paid (net)	(115.54)	(92.66)
Net cash generated from operating activities	**624.37**	**530.15**
Cash flow from investing activities		
Payment for Property, plant and equipment	(215.72)	(282.83)
Proceeds from sale of Property, plant and equipment	9.73	9.77
Sales/ (Purchase) of Investment (Net)	(0.23)	0.64
Interest received	0.64	1.19
Dividend received	0.08	0.05
Net cash used in investing activities	**(205.50)**	**(271.18)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2020, (INR in crores)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	2.74	6.19
Buyback of equity share capital	(69.46)	-
Dividend paid	(76.26)	(48.75)
Dividend distribution tax paid	(10.08)	(10.01)
Proceeds from long-term borrowings	252.73	137.13
Repayment of long-term borrowings	(174.91)	(201.55)
Proceeds from short-term borrowings	(139.68)	0.36
Payment of principal portion of lease liabilities	(2.06)	-
Unpaid dividend account (Net)	(1.26)	(0.33)
Bank deposit in escrow account and Margin Money	0.66	(7.76)
Interest paid	(121.73)	(133.65)
Net cash generated from financing activities	**(339.31)**	**(258.37)**
Net (decrease) / increase in cash and cash equivalents	**79.56**	**0.60**
Cash and cash equivalents at the beginning of the year	**12.18**	**11.58**
Cash and cash equivalents at the end of the year	**91.74**	**12.18**
Components of cash and cash equivalents		
Cash on hand	0.27	0.21
Balances with banks:		
- On current accounts	91.47	11.97
Total cash and cash equivalents (Refer Note 10A)	**91.74**	**12.18**

Notes:

The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying Note are Internal parts of the consolidated financial statements.

As per report of even date

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

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

per **Atul Seksaria**
Partner
Membership No. 86370

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : Gurugram
Date: May 20, 2020

Place : New Delhi
Date: May 20, 2020

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

Consolidated Statement of Changes in Equity

for the year ended March 31, 2020, (INR in crores)

A. Equity Share Capital

Equity Shares of INR 10 each issued, subscribed and fully paid up

Particulars	Number of shares	Amount
Balance as at April 1, 2018	9,74,23,286	97.42
Changes in share capital- Shares issued under ESOS scheme during the year (Refer Note 14 on ESOS)	6,05,000	0.61
Balance as at March 31, 2019	**9,80,28,286**	**98.03**
Changes in share capital- Shares issued under ESOS scheme during the year (Refer Note 14 on ESOS)	1,85,000	0.18
Changes in share capital- Buyback during the year (Refer Note 14 on Buyback)	(32,00,000)	(3.20)
Balance as at March 31, 2020	**9,50,13,286**	**95.01**

B. Other Equity

Particulars	Reserves and Surplus							FVTOCI Reserve (H)	Foreign currency translation reserve (I)	Total
	Capital reserve (A)	Business development reserve (B)	Capital redemption reserve (C)	Securities premium (D)	Retained earnings (E)	Share based payment reserve (F)	General reserve (G)			
Balance as at April 1, 2018	**7.57**	**73.89**	**13.16**	**9.06**	**1,357.03**	**5.24**	**37.13**	**8.55**	**1.80**	**1,513.43**
Reserve created on account of ESOS issued during the year	-	-	-	10.68	-	-	-	-	-	10.68
Profit for the year	-	-	-	-	350.58	-	-	-	-	350.58
Employee stock option scheme	-	-	-	-	-	14.80		-	-	14.80
Dividend paid	-	-	-	-	(48.76)	-	-	-	-	(48.76)
Dividend distribution tax	-	-	-	-	(10.01)	-	-	-	-	(10.01)
Other comprehensive income	-	-	-	-	0.41	-	-	1.23	(4.88)	(3.24)
Balance as at March 31, 2019	**7.57**	**73.89**	**13.16**	**19.74**	**1,649.25**	**20.04**	**37.13**	**9.78**	**(3.08)**	**1,827.47**
Reserve created on account of ESOS issued during the year	-	-	-	5.54	-	-	-	-	-	5.54
Reserve created on account of buy back during the year	-	-	3.20	-	-	-	(3.20)	-	-	-
Reserve Utilised on account of buy back during the year	-	-	-	(25.28)	-	-	(28.48)	-	-	(53.76)
Profit for the year	-	-	-	-	396.61	-	-	-	-	396.61
Employee stock option scheme	-	-	-	-	-	(10.17)	-	-	-	(10.17)
Dividend paid	-	-	-	-	(77.52)	-	-	-	-	(77.52)
Dividend distribution tax	-	-	-	-	(15.93)	-	-	-	-	(15.93)
Tax paid on Buy Back	-	-	-	-	(12.49)	-	-	-	-	(12.49)
Other comprehensive income	-	-	-	-	(2.09)	-	-	(3.44)	(0.26)	(5.79)
Balance as at March 31, 2020	**7.57**	**73.89**	**16.36**	**-**	**1,937.83**	**9.87**	**5.45**	**6.34**	**(3.34)**	**2,053.96**

The accompanying Note are Internal parts of the consolidated financial statements.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Atul Seksaria**
Partner
Membership No. 86370

Place : Gurugram
Date: May 20, 2020

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Place : New Delhi
Date: May 20, 2020

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

1 Corporate information

The consolidated financial statements comprise financial statements of GHCL Limited (GHCL) and its subsidiaries (collectively, the Group) for the year ended March 31, 2020. GHCL Limited (""GHCL"" or the ""Company"" or the ""Parent"") is a public Group domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed with the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The registered office of the Group is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat. The Group is engaged in primarily two business segments consisting of Inorganic Chemicals (mainly manufacture and sale of Soda Ash) and Home Textile division (comprising of yarn manufacturing, weaving, processing and cutting & sewing of home textiles products).

Information on the Group's structure is provided in Note 47.

Information on related party relationships of the Group is provided in Note 36.

The consolidated financial statements are approved for issue in accordance with a resolution of the Board of Directors on May 20, 2020.

2 Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS. The consolidated financial statements have been prepared on historical cost basis except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),

The consolidated financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores (INR'00,00,000), except otherwise indicated.

2.2 Basis of Consolidation

The consolidated financial statements comprises the financial statement of GHCL Limited and its subsidiaries as at March 31, 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(ii) Exposure, or rights, to variable returns from its involvement with the investee, and

(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee

(ii) Rights arising from other contractual arrangements

(iii) The Group's voting rights and potential voting rights

(iv) The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent Group, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation Procedure :

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). IntraGroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS - 12 "Income Taxes" applies to temporary differences that arise from the elimination of profits and losses resulting from intraGroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it

(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary

(ii) Derecognises the carrying amount of any non-controlling interests

(iii) Derecognises the cumulative translation differences recorded in equity

(iv) Recognises the fair value of the consideration received

(v) Recognises the fair value of any investment retained

(vi) Recognises any surplus or deficit in profit or loss

(vii) Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

(d) Change in ownership interest

The Group treats transaction with non-controlling interests that do not result in a loss of control as transaction with the equity owners of the Group. A change in ownership interest results in adjustment between the carrying amounts of the controlling and non-controlling interest to reflect their relative interest in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Banking & Operations Committee determine the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Audit Committee analyses the movements in the values of assets and liabilities which

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the members of Banking & Operations Committee verify the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Banking & Operations Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the members of Banking & Operations Committee present the valuation results to the Audit Committee. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Financial instruments (including those carried at amortised cost)

c) Revenue from Operations

The Group derives revenues primarily from sale of inorganic chemicals, textile and other products. Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

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

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

Revenue excludes amounts collected on behalf of third parties.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

Sale of goods

For sale of goods, revenue is recognised when control of the goods has transferred at a point in time i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Payment is due within 45-120 days. The Group considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Variable consideration

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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

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

The disclosures of significant judgements Revenue from contracts with customers are provided in Note 31.

Contract balances

Trade receivables

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

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Cost to obtain a contract

The Group pays sales commission to its selling agents for each contract that they obtain for the Group. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if amortisation period would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of employee benefits. Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the period in which related revenue is recognised.

Critical judgements

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

Estimates of rebates and discounts are sensitive to changes in circumstances and the Group's past experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

d) Other revenue streams

Export Benefits

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

Revenue from exports benefits measured at the fair value of consideration received or receivable net of returns and allowances, cash discounts, trade discounts and volume rebates.

Rendering of services

Revenue from rendering of services is recognised when the performance obligation to render the services are completed as per contractually agreed terms.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

Dividend

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature.

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

  Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

In the situation where the Group is entitled to a Tax holiday under the income Tax Act, 1961 enacted in India or Tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred Tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Items such as spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory.

Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, which ever is lower. The Management estimates

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the useful lives for the fixed assets, except lease mines and leasehold land, as follows.

• Building	30 to 60 years
• Plant and Machinery *	5 to 25 years
• Office equipment	3 to 25 years
• Furniture and fixtures	10 years
• Salt works reservoir	10 years
• Vehicles	8 to 10 years
• Wind Turbine Generator	20 to 22 years
• Temporary structures	3 years
• Freehold Land	Not Amortised

*For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets comprising of computer software and trademark with finite useful life are amortised on straight line basis over estimated useful life of three years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation

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of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

h) Asset classified as held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

- The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:
    - Leasehold builidngs — 2 to 10 years
    - Salt works — 3 to 30 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

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The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (p) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k) Inventories

Inventories, except for Stores & Spares and Loose Tools, are stated at cost or net realizable value, whichever is lower

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average cost, except in case of cotton, for which cost determined on specific cost basis.
- Finished goods: Cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable.
- Work in progress: It is valued at cost determined by taking material cost, labour charges, and direct expenses, taking into account the stage of completion.
- Stock in trade: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- Stores and spares: are stated at cost less provision, if any, for obsolescence.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

l) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators

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The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of three years For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

m) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The present value of the expected cost for the decommissioning of an asset after its use and leasehold improvements on termination of lease is included in the cost of the respective asset if the recognition criteria for a provision are met. The Parent records a provision for decommissioning costs of its plant for manufacturing of Soda Ash and leasehold improvements at the leasehold land. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liability

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity

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n) Gratuity and other post-employment benefits

Retirement benefit in the form of provident fund and superannuation fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund and superannuation fund. The Group recognizes contribution payable to the provident fund and superannuation fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

o) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Employees working in the business development Group are granted share appreciation rights, which are settled in cash (cash-settled transactions).

- Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting

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condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular day trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Group financial assets at amortised cost includes trade receivables and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. For debt instruments, at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value changes recognised in OCI is reclassified from the equity to profit or loss. The Group's debt instruments at fair value through OCI includes

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investments in quoted debt instruments included under other non-current financial assets.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss. This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Companies continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

(a) Financial assets that are debt instruments, and are measured at amortised cost e.g., debt securities, deposits, trade receivables and bank balance.

(b) Financial assets that are debt instruments and are measured as at FVTOCI

(c) Lease receivables under Ind-AS 17.

(d) Trade receivables or any contractual right to receive cash or another financial asset that results from transactions that are within the scope of Ind AS 11 and Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime

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ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 -month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contract assets and lease receivables: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.

- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.

- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss

- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of

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recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities at amortised cost (Loans and Borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information Refer Note 16.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The following table shows various reclassification and how they are accounted for as per below:

i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.

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ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.

iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.

vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

q) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

r) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

s) Cash dividend to equity holders

The Group recognises a liability to pay dividend to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders A corresponding amount is recognised directly in equity.

t) Government Grant:

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions complied in. When the grant relates to an expense item, it Is recognised as Income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset. When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

u) Investment properties

Investment properties are properties (land and buildings) that are held for long-term rental yields and/or for capital

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appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs (if any) for long-term construction projects if the recognition criteria are met. When significant parts of the property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Group depreciates building component of investment property over 30 years from the date of original purchase.

The Group, based on technical assessment made by the management, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the Banking and Operation Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of de-recognition.

v) Foreign currencies

The Group's consolidated financial statements are presented in INR, which is also the parent Group's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items e recognised in Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of nonmonetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

w) Investment in subsidiary

Investment in subsidiary is carried at cost in the separate financial statements. Investment carried at cost is tested for impairment as per IND AS 36.

x) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized

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because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

y) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of parent Group (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders of the parent Group and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

z) Onerous Contracts

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

aa) Changes in accounting policies and disclosures

New and amended standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ending March 31, 2020, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

i) Ind AS 116 Leases

Ind AS 116 supersedes Ind AS 17 Leases including its appendices (Appendix C of Ind AS 17 Determining whether an Arrangement contains a Lease, Appendix A of Ind AS 17 Operating Leases-Incentives and Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease). The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Group adopted Ind AS 116 using the modified retrospective method of adoption, with the date of initial application on April 1, 2019. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at April 1, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C of Ind AS 17 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets).

Effective April 1, 2019 the Group has adopted IND AS 116 'Leases' and applied the same on all lease contracts existing on April 1, 2019 using modified retrospective approach. Under this approach Right-To-Use Asset and corresponding Lease Liability have been recognised at INR 15.00 Crore as at April 1, 2019 . Accordingly the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted and there is no impact

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on opening reserves. The effect of this adoption is not material to the current financial statements and earnings per share for the year ending March 31, 2020. Due to application of IND AS 116 for the year ended March 31, 2020, Depreciation and Finance cost has increased by INR 1.62 Crores & INR 1.49 Crores and other expenses have decreased by INR 2.06 Crores .Total expenses(net) have increased by INR 1.06 Crores. Refer details of the movement during the year in the balances of the Right-To-Use Asset and corresponding Lease Liability in Note 34.

The Group has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of Ind AS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. Refer to Note 2.2 (j) Leases for the accounting policy prior to April 1, 2019.

Upon adoption of Ind AS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 2.3 (n) Leases for the accounting policy beginning April 1, 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- Leases previously classified as finance leases

  The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under Ind AS 17). The requirements of Ind AS 116 were applied to these leases from April 1, 2019.

- Leases previously accounted for as operating leases

  The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

  The Group also applied the available practical expedients wherein it:

  - Used a single discount rate to a portfolio of leases with reasonably similar characteristics
  - Relied on its assessment of whether leases are onerous immediately before the date of initial application
  - Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
  - Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
  - Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

The lease liabilities as at April 1, 2019, can be reconciled to the operating lease commitments as of March 31, 2019, as follows:

Particulars	Amount
Operating lease commitments as at March 31, 2019	44.46
Weighted average incremental borrowing rate as at April 1, 2019	10%
Discounted operating lease commitments as at April 1, 2019	24.31
Less:	
Commitments relating to short-term leases and low value assets	9.31
Lease liabilities as at April 1, 2019	**15.00**

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ii) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments. Since the Group operates in a complex tax environment, it assessed whether the Appendix had an impact on its consolidated financial statements.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Company's tax filings includes deduction relatied to 80IA, deduction allowances on subsidiary losses, 14A disallowances, transfer pricing matters and others . The taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study , that it is probable that its tax treatments will be accepted by the taxation authorities.

The aforesaid Appendix did not have an impact on the financial statements of the Group.

iii) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Amendments to Ind AS 109: Prepayment Features with Negative Compensation

Under Ind AS 109, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to Ind AS 109 clarify that a financial asset passes the SPPI criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. These amendments had no impact on the consolidated financial statements of the Group.

iv) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments to Ind AS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to determine the current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event. An entity is also required to determine the net interest for the remainder of the period after the plan amendment, curtailment or settlement using the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event, and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments had no impact on the consolidated financial statements of the Group as it did not have any plan amendments, curtailments, or settlements during the period.

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v) Amendments to Ind AS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies Ind AS 109 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in Ind AS 109 applies to such long-term interests. The amendments also clarified that, in applying Ind AS 109, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying Ind AS 28 Investments in Associates and Joint Ventures.

These amendments had no impact on the consolidated financial statements as the Group does not have long-term interests in its associate and joint venture.

vi) Annual Improvements to Ind AS 2018

Ind AS 12 Income Taxes

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where it originally recognised those past transactions or events.

An entity applies the amendments for annual reporting periods beginning on or after April 1, 2019.

Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Ind AS 23 Borrowing Costs

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

The entity applies the amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after April 1, 2019. Since the Group's current practice is in line with these amendments, they had no impact on the consolidated financial statements of the Group.

Ind AS 103 Business Combinations

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where joint control is obtained.

Ind AS 111 Joint Arrangements

An entity that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in Ind AS 103. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after April 1, 2019.

These amendments had no impact on the consolidated financial statements of the Group as there is no transaction where a joint control is obtained.

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3 Property, Plant and equipment

Cost	Freehold Land	Leasehold Land *	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Assets held for sale**	Total Amount
As at April 1, 2018	**382.04**	**352.75**	**224.95**	**1,585.44**	**9.01**	**8.70**	**2.38**	**3.28**	**9.47**	**139.56**	**-**	**2,717.58**	**73.00**	**-**	**2,790.58**
Additions	1.48	-	20.60	226.27	2.85	1.37	0.13	0.46	-	-	-	253.16	293.18	39.23	585.57
Disposals	(4.45)	-	(0.27)	(18.56)	(3.34)	(1.45)	-	(0.64)	-	-	-	(28.71)	(252.54)	-	(281.25)
Adjustments	(39.23)	-	-	-	-	-	-	-	-	-	-	(39.23)	-	-	(39.23)
As at March 31, 2019	**339.84**	**352.75**	**245.28**	**1,793.15**	**8.52**	**8.62**	**2.51**	**3.10**	**9.47**	**139.56**	**-**	**2,902.80**	**113.64**	**39.23**	**3,055.67**
Additions	0.65	-	11.66	158.37	3.68	0.53	1.70	1.10	-	1.17	8.23	187.09	193.26	-	380.34
Disposals	-	-	(2.49)	(25.44)	(2.39)	(0.63)	-	(0.53)	-	-	-	(31.50)	(186.94)	(7.77)	(226.21)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	**340.49**	**352.75**	**254.44**	**1,926.08**	**9.81**	**8.52**	**4.21**	**3.66**	**9.47**	**140.73**	**8.23**	**3,058.39**	**119.96**	**31.46**	**3,209.81**

Depreciation	Freehold Land	Leasehold Land *	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Assets held for sale**	Total Amount
As at April 1, 2018	**-**	**14.58**	**23.01**	**158.32**	**3.33**	**2.06**	**1.72**	**0.36**	**8.65**	**17.57**	**-**	**229.60**	**-**	**-**	**229.60**
Depreciation charge for the year	-	4.87	10.52	87.70	2.39	1.44	0.09	0.58	0.44	6.56	-	114.59	-	-	114.59
Disposals	-	-	(0.27)	(13.81)	(3.30)	(1.45)	-	(0.52)	-	-		(19.35)	-	-	(19.35)
As at March 31, 2019	**-**	**19.45**	**33.26**	**232.21**	**2.42**	**2.05**	**1.81**	**0.42**	**9.09**	**24.13**	**-**	**324.85**	**-**	**-**	**324.85**
Depreciation charge for the year	-	4.87	11.53	96.18	2.96	1.47	0.15	0.61	0.09	7.36	0.49	125.71	-	-	125.71
Disposals	-	-	(2.39)	(22.46)	(2.37)	(0.32)	-	(0.49)	-	-	-	(28.04)	-	-	(28.04)
As at March 31, 2020	**-**	**24.32**	**42.40**	**305.93**	**3.01**	**3.20**	**1.96**	**0.54**	**9.18**	**31.49**	**0.49**	**422.52**	**-**	**-**	**422.52**

Net book value	Freehold Land	Leasehold Land *	Buildings	Plant and Equipment	Office Equipment	Furniture and Fixtures	Salt works reservoir	Vehicles	Leased Mines #	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Assets held for sale**	Total Amount
As at March 31, 2020	**340.49**	**328.43**	**212.04**	**1,620.15**	**6.80**	**5.32**	**2.25**	**3.12**	**0.29**	**109.24**	**7.74**	**2,635.88**	**119.96**	**31.46**	**2,787.30**
As at March 31, 2019	**339.84**	**333.30**	**212.02**	**1,560.94**	**6.10**	**6.57**	**0.70**	**2.68**	**0.38**	**115.43**	**-**	**2,577.95**	**113.64**	**39.23**	**2,730.82**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, Plant and Equipment (Contd..)

Net book value	March 31, 2020	March 31, 2019
Property, plant and equipment	2,635.88	2,577.95
Capital work in progress	119.96	113.64
Asset held for sale	31.46	39.23

Property plant and equipment are subject to charge to secure the Group's borrowings as discussed in Note 16

Leasehold land*

Land for Soda Ash plant and for Corporate Office are taken on lease from the Government of India for a period of 90 to 99 years

Leased Mines#

Leased mines represents expenditure incurred on development of mines.

Assets held for sale**

Assets held for sale represents Land in Madurai (Yarn Unit) approved by Board for transfer in future. (Refer Note 46)

Capitalised borrowing costs

The amount of borrowing cost capitalised during the year ended March 31, 2020, was INR 4.49 Crore (for the year March 31, 2019: INR 7.63 Crore) on account of capacity expansion of soda ash plant and other capital expenditure. The rate used to determine the amount of borrowing costs eligible for capitalisation was 8.75%, (for the year March 31, 2019: 9.17%) which is the effective interest rate of the specific borrowing.

Outlook for Home Textiles Business and impairment assessment

The Textile business of Group encompasses sophisticated, integrated operations within the areas of Spinning and Home Textiles production. Our Spinning business has been consistently delivering profitable growth for past many years. The home textile division (HT) after performing well for two years faced severe Industry headwinds from last quarter of 2016 and incurred loss in the year 2017-18 and 2018-19. For the financial year 2019-20, though there has been an improvement in performance on quarter-to-quarter basis, the same still lags the performance achieved in 2016-17.

Through innovation and consistent product development, Group has created a clear differentiation from competition. The Group has taken a very clear leadership position on sustainability across global home furnishing manufacturers with launch of major brands like REKOOP, CIRKULARITY, MEDITASI, and REKOOP 2.0, with focus on Circular Economy which emphasizes on 3R's-Reduce, Reuse and Recycle. Innovation has been a hallmark of the Group's efforts and several new options have been developed around fit, functionality and performance.

The Group anticipates a reduction of our export volume by about 25% for the year on account of the COVID-19 pandemic. The Group will focus on ensuring greater levels of agility and flexibility. Moreover, the Group will further step up its focus on the Dot Com business in the US and other parts of the world. The Group will continue to keep sustainability at the core of all it does and will also focus on offering special finishes on sheets, including antimicrobial or antibacterial finishes and immunity boosting finishes, in keeping with what customers will demand in times to come.

As a policy, the Group annually assesses the impairment of property plant and equipment by comparing the carrying value of PPE with its fair value. In case the fair value is less than the carrying value an impairment charge is created. Due to loss in home textile division, management has performed an impairment assessment of property plant and equipment of HT division.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

3 Property, Plant and Equipment (Contd..)

Outlook for Home Textiles Business and impairment assessment (Contd..)

Basis the business plan and fair vale calculated using the discounted future cash flow method, which are higher than the carrying value of PPE of HT division; management has concluded that there is no impairment of PPE in home textile division.

4 Investment Property

Particulars	Amount
Opening Balance at April 1, 2018	8.56
Additions	-
Closing Balance at March 31, 2019	**8.56**
Additions	-
Closing Balance at March 31, 2020	**8.56**
Depreciation and Impairment	
Opening Balance at April 1, 2018	-
Depreciation	-
Closing Balance at March 31, 2019	-
Depreciation	-
Closing Balance at March 31, 2020	**-**
Net Block	
March 31, 2020	8.56
March 31, 2019	8.56

For Investment property existing as on April 1, 2015, i.e., its date of transition to Ind AS, the Group has used Indian GAAP carrying value as deemed costs.

Particulars	March 31, 2020	March 31, 2019
Rental income derived from investment properties direct operating expenses (including repairs & maintenance) generating rental income	1.17	1.97
Direct operating expenses (including repairs and maintenance) that did not generate rental Income	0.82	0.59
Profit arising from investment properties before Depreciation and indirect expenses	0.35	1.39
Less- Depreciation	-	-
Profit arising from investment properties before indirect expenses	0.35	1.39

The Group's investment properties consist of one commercial property comprising of land and building thereon in USA.

As at March 31, 2020, the fair market value of the property are INR 12.75 Crores (INR 12.60 Crore as at March 31, 2019). These valuations are based on valuations performed by an accredited independent valuer who is a specialist in valuing these types of properties.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repair, maintenance and enhancements.

Investment at the year end is valued at the Fair Value which is broadly comparable with the carrying value as on the reporting date.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

4 Investment Property (Contd..)

4A Other Intangible assets

Cost	Trademarks	Software	Total
As at April 1, 2018	2.65	4.39	7.04
Additions	-	1.73	1.73
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**2.65**	**3.92**	**6.57**
Additions	-	4.78	4.78
Disposals	-	(0.09)	(0.09)
As at March 31, 2020	**2.65**	**8.61**	**11.26**

Amortisation	Trademarks	Software	Total
As at April 1, 2018	0.66	1.20	1.86
Amortization	0.88	1.47	2.35
Disposals	-	(2.20)	(2.20)
As at March 31, 2019	**1.54**	**0.47**	**2.01**
Amortization	0.89	2.99	3.88
Disposals	-	(0.09)	(0.09)
As at March 31, 2020	**2.43**	**3.37**	**5.80**

Net book value	Trademarks	Software	Total
As at March 31, 2020	0.22	5.24	5.46
As at March 31, 2019	1.11	3.45	4.56

Note: Intangible assets include license for trademark acquired for obtaining exclusive manufaturing and marketing rights for one of its innovative textile product in USA.

5 Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Unquoted equity shares, at amortised cost		
5200 equity shares (as at March 31, 2019: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd *	0.01	0.01
1,07,300 equity shares (as at March 31, 2019: 2,11,800 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.12	0.24
12,00,000 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of SSMT Power Pvt Ltd *	1.20	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

5 Investments (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
4,200 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Aadhav Green Power Pvt Ltd	0.00	-
950 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Puvaneshwari Enterprises	0.00	-
950 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Sarojarajan Green Power Eenergy	0.00	-
970 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of AFCM Wind Farms Pvt Ltd	0.00	-
970 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of AJSM Green Energy Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of APGL Green Energy Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jaichander Wind Farms Pvt Ltd	0.00	-
780 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Sushmitha Titiksha Green Energy Pvt Ltd	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Prechander Wind Farms	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Prechander Green Energy	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jayanthi Wind Farms	0.00	-
2,440 equity shares (as at March 31, 2019: NIL) of INR 10/- each fully paid up of Jayanthi Green Energy	0.00	-
Unquoted debt securities (at amortised cost)		
Investment in Government Securities		
7 years National Savings Certificates	0.04	0.04
(Pledged with govt authorities)		
Quoted equity shares, at Fair value through OCI		
83,000 equity shares (as at March 31, 2019: 83,000 equity shares) of HDFC Bank Limited of INR 1/- each fully paid up	7.15	9.62
68,598 equity shares (as at March 31, 2019: 68,598 equity shares) of IDBI Bank Limited of INR 10/- each fully paid up	0.13	0.32
285 equity shares (as at March 31, 2019: 285 equity shares) of Bank of Baroda (formally known as Dena Bank) of INR 10/- each fully paid up	0.00	0.00
272,146 equity shares (as at March 31, 2019: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	0.54	1.22
4,500 equity shares (as at March 31, 2019: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.04	0.13

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

5 Investments (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
100 equity shares (as at March 31, 2019: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up	0.00	0.00
Total Fair Investments	**9.26**	**11.59**
Non-current	**9.26**	**11.59**
Current	**-**	**-**
Aggregate book value of quoted investments	7.87	11.30
Aggregate market value of quoted investments	7.87	11.30
Aggregate value of unquoted investments	1.39	0.29
Aggregate amount of impairment in value of investments	-	-
Total	**9.26**	**11.59**

*** Parent Company does not excise any significant influence on DM Solar and SSMT Power Pvt Ltd and thus are not considered as associates.**

Investments at fair value through OCI (fully paid) reflect investment in quoted and unquoted equity securities and quoted debt securities. These equity shares are designated as FVTOCI as they are not held for trading purpose and are not in similar line of business as the Group. Thus disclosing their fair value fluctuation in profit or loss will not reflect the purpose of holding. The Group has not transferred any gain or loss within equity in the previous year. Refer Note 41 for determination of their fair values.

6A Loans

(Unsecured, considered good, unless stated otherwise)
(at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Loan to Related Party		
- Loan to ESOS trust (Refer Note 36 & 43)	5.82	6.21
Security deposits	9.69	5.24
Total loans (a)	**15.51**	**11.45**

6B Other non-current financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Other Financial assets		
Security Deposit	0.26	0.24
Demand deposit	0.00	0.00
(Amount in absolute terms is INR 35,000 (Previous Year INR 35,000))		
Total non-current other financial assets (b)	**0.26**	**0.24**
Total Other non-current financial assets(a+b)	**15.77**	**11.69**

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risks of the counter parties.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

6B Other non-current financial assets (Contd..)

No Loans are due from directors or other officer of the Group either severally or jointly with any other person. Nor any loans are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

7 Other-non current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Capital advances	61.87	16.84
Deposit with statutory authorities under protest	5.32	7.53
Total	**67.19**	**24.37**

No Advances are due from directors or other officer of the Group either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

8 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Inventories valued at lower of cost and net realizable value		
Raw materials	387.31	366.36
[includes in transit INR 11.13 Crore (At March 31, 2019: 25.50 Crore)]		
Work-in-progress	54.11	47.16
Finished goods	207.48	223.28
[includes in transit INR 10.76 Crore (At March 31, 2019: 34.49 Crore)]		
Stock-in-trade	18.21	30.28
[includes in transit NIL (At March 31, 2019: INR 2.41 Crore)]		
Stores and spares	123.51	101.42
[includes in transit NIL (At March 31, 2019: INR 0.78 Crore)]		
Total inventories at the lower of cost and net realisable value	**790.62**	**768.50**

Refer Note 16B for information on inventories pledged as security by the Group.

9 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables	274.40	290.62
Total trade receivables	**274.40**	**290.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

9 Trade receivables (Contd..)

Break-up for security details:	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Secured, considered good	56.02	35.33
Unsecured, considered good	218.38	255.29
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	2.03
Less: Impairment Allowance (allowance for bad and doubtful debts)	-	(2.03)
Current trade receivables	**274.40**	**290.62**

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member other than stated above.

For terms and conditions related to related to related party receivables, Refer Note 36

Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

*The provision for the impairment of trade receivable has been made in the previous year on the basis of the expected credit loss method and other cases based on management judgement.

10A Cash and cash equivalent

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- On current account	91.47	11.97
Cash on hand	0.27	0.21
Total cash and cash equivalents	**91.74**	**12.18**

10B Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
- On unpaid dividend account	5.07	3.81
- On escrow account#	7.70	5.82
- On account of margin money deposited*	11.15	13.69
Bank balances other than cash and cash equivalents	**23.92**	**23.32**

#As per the guidelines of the Ministry of Coal, Government of India all Coal Mine owners who are operating Coal Mines are required to prepare a Mine Closure Plan and on approval of such plan need to open an escrow for depositing money towards mine closure activity. Annual amount to be deposited shall be as per mine closure plan. Total amount deposited along with interest shall be refunded as per conditions of approved mine plan.

*Margin money held with banks against opening of letter of credit (LC).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

10B Bank balances other than cash and cash equivalents (Contd..)

As at March 31,2020, the holding company had available NIL (As at March 31, 2019: INR 104.81 Crore) of undrawn committed borrowing facilities.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with bank		
- On current account	91.47	11.97
Cash on hand	0.27	0.21
	91.74	**12.18**

11A Loans current

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	0.20	0.73
Loan to employees	2.16	2.11
	2.36	**2.84**

No Loans are due from directors or other officer of the Group either severally or jointly with any other person. Nor any loans are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risks of the counter parties.

Break up of financial assets carried at amortised cost

Particulars	As at March 31, 2020	As at March 31, 2019
Loans (Refer Note 6A & 11A)	17.87	14.29
Trade receivables (Refer Note 9)	274.40	290.62
Cash and cash equivalents (Refer Note 10)	91.74	12.18
Total financial assets carried at amortised cost	**384.01**	**317.09**

11B Instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	2.26
Total derivative instruments at fair value through profit or loss	**-**	**2.26**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

11C Others current financial asset

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Export incentives receivable	21.29	17.59
Others	1.49	0.50
(Include Insurance Claim receivable)		
	22.78	**18.09**

12 Income Tax and deferred Tax

Current tax assets (net)	As at March 31, 2020	As at March 31, 2019
Income tax paid / TDS (net of provisions) of INR 143.38 Crore (At March 31 2019: INR INR 153.84 Crore)	7.59	-
Total	**7.59**	**-**

Current tax liabilities (net)	As at March 31, 2020	As at March 31, 2019
Income tax payable (net of income tax paid/TDS)	-	9.34
Total	**-**	**9.34**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

Particulars	As at March 31, 2020	As at March 31, 2019
Accounting profit before tax from continuing operations	494.60	530.63
Accounting profit before income tax	**494.60**	**530.63**
At India's statutory income tax rate of 34.944% (March 31, 2019: 34.944%)	172.83	185.42
Adjustment for tax purposes:		
- Effect of tax rate change on opening deferred tax balances	(82.62)	-
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	20.25	7.04
- Charity, donation and CSR expenses	5.18	4.09
- Deduction under chapter VI-A	(25.80)	(18.89)
- Dimunition in value of investment	3.49	-
- Others	7.13	1.55
At the effective income tax rate of 20.31% (March 31, 2019: 33.77%)	**100.46**	**179.21**
Amounts recognised in profit or loss		
Income tax expense reported in the statement of profit and loss	143.39	153.81
Deferred tax expense reported in the statement of profit and loss	(42.93)	25.40
	100.46	**179.21**
Tax adjustment for Earlier years	(2.48)	0.84
Total tax expense	**97.98**	**180.05**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

12 Income Tax and deferred Tax (Contd..)

Deferred tax expense/(income) relates to the following:	As at March 31, 2020	As at March 31, 2019
Effect of tax rate change on opening deferred tax balance	(82.62)	-
Depreciation & amortisation	41.64	26.57
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	(1.74)	(1.17)
Right to use asset	3.46	-
Lease liabilites	(3.67)	-
Deferred tax expense/(income)	**(42.93)**	**25.40**
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.71	(0.22)
Total Deferred tax expense/(income)	**(42.22)**	**25.18**

Deferred tax relates to the following:	As at March 31, 2020	As at March 31, 2019
Deferred tax Liability		
Property, Plant and Equipment	(259.51)	(302.46)
Right to use asset	(3.46)	-
Deferred Tax Assets		
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	6.22	7.06
MAT Credit*	-	42.40
Lease liabilites	3.67	-
Net deferred tax assets/(liabilities)	**(253.08)**	**(253.00)**
Reflected in the balance sheet as follows:		
Deferred tax assets	9.89	49.46
Deferred tax liabilities	(262.97)	(302.46)
Deferred tax liabilities, net	**(253.08)**	**(253.00)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

During the year ended March 31,2020 , the Holding Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Holding Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

*During the year the holding company utilised MAT credit amounting to INR 52.48 crore (March 31, 2019: INR 32.65 crore).

"Pursuant to The Taxation Laws (Amendment) Act, 2019 dated December 02, 2019, the Holding Company has decided to measure the Income tax liability for FY 19-20 at existing rates of 34.944% and to opt the lower tax rates 25.17% from next financial year. Accordingly the deferred tax liability has been re-measured and amount of INR 82.62 crores has been written back during the current financial year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

13 Other current assets

(Unsecured, Considered good, unless stated otherwise)

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with statutory authorities	24.06	29.29
Advances recoverable in cash or kind	15.15	40.02
Prepaid expenses	3.27	4.66
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	-	4.72
Subvention receivable	4.43	3.00
Total other current assets	**46.91**	**81.69**

No Advances are due from directors or other officer of the Group either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.

14 Share capital

Authorised share capital

Particulars	Number of Shares (of INR 10 each)	Amount
At April 1, 2018	**17,50,00,000**	**175.00**
Changes during the year	-	-
At March 31, 2019	**17,50,00,000**	**175.00**
Changes during the year	-	-
As at March 31, 2020	**17,50,00,000**	**175.00**

Terms / rights attached to equity shares

The holding company has one class of equity shares having a par value of INR 10 per share. Each shareholder is entitled to one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Group, the equity shareholders are eligible to receive remaining assets of the Group, after distribution of all preferential amounts, in proportion to their shareholding.

Issued equity capital

Equity shares of INR 10 each issued, subscribed and fully paid

Particulars	Number of Shares (of INR 10 each)	Amount
At April 1, 2018	9,74,23,286	97.42
Changes in share capital- ESOS issued during the year	6,05,000	0.61
At March 31, 2019	**9,80,28,286**	**98.03**
Changes in share capital- ESOS issued during the year (July 29,2019)	1,85,000	0.18
Changes in share capital- Buyback during the year *	(32,00,000)	(3.20)
As at March 31, 2020	**9,50,13,286**	**95.01**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

14 Share capital (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Shareholder's holding more than 5 % shares		
Promoter & Promoter Group	19.18%	18.87%
Ares Diversified	5.19%	5.03%
DSP Small Cap Fund	9.07%	3.37%

As per records of the parent, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No shares have been issued by the parent for consideration other than cash, during the period of five years immediately preceding the reporting date.

* During the year ended March 31, 2020, the holding company has carried out the share buyback of 32,00,000 fully paid-up equity shares of face value of INR 10 each at a price of INR 178 per share paid in cash for an aggregate consideration of 56.96 crores. Same has been recorded as reduction in equity share capital by INR 3.2 crores, Securities Premium by INR 25.28 crores and General Reserve by 28.48 crores. (The expenses of INR 0.13 crores relating to buyback has been adjusted against general reserve.)

As required by the Companies Act, 2013, capital redemption reserve of INR 3.2 crores has been created out of general reserve to the extent of share capital extinguished. The tax paid on buyback u/s 115QA of the Income Tax Act 1961 amounting INR 12.49 crores debited to retained earnings.

Shares reserved for issue under options

For details of shares reserved for issue under the Share based payment plan of the holding company, Refer Note 33.

15 Other equity

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve	7.57	7.57
Business development reserve	73.89	73.89
Capital redemption reserve	16.36	13.16
Securities premium reserve	-	19.74
Retained earnings	1,937.83	1,649.25
Share based payment reserve	9.87	20.04
Foreign currency translation reserve	(3.34)	(3.08)
General reserve	5.45	37.13
FVTOCI reserve	6.34	9.78
Total	**2,053.96**	**1,827.47**

Notes:

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15A Capital reserve

Particulars	Amount
At April 1, 2018	7.57
Changes during the year	-
At March 31, 2019	**7.57**
Changes during the year	-
As at March 31, 2020	**7.57**

The parent has recognised cash subsidy received from government on account of its operations, surplus on re-issue of forfeited shares and forfeiture of preferential warrants under capital reserve in earlier years.

15B Business development reserve

Particulars	Amount
At April 1, 2018	73.89
Changes during the year	-
At March 31, 2019	**73.89**
Changes during the year	-
As at March 31, 2020	**73.89**

In earlier years, Certain Fixed assets of the Group were revalued at their respective fair value as determined by government approved competent valuer appointed by the Holding Company. The amount of such revaluation was transferred to Business development reserve. as per scheme of arrangement as approved by Hon'ble Gujarat High Court on November 30, 2008.

15C Capital redemption reserve

Particulars	Amount
At April 1, 2018	13.16
Changes during the year	-
At March 31, 2019	**13.16**
Changes during the year	3.20
As at March 31, 2020	**16.36**

In earlier years, the holding company had issued 10,000,000/- 10.75% Cumulative Redeemable Preference Shares (CRPS) of INR 10/- each, to IDBI Bank Limited during financial year 1999-2000 which was subsequently redeemed by the holding company in the financial year 2001-02, pursuant to the provisions of Section 80 of the Companies Act, 1956 and the article 7 of the Article of Association of the parent. Accordingly, the Capital Redemption Reserve account to the extent of 100% of the value of CRPS redeemed (i.e. INR 10 Crore), was created out of profit of the parent available for payment of dividend.

In earlier years, an amount of INR 2.61 Crore (equivalent to nominal value of the equity shares bought back & cancelled by the holding company in the year ended March 2018) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the parent.

In current year, an amount of INR 3.20 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the holding company in the year ended March 2020) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the parent.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

15D Securities premium reserve

Particulars	Amount
At April 1, 2018	9.06
Changes - Shares issued under ESOS scheme during the year	10.68
At March 31, 2019	**19.74**
Changes - Shares issued under ESOS scheme during the year	5.54
Changes - Utilised on account of buy back during the year	(25.28)
As at March 31, 2020	**-**

During the earlier years, the holding company has issued 11,65,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to 19.74 Crore, is credited to securities premium.

During the Current year, the holding company has issued 1,85,000 equity shares of INR 10 each under ESOS scheme. The excess of aggregate consideration received over the face value of shares amounting to INR 5.54 Crore, is credited to securities premium. (Refer Note 14)

During the current year, the holding company has bought back and cancelled 32,00,000 equity shares of INR 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to 25.28 Crore, is adjusted against the Securities Premium Account. (Refer Note 14)

15E Retained earnings

Particulars	Amount
At April 1, 2018	1357.03
Changes during the year-Profit for the year	350.58
Changes during the year-Dividend paid	(48.76)
Changes during the year-Dividend distribution tax	(10.01)
Changes during the year-Other comprehensive income	0.41
At March 31, 2019	**1,649.25**
Changes during the year-Profit for the year	396.61
Changes during the year-Dividend paid	(77.52)
Changes during the year-Dividend distribution tax	(15.93)
Changes during the year-Tax paid on Buy Back	(12.49)
Changes during the year-Other comprehensive income	(2.09)
As at March 31, 2020	**1,937.83**

15F Share based payment reserve

Particulars	Amount
At April 1, 2018	5.24
Changes during the year	14.80
At March 31, 2019	**20.04**
Changes during the year	(10.17)
As at March 31, 2020	**9.87**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

The parent has share option schemes under which options to subscribe for the parent's shares have been granted to certain executives and senior employees.

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 33 for further details of these plans.

15G General reserve

Particulars	Amount
At April 1, 2018	37.13
Changes during the year	-
At March 31, 2019	**37.13**
Changes during the year	(31.68)
As at March 31, 2020	**5.45**

During the current year, the holding company has bought back and cancelled 32,00,000 equity shares of INR 10 each. The excess of aggregate consideration paid for Buy-Back over the face value of shares so bought back and extinguished, amounting to 28.48 Crore, is adjusted against the General Reserves. (Refer Note 14)

An amount of INR 3.20 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the holding company in the year ended March 2020) has been transferred to Capital Redemption Reserve from General Reserves pursuant to the provisions of Section 69 of the Companies Act, 2013 and the article 7 of the Article of Association of the parent. (Refer Note 14)

15H FVTOCI reserve

Particulars	Amount
At April 1, 2018	8.55
Changes during the year	1.23
At March 31, 2019	**9.78**
Changes during the year	(3.44)
As at March 31, 2020	**6.34**

The parent recognises the profit or loss on fair value of quoted investments under fair value through other comprehensive income (FVTOCI) reserve.

15I Foreign currency translation reserve

Particulars	Amount
At April 1, 2018	**1.80**
Changes during the year	(4.88)
At March 31, 2019	**(3.08)**
Changes during the year	(0.26)
As at March 31, 2020	**(3.34)**
Grand Total (15) as on March 2018	**1,513.43**
Grand Total (15) as on March 2019	**1,827.47**
Grand Total (15) as on March 2020	**2,053.96**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

15 Other equity (Contd..)

Distributions made and proposed

Particulars	As at March 31, 2020	As at March 31, 2019
Cash dividends on equity shares declared and paid:		
Final cash dividend for the year ended on March 31, 2020: INR 5.00 per share (March 31, 2019: INR 5.00 per share)	49.01	48.75
Dividend distribution tax on final dividend	10.08	10.01
Interim dividend for the year ended on March 31, 2020: INR 3.00 per share (March 31, 2019: NIL)	28.50	-
Dividend distribution tax on Interim dividend	5.86	-
	93.45	**58.76**
Proposed dividends on Equity shares:		
Final cash dividend for the year ended on March 31, 2020: NIL (March 31, 2019: INR 5.00 per share)	-	49.01
Dividend distribution tax on proposed dividend (DTT)	-	10.08
	-	**59.09**

The Board of Directors of GHCL Ltd at its meeting held on March 16, 2020 has approved the interim dividend of INR 3/- per equity share for the financial year 2019-20 on the paid-up capital of 9,50,13,286 equity shares of the Holding Company. Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability as at year end.

16A Long term borrowings

Particulars	Effective interest rate %	Maturity	As at March 31, 2020	As at March 31, 2019
Non-current Borrowings				
Term Loans				
From Banks				
Rupee Term Loans (secured)	8.94%	Jun 2021 - April 2029	774.84	638.65
Foreign currency loans (secured)	5.11%	September 2021 - July 2025	30.58	44.52
Others (secured)	5.77%	April 2029	0.97	18.86
Total non-current borrowings			**806.39**	**702.03**
Current Borrowings				
Current maturities of long term loan				
Rupee Term Loans (secured)	8.94%	March 31,2019 and 2020	147.28	125.75
Foreign currency loans (secured)	5.11%	March 31,2019 and 2020	15.58	40.83
Rupee Term Loans (Unsecured)		March 31,2019		25.00
Total current Borrowings			**162.86**	**191.58**
Less: Amount clubbed under "other current liabilities"			**-**	**-**
Net current borrowings			**162.86**	**216.58**
Aggregate Secured loans			969.25	868.60
Aggregate Unsecured loans			-	25.00

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16.1 Rupee term loans from banks / institutions have been secured against: -

a) Loan aggregating to INR 41.82 crores (Previous Year INR 53.50 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 5 years.

b) Loan aggregating to INR 417.00 crores (Previous Year INR 353.71 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval, Gujarat excluding assets exclusively charged to other lenders both present and future. The remaining tenure of the loans is 6 to 8 years.

c) Loan aggregating to INR 4.00 crores (Previous Year INR 31.71 crores) is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is less than 1 years.

d) Loan aggregating to INR 62.54 crores (Previous Year INR 73.38 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 2 to 8 years.

e) Loan aggregating to INR 36.53 crores (Previous Year INR 42.96 crores) is secured by exclusive charge on specific movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loan is 4 years.

f) Loan aggregating to INR 7.44 crores (Previous Year INR 8.47 crores) is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Jodia, Jamnagar District, Gujarat, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 7 years.

g) Loan aggregating to INR 175.70 crores (Previous Year INR 186.70 crores) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 2 to 9 years.

h) Loan aggregating to INR 146.96 crores (Previous Year INR 13.35 crores) is secured by first charge on pari passu basis over movable fixed assets of Company's Textile division present and future situated at Paravai and Manaparai, Tamil Nadu excluding movable assets already hypothecated on exclusive charge basis. The remaining tenure of the loans is 4 to 5 years.

i) Loan aggregating to INR 25.50 crores (Previous Year INR 42.00 crores) is secured by first exclusive charge on movable fixed assets of Textile Division (including Phase I, II, III) Madurai, Tamil Nadu. The remaining tenure of the loan is 1 years.

j) Loan aggregating to INR 32.02 (Previous Year INR 36.91 crores) crores is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 5 to 6 years.

k) Loan aggregating to INR 21.24 crores (Previous Year INR 25.23 crores) is secured by an exclusive first charge over movable and immovable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 6 years.

l) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (k) totalling INR 970.75 crores (Previous Year INR 867.92 crores), an amount of INR 162.86 crores (Previous Year INR 191.58 crores) is due for payment in next 12 months and accordingly reported under Note 19B under the head "Other Current Financial Liabilities" as "current maturities of Long Term Borrowings.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

16B Short term borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Short term loans from banks - Secured		
Cash credit facilities	8.14	149.92
Working capital demand loan	55.00	9.00
Sales Bill Discounting	7.75	2.78
Export Packing Credit (Rupee loan)	36.02	96.08
Export Packing Credit in foreign currency	2.95	-
Total Secured Short Term Borrowing	**109.86**	**257.78**
Short term loans from banks - (Unsecured)		
Cash credit facilities	0.23	30.33
Short Term Loan	49.41	35.00
Sales Bill Discounting	0.72	41.84
Export Packing Credit (Rupee loan)	89.50	43.61
Export Packing Credit (Foreign currency loan)	15.58	-
Export Bill Discounting Foreign Currency Loan)	3.58	-
Total Unsecured Short Term Borrowing	**159.02**	**150.78**
Total	**268.88**	**408.56**

16.2 Short term borrowings: This facility is secured by way of hypothecation on inventory and trade receivables and borrowed as under:

(a) Credit Facilities in Indian Rupees: The facilities availed by way of Cash Credit, Working capital demand loan, Export Packing Credit and Bill Discounting are repayable on demand and carries an average interest rate of 6.56% p.a (Previous Year 8.12% p.a) on the amount outstanding.

(b) Credit facilities in foreign currency : The facilities availed by way of foreign currency non resident borrowing, packing credit in foreign currency, Supplier's Credit and buyer's credit are repayable as per maturity dates being not more than 1 year and carries an average interest rate of 3.18% p.a (Previous Year 3.42% p.a) on the amount outstanding.

16.3 The Group has satisfied all the loan covenants.

16.4 The Group also has no undrawn borrowing facilities (Refer Note 10A).

16.5 The Group's long term borrowings under Indian rupees carry interest rate in range of 7.75% to 10.20%

16.6 The Group's long term borrowings under foreign currency carry interest rate in range of 5.11% to 5.77%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

17 Provisions

(A) Long term provisions

Particulars	Provision for mines restoration *
At April 1, 2018	6.33
Arising during the year	0.64
Utilised	(0.82)
At March 31, 2019	**6.15**
Arising during the year	0.79
Utilised	(0.67)
As at March 31, 2020	**6.27**

*The parent company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

(B) Short term provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Compensated Absences	12.85	12.19
Provision for litigation	-	2.94
	12.85	**15.13**

18A Trade payables

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises	12.92	14.83
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	394.80	394.58
	407.72	**409.41**
Non-current	-	-
Current	407.72	409.41

Trade payables are non-interest bearing and are normally settled on around 90 days terms

There are no dues payable to related parties

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended March 31, 2020, is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the holding Company.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

18A Trade payables (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	12.92	14.80
Interest	0.88	1.32
ii) The amount of interest paid by the buyer in terms of section16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Principal	38.99	-
Interest	1.16	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.88	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	0.88	1.32

19A Instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	6.25	-
Total derivative instruments at fair value through profit or loss	**6.25**	**-**

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases

19B Other current financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Other financial liabilities at amortised cost		
Current maturity of long term borrowings (Refer Note 16)	162.86	191.58
Other financial liabilities		
Dealer deposits	6.23	5.89
Security deposits	1.19	0.74
Capital creditors	38.12	25.92
Unpaid dividend	5.07	3.81
Interest accrued and due	0.88	1.32
Others	2.43	1.71
	216.78	**230.97**

Dealer deposits are non-interest bearing and have an average term of around 75 days. Interest payable is normally settled annually. Other than dealer deposits all other payables are non-interest bearing and have an average term of around 75 days.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

20 Other liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	16.10	25.34
Others	2.97	5.82
	19.07	**31.16**

21 Revenue from contracts with customers

1) Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segment	For the year ended March 31, 2020			Total	For the year ended March 31, 2019			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Type of goods or service								
Sale of manufactures products								
Sale of Soda Ash	1,943.94	-	-	1,943.94	1,895.31	-	-	1,895.31
Sale of Textile products	-	1,117.01	-	1,117.01	-	1,165.63	-	1,165.63
Sale of Consumer products	51.79	-	-	51.79	40.44	-	-	40.44
Sale of traded products	-	-	-					
Sale of Consumer products	7.15	-	-	7.15	28.41	-	-	28.41
Sale of Chemicals	185.23	-	-	185.23	211.53	-	-	211.53
Total revenue from contracts with customers	**2,188.11**	**1,117.01**	**-**	**3,305.12**	**2,175.69**	**1,165.63**	**-**	**3,341.32**
India	2,133.16	515.45	-	2,648.61	2,152.82	595.86	-	2,748.68
Outside India	54.95	601.56	-	656.51	22.87	569.77	-	592.64
Total revenue from contracts with customers	**2,188.11**	**1,117.01**	**-**	**3,305.12**	**2,175.69**	**1,165.63**	**-**	**3,341.32**
Timing of revenue recognition								
Goods transferred at a point in time	2,188.11	1,117.01	-	3,305.12	2,175.69	1,165.63	-	3,341.32
Services transferred over time	-	-	-	-	-	-	-	-
Total revenue from contracts with customers	**2,188.11**	**1,117.01**	**-**	**3,305.12**	**2,175.69**	**1,165.63**	**-**	**3,341.32**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information

Segment	For the year ended March 31, 2020			Total	For the year ended March 31, 2019			Total
	Inorganic Chemicals	Textiles	Others		Inorganic Chemicals	Textiles	Others	
Revenue								
External customer	2,188.11	1,117.01	-	3,305.12	2,175.69	1,165.63	-	3,341.32
Inter-segment	-	90.93	-	90.93	-	105.04	-	105.04
	2,188.11	**1,207.94**	**-**	**3,396.05**	**2,175.69**	**1,270.67**	**-**	**3,446.36**
Inter-segment adjustment and elimination	-	(90.93)	-	(90.93)	-	(105.04)	-	(105.04)
Total revenue from contracts with customers	**2,188.11**	**1,117.01**	**-**	**3,305.12**	**2,175.69**	**1,165.63**	**-**	**3,341.32**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

21 Revenue from contracts with customers (Contd..)

2) Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables *	274.40	290.62
Contract liabilities		
Advances from customers**	6.11	3.66

*Trade receivables are non-interest bearing and are generally on terms of 45 to 120 days.

**Advances from customers relate to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Group performs under the contract.

3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue as per contracted price	3,465.67	3,470.07
Adjustments		
Significant financing component	-	-
Sales return	(1.87)	(1.27)
Rebate	(0.61)	(0.08)
Discount	(158.07)	(127.41)
Revenue from contract with customers	**3,305.12**	**3,341.32**

4) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) are, as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Advances from customers (Refer Note 21.2)	6.11	3.66
	6.11	**3.66**

Management expects that the entire transaction price allotted to the unsatisfied contract as at the end of the reporting period will be recognised as revenue during the next financial year.

22 Other income

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.61	0.32
- from others	0.03	0.87

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

22 Other income (Contd..)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Dividend income	0.08	0.05
Other non-operating income		
Gain on exchange (net)	2.43	-
Profit on sale of investments	0.88	0.72
Rental income	1.17	1.97
Gain on sale of PPE	-	0.41
Sale of scrap	4.95	6.82
Miscellaneous income	7.45	4.35
	17.60	**15.51**

23 Cost of raw material consumed (Refer Note 42)

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Inventory at the beginning of the year	366.36	263.64
Add: Purchases	1,274.4	1,349.18
	1,640.76	**1,612.82**
Less: inventory at the end of the year	(387.31)	(366.36)
Cost of raw material consumed	**1,253.45**	**1,246.46**

24 (Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019	(Increase)/ decrease in inventories
Opening stock			
Finished Goods	223.28	153.04	(70.24)
Stock in Process	47.16	48.01	0.85
Stock in trade	30.28	15.97	(14.31)
	300.72	**217.02**	**(83.70)**
Closing stock			
Finished Goods	208.81	223.28	14.47
Stock in Process	54.11	47.16	(6.95)
Stock in trade	18.21	30.28	12.07
	281.13	**300.72**	**19.59**
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	19.59	(83.70)	-

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

25 Employee benefit expenses

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Salaries, wages and bonus	176.08	163.55
Contribution to provident and other funds	12.86	10.19
Share based payment expenses (Refer Note 33)	11.60	19.90
Gratuity expenses (Refer Note 33)	2.39	2.38
Staff welfare expenses	5.83	5.19
	208.76	**201.21**
Share based payment Written back (Refer Note 33)	(18.79)	-
	189.97	**201.21**

26 Depreciation and amortization expense

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Depreciation of tangible assets (Refer Note 3)	125.71	114.59
Amortization of intangible assets (Refer Note 4)	3.88	2.35
Depreciation of Right-of-use assets (Refer Note 34)	1.62	-
	131.21	**116.94**

27 Finance cost

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Interest on borrowings	96.02	94.09
(Net of TUF interest subsidy amounting to INR 0.89 Crore (March 31, 2019 INR 3.66 Crore))		
Exchange differences regarded as an adjustment to borrowing costs	10.39	16.82
Interest others	6.38	9.47
Bank charges	5.52	6.96
Interest on lease liabilities	1.49	-
	119.79	**127.34**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

28 Other expenses

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Consumption of stores and spares	59.64	64.63
Job Work charges	29.69	50.26
Other manufacturing expenses	37.21	35.76
Packing expenses	77.48	96.71
Bad Debts - Written Off	0.85	0.38
Freight and forwarding	37.72	45.42
Commission on sales	12.86	12.24
Advertisement and Business promotion expenses	18.97	17.20
Travelling and conveyance	16.06	16.99
Rent	8.96	12.07
Repairs and maintenance		
Plant and machinery	21.34	26.11
Buildings	3.52	4.58
Others	6.65	5.06
Rates and taxes	3.52	1.86
Insurance	13.26	9.88
Loss on Discard/Disposal of property, plant & equipment	1.48	-
Commission to Non Whole time Directors	2.72	2.84
Communication expenses	2.04	1.93
Legal and professional expenses	15.55	15.21
Donation	0.08	0.13
Donation to Political Parties	5.00	2.36
CSR Expenditure (refer details below)	9.75	9.10
Loss on exchange (net)	-	6.03
Miscellaneous expenses	34.21	26.04
	418.55	**462.79**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

28 Other expenses (Contd..)

Payment to auditors

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
To Statutory auditor:		
Audit fee	0.45	0.40
Limited review	0.75	0.60
In other capacity		
Other services (certification fees)	0.15	0.10
Reimbursements of expenses	0.07	0.03
	1.42	**1.13**
To Cost auditor		
Audit fee	0.03	0.03
Out of pocket expenses	0.00	-
	0.03	**0.03**

Details of CSR expenditure

	Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
a	Gross amount required to be spent by the Group during the year	9.75	9.10

	Particulars	In cash	Yet to be paid in cash	Total
b	**Amount spent during the year ending on March 31, 2020:**			
i)	Construction / acquisition of any asset	0.30	-	0.30
ii)	On purpose other than (i) above	9.45	-	9.45

	Particulars	In cash	Yet to be paid in cash	Total
c	**Amount spent during the year ending on March 31, 2019:**			
i)	Construction / acquisition of any asset	0.24	-	0.24
ii)	On purpose other than (i) above	8.86	-	8.86

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

29 Components of Other Comprehensive Income (OCI)

Particulars	FVTOCI reserve	Retained earnings	Total
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2020			
Re-measurement Gain/(Loss) on defined measurement plans	-	(2.09)	(2.09)
Re-measurement of investment in equity	(3.44)	-	(3.44)
Exchange differences on translation of foreign operations	(0.26)		(0.26)
	(3.70)	**(2.09)**	**(5.79)**
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2019			
Re-measurement Gain/(Loss) on defined benefit plans		0.41	0.41
Re-measurement of investment in equity	1.23		1.23
Exchange differences on translation of foreign operations	(4.88)	-	(4.88)
Total	**(3.65)**	**0.41**	**(3.24)**

30 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in computation of Basic EPS:

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Profit attributable to the equity holders of the Group	396.62	350.58
Weighted average number of equity shares for basic EPS	9,79,17,070	9,79,06,026
Basic Earnings Per share (Face value of INR 10/- per share)	40.50	35.81
Profit attributable to the equity holders of the Holding Company	396.62	350.58
Weighted average number of equity shares and common equivalent shares outstanding*	9,79,17,070 **	9,87,60,495
Diluted earnings per equity share - (Face value of INR 10/- per share)	40.50	35.50

**The effect of dilution on weighted avg no. of equity shares is anti dilutive (refer below details). Therefore, weighted avg no. of equity shares considered for basic EPS and Diluted EPS are same.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

30 Earnings per share (Contd..)

***Weighted average number of Equity shares adjusted for the effect of dilution**

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Weighted average number of equity shares for basic EPS	9,79,17,070	9,79,06,026
Effect of dilution:		
Employee Share Option Scheme	(15,28,086)	8,54,469
Weighted average number of equity shares and common equivalent shares outstanding	9,63,88,984	9,87,60,495

31 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

(i) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the Group's financial statements:

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (Contd..)

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform the irrespective obligations under the contract, and the contract is legally enforceable.

The Group's contracts with customers could include promises to transfer multiple product. The Group assesses the products promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract and to ascribe the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, cash discount, price concessions and incentives. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period. The Group allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

Assessment of Equity instruments

The Group has designated investments in equity instruments as FVTOCI investments since the group expects to hold these investment with no intention to sale. The difference between the instrument's fair value and Indian GAAP carrying amount has been recognized in retained earnings.

(ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (Contd..)

transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to impairment assessment of property plant and equipment and recognised by the Holding Company. Holding Company has done the impairment assessment of Home Textile Division during the year Refer Note 3 for details.

Share-based payments

For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black-Scholes model for Employee Share Option Plan (GESP).The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 33.

Useful lives of property, plant and equipment

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Group reviews the useful life of property, plant and equipment at the end of each reporting date.

Post-retirement benefit plans

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Further details about gratuity obligations are given in Note 32.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 39 for further disclosures.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan

Defined contribution plan

The Parent Company makes contributions towards provident fund and superannuation fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Parent Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Contribution paid for provident fund and superannuation fund are recognised as expense for the year.

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Employer's contribution to provident fund/pension scheme	9.89	8.23
Employer's contribution to superannuation fund	1.60	1.25

Defined benefit plan

Gratuity (funded)

The employees' gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Parent Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972 (as amended). Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Parent Company makes contributions to Group Gratuity Trust registered under Income Tax Act-1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2020. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan assets are managed by the Gratuity Trust formed by the Parent Company. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Parent Company

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2020:

		Gratuity cost charged to profit or loss				Re-measurement (gains) / losses in other comprehensive income					
Particulars	April 1, 2019	Service cost	Net interest expense/ (Income)	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	March 31, 2020
Defined benefit obligation	42.09	2.93	3.36	6.29	(7.23)		(1.07)	3.17	2.10		43.25
Fair value of plan assets	46.81		(3.74)	(3.74)	(7.23)	0.71			0.71	-	42.61
Benefit liability	**(4.72)**			**2.55**					**2.81**		**0.64**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2019:

	Gratuity cost charged to profit or loss					Re-measurement (gains) / losses in other comprehensive income					
Particulars	**April 1, 2018**	**Service cost**	**Net interest expense/ (Income)**	**Sub-total included in profit or loss**	**Benefits paid**	**Return on plan assets (excluding amounts included in net interest expense)**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Subtotal included in OCI**	**Contributions by employer**	**March 31, 2019**
Defined benefit obligation	39.88	2.79	3.05	5.84	(2.74)		(0.26)	(0.63)	(0.89)		42.09
Fair value of plan assets	43.66		(3.46)	(3.46)	-	0.38			0.38	0.07	46.81
Benefit liability	**(3.78)**			**2.38**					**(0.51)**		**(4.72)**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Investment details of plan assets

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Insurance fund	42.61	46.81

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality	Indian Assured Lives Mortality(2006-08)
Discount rate	6.59%	7.94%
Estimated rate of return on plan assets	6.59%	7.94%
Estimated future salary growth	4.00%*	8.00%
Rate of employee turnover	11.00%	2.00%

* 4% p.a. for next 1 year, 7% p.a. thereafter, starting from the 2nd year.

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:

Assumptions	**Employee turnover**		**Salary**		**Discount rate**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(0.09)	0.09	1.45	(1.34)	(1.32)	1.46

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is as shown below:

Assumptions	**Employee turnover**		**Salary**		**Discount rate**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
Impact on defined benefit obligation	(0.06)	0.07	2.52	(2.23)	(2.21)	2.55

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd..)

The following payments are projected benefits payable in future years from the date of reporting from the fund:

Particulars	As at March 31, 2020	As at March 31, 2019
Within the next 12 months (next annual reporting period)	14.16	9.84
2nd Following Year	4.78	2.94
3rd Following Year	5.93	4.28
4th Following Year	4.95	4.70
5th Following Year	4.60	4.26
Sum of Years 6 to 10	12.13	17.53
Total expected payments	**46.55**	**43.55**

The average duration of the defined benefit plan obligation at the end of the reporting period is 4 years (March 31, 2019: 7 years).

Risks associated with defined benefit plan

Gratuity is a defined benefit plan and Parent company is exposed to the Following Risks:

Interest rate Risk:	A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher proportion. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
Salary Risk:	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
Investment Risk:	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.
Asset Liability Matching Risk:	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM Risk.
Mortality Risk:	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
Concentration Risk:	Plan is having a concentration risk all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines

33 Share based compensation

In accordance with the Securities and Exchange Board of India (Share Based Employee benefits) Regulations, 2014 and the Guidance Note on Accounting for 'Employees Share-based Payments, the scheme detailed below is managed and administered, compensation benefits in respect of the scheme is assessed and accounted by the Group. To have an understanding of the scheme, relevant disclosures are given below.

a) As approved by the shareholders at their Annual General Meeting held on 23rd July 2015, the Group has got 50,00,000 number of Options under the employee stock option scheme "GHCL ESOS 2015". The following details show the actual status of ESOS granted during the financial year ended on March 31, 2020.

b) During the year 2,15,000 equity share options lapsed upon cessation of employment. Further 3,62,500 ESOP's (which were deferred for vesting in the Nomination and Remuneration Committee meeting held on April 25, 2019) and ESOP's 6,15,000 stock options (due for vesting on April 25, 2020) has now been considered as lapsed after the approval of the Nomination and Remuneration Committee in the meeting held on January 23, 2020 on account of non-performance of benchmark set for the specific businesses and Company as a whole. The ESOP provision to the extent of INR 18.78 crores has been written back on account of the above options lapsed.

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33 Share based compensation (Contd..)

Particulars	Grant 2		Grant 3		Grant 4	
Date of grant	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of board approval	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	15,000	15,000	25,000	25,000	90,000	90,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	198.55	204.79	110.59	123.20	123.20	134.18
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 2		Grant 3		Grant 4	
On completion of 12 months	15,000	-	25,000	-	-	-
On completion of 18 months	-	15,000	-	25,000	90,000	-
On completion of 30 months	-	-	-	-	-	90,000

Particulars	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	6,10,000	6,10,000	6,10,000	15,000	15,000	15,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						
Fair value on the date of grant (In INR)	161.33	173.00	183.41	173.00	183.41	192.68
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 5			Grant 6		
On completion of 12 months	6,10,000	-	-	-	-	-
On completion of 24 months	-	6,10,000	-	15,000	-	-
On completion of 36 months	-	-	6,10,000	-	15,000	
On completion of 48 months	-	-	-	-	-	15,000

Particulars	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of board approval	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Date of shareholder's approval	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015	23-07-2015
Number of options granted	25,000	25,000	25,000	60,000	60,000	60,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting period (see table below)						

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for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Particulars	Grant 7			Grant 8		
Fair value on the date of grant (In INR)	173.00	183.41	192.68	183.41	192.68	200.98
Exercise period	5 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Vesting conditions	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders	As per policy approved by Shareholders

Details of the vesting period are:

Vesting Period from the Grant date	Grant 7			Grant 8		
On completion of 24 months	25,000	-	-	-	-	-
On completion of 36 months	-	25,000	-	60,000	-	-
On completion of 48 months	-	-	25,000	-	60,000	-
On completion of 60 months	-	-	-	-	-	60,000

Set out below is a summary of options granted under the plan:

Particulars	As at March 31, 2020		As at March 31, 2019	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	22,05,000	151	7,80,000	121
Options granted during the year	-	-	21,30,000	150
Options forfeited/lapsed during the year	11,92,500	152	1,00,000	158
Options exercised during the year	1,85,000	148	6,05,000	100
Options expired during the year	-	-	-	-
Options outstanding at end of year	8,27,500	150	22,05,000	151
Options vested but not exercised during the year	1,12,500	151	5,000	170

The details of activity of the Scheme have been summarized below:

Particulars	As at March 31, 2020						Total
	Grant 2		Grant 3		Grant 4		
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	-	15,000	5,000	25,000	45,000	45,000	1,35,000
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	12,500	37,500	45,000	95,000
Exercised during the year	-	15,000	-	10,000	7,500	-	32,500
Expired during the year			-	-			-
Outstanding at the end of the year	-	-	5,000	2,500	-	-	7,500
Exercisable at the end of the year	-	-	5,000	2,500	-	-	7,500
Weighted average remaining contractual life (in years)	-	-	-	-	-	-	
Weighted average fair value of options granted during the year	198.55	204.79	110.59	123.20	123.20	134.18	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

33 Share based compensation (Contd..)

Particulars	Grant 2		Grant 3		Grant 4	
Date of grant	31-01-2017	31-01-2017	24-10-2017	24-10-2017	24-10-2017	24-10-2017
Stock price at the date of grant	286.05	286.05	251.05	251.05	251.05	251.05
Exercise price	100	100	170	170	170	170
Expected volatility	39.3	39.3	36.77	36.77	36.77	36.77
Expected life of the option	2	3	2	3	3	4
Risk free interest rate (%)	6.396	6.396	6.762	6.762	6.762	6.762
Weighted average fair value as on grant date	198.55	204.79	110.59	123.20	123.20	134.18

Particulars	As at March 31, 2020						Total
	Grant 5			Grant 6			
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	6,05,000	6,05,000	6,05,000	15,000	15,000	15,000	18,60,000
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	3,47,500	6,05,000	75,000	15,000	5,000	5,000	10,52,500
Exercised during the year	1,52,500	-	-	-	-	-	1,52,500
Expired during the year	-	-			-	-	-
Outstanding at the end of the year	1,05,000	-	5,30,000	-	10,000	10,000	6,55,000
Exercisable at the end of the year	1,05,000	-	-	-	-	-	1,05,000
Weighted average remaining contractual life (in years)	-	-	1.07	-	1.07	2.07	
Weighted average fair value of options granted during the year	161.33	173.00	183.41	173.00	183.41	192.68	

Particulars	Grant 5			Grant 6		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	2	3	4	3	4	5
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	161.33	173	183.41	173	183.41	192.68

Notes to the Consolidated Financial Statements

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33 Share based compensation (Contd..)

Particulars	As at March 31, 2020						Total	Grand Total of ESOS
	Grant 7			Grant 8				
	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options	Number of options
Outstanding at the beginning of the year	25,000	25,000	25,000	45,000	45,000	45,000	2,10,000	22,05,000
Granted during the year	-	-	-	-	-	-	-	-
Forfeited during the year	25,000	10,000	10,000	-	-	-	45,000	11,92,500
Exercised during the year	-	-	-	-	-	-	-	1,85,000
Expired during the year	-	-			-	-	-	-
Outstanding at the end of the year	-	15,000	15,000	45,000	45,000	45,000	1,65,000	8,27,500
Exercisable at the end of the year	-	-	-	-	-	-	-	1,12,500
Weighted average remaining contractual life (in years)	-	1.07	2.07	1.07	2.07	3.07		
Weighted average fair value of options granted during the year	173.00	183.41	192.68	183.41	192.68	200.98		

Particulars	Grant 7			Grant 8		
Date of grant	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018	25-04-2018
Stock price at the date of grant	286.5	286.5	286.5	286.5	286.5	286.5
Exercise price	150	150	150	150	150	150
Expected volatility	39.51%	39.51%	39.51%	39.51%	39.51%	39.51%
Expected life of the option	3	4	5	4	5	6
Risk free interest rate (%)	7.647	7.647	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	173	183.41	192.68	183.41	192.68	200.98

34 Leases

Group as a lessee

The Group has lease contracts for various items of Building and Salt works (fields taken on lease for salt production) in its operations. Leases of Building generally have lease terms between 1 and 10 years, while salt works generally have lease terms between 3 and 30 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets and some contracts require the Group to maintain certain financial ratios. There are no major lease contracts that include extension and termination options and variable lease payments.

Notes to the Consolidated Financial Statements

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34 Leases (Contd..)

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold building	Saltworks	Total
As at April 1, 2019	**7.11**	**7.89**	**15.00**
Additions	0.44	-	0.44
Depreciation expense	(1.15)	(0.47)	(1.62)
Termination	(0.09)	-	(0.09)
As at March 31, 2020	**6.31**	**7.42**	**13.73**

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Particulars	As at March 31, 2020
As at April 1, 2019	**15.00**
Additions	0.26
Accretion of interest	1.49
Payments	(2.06)
Termination	(0.09)
As at March 31, 2020	**14.60**
Current	0.68
Non-current	13.92

The maturity analysis of lease liabilities are disclosed in Note 40.
The effective interest rate for lease liabilities is 10%.

The following are the amounts recognised in profit or loss:

	As at March 31, 2020
Depreciation expense of right-of-use assets	1.62
Interest expense on lease liabilities	1.49
Expense relating to short-term leases and low value leases (included in other expenses)	9.31
Total amount recognised in profit or loss	**12.42**

The Group had total cash outflows for leases of INR 11.37 crores in March 31, 2020 (INR 6.71 crores in March 31, 2019). There are no non-cash additions to right-of-use assets and lease liabilities. There are no future cash outflows relating to leases that have not yet commenced.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

35 Commitments and contingencies

		As at March 31, 2020	As at March 31, 2019
a)	Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	83.49	20.29

b) Contingent Liabilities :

Particulars	As at March 31, 2020	As at March 31, 2019
Claims against the Group not acknowledged as debts*		
- Income tax	158.27	154.85
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	128.92	124.08
- Other claims	18.26	36.54

Cases pending before appellate authorities/dispute resolution panel in respect of which the Group has filed appeals.

*On the basis of current status of individual case for respective years and as per legal advice obtained by the Group, wherever applicable, the Group is confident of winning the above cases and is of the view that no provision is required in respect of above cases.

These include claims against the Group for recovery lodged by various parties.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions. The Company's tax filings includes deduction relatied to 80IA, deduction allowances on subsidiary losses, 14A disallowances, transfer pricing matters and others . The taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study , that it is probable that its tax treatments will be accepted by the taxation authorities.

The aforesaid Appendix did not have an impact on the financial statements of the Group.

	Particulars	As at March 31, 2020	As at March 31, 2019
c)	**Guarantees:**	-	-
	Corporate Guarantees to Bank on behalf of erstwhile subsidiaries of the Group	2.82	2.72
d)	Bills discounted with banks (since realized)	-	-
e)	EPCG Commitment (value of exports) - The Group has export obligations to the extent INR 390.61 crores (as at March 31, 2019 INR 253.25 crores) of on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next eight /six years. Due to the remote likelihood of the Group being unable to meet its export obligations, the Group does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	42.59	42.21

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions

a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years

A) Key managerial personnel

Mr. R. S. Jalan, Managing Director

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

Mr. Neelabh Dalmia- Executive Director -Textiles (w.e.f February 01,2020)

Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary

B) Non-whole-time directors

Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mr. Neelabh Dalmia (Upto January 31,2020)

Mrs. Vijaylaxmi Joshi

Mr. Lavanya Rastogi

Mr. Manoj Vaish (W.e.f April 01,2019)

Mr. Arun Kumar Jain (W.e.f April 01,2019)

Justice Ravindra Singh (W.e.f April 01,2019)

Mr. K C. Jani (Upto September 17, 2019)

C) Relative of key managerial personnel

Mrs. Sarita Jalan, w/o Mr. R. S. Jalan

Mrs. Bharti Chopra, w/o Mr. Raman Chopra

Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra

D) Enterprises over which key managerial personnel are able to exercise significant influence

Dalmia Centre for Research & Development

GHCL Foundation Trust

GHCL Employees Group Gratuity Scheme

Gujarat Heavy Chemical Limited Superannuation Scheme

Dalmia Biz Private Limited

Dalmia Healthcare Limited

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions (Contd..)

b) Transactions with relative of key management personnel

Particulars	As at March 31, 2020	As at March 31, 2019
Leasing & hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.18	0.12
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.12	0.09
Mrs. Vandana Mishra, w/o Mr. Bhuwneshwar Mishra	0.02	0.02

c) Transactions with enterprises over which significant influence exercised by directors

Particulars	As at March 31, 2020	As at March 31, 2019
Purchase of goods		
Dalmia Centre for Research & Development	-	0.02
Royalty paid		
Dalmia Centre for Research & Development	0.07	0.07
Rent & Other Receipts		
Dalmia Biz Private Limited.	0.18	0.26
Dalmia Healthcare Limited	0.16	0.23
Net contribution		
GHCL Foundation Trust	9.75	9.10
GHCL Employees Group Gratuity Scheme	-	0.07
Gujarat Heavy Chemical Limited Superannuation Scheme	1.60	1.25

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2020, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

d) Compensation of key management personnel of the Group

Particulars	As at March 31, 2020	As at March 31, 2019
Mr. R. S. Jalan, Managing Director	8.09	9.56
Mr. Raman Chopra, CFO & Executive Director (Finance)	4.68	5.46
Mr. Neelabh Dalmia- Executive Director -Textiles (w.e.f February 01,2020)	1.52	1.40
Mr. Bhuwneshwar Mishra, Sr. General Manager & Company Secretary	0.54	0.67
Total compensation paid to key management personnel	**14.83**	**17.09**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

36 Related party transactions (Contd..)

Particulars	As at March 31, 2020	As at March 31, 2019
Short-term employee benefits	14.44	13.80
Post-employment gratuity and medical benefits	0.36	0.67
Share-based payment transactions	0.03	2.62
Total compensation paid to key management personnel	**14.83**	**17.09**

e) Transactions with non-whole-time directors

Particulars	For Year ended March 31, 2020		For Year ended March 31, 2019	
	Sitting Fees	Commission	Sitting Fees	Commission
Mr. Sanjay Dalmia	0.03	0.60	0.03	0.60
Mr. Anurag Dalmia	0.02	0.50	0.02	0.50
Mr. Neelabh Dalmia	0.02	0.30	0.02	0.40
Dr. Manoj Vaish	0.04	0.26	-	-
Justice Ravindra Singh	0.05	0.25	-	-
Mrs. Vijaylaxmi Joshi	0.06	0.25	0.05	0.25
Mr. Arun Kumar Jain	0.05	0.25	-	-
Mr. K C Jani	0.02	0.11	0.05	0.27
Dr. Lavanya Rastogi	0.02	0.20	0.02	0.25
Dr. B. C. Jain	-	-	0.01	0.07
Mr. G. C. Srivastava	-	-	0.04	0.25
Mr. Mahesh Kumar Kheria	-	-	0.04	0.25
Total	**0.32**	**2.72**	**0.28**	**2.84**

f) Disclosure required under Sec 186(4) of the Companies Act 2013 (Refer Note 6A)

Name of the Loanee	As at March 31, 2020	As at March 31, 2019
GHCL Employee Stock Option Trust	5.82	6.21

37 Segment information

The Group is primarily engaged in the business of manufacture of inorganic chemicals and textiles and based on this it has two reportable segments:

Inorganic chemicals segment majorly includes manufacture of soda ash which is an important raw material for detergent and glass industry. Major raw materials to manufacture soda ash are salt, limestone, coke, briquette, coal and lignite.

Textiles segment manufactures cotton and polyester yarn and home textile products. GHCL Limited is one of the largest integrated textile manufacturers in the country with own spinning, weaving and processing & dyeing and cutting & sewing manufacturing facility.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information (Contd..)

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Income taxes are managed on Group basis and are not allocated to Operating segments.

Summary of Segment information

For Year ended March 31, 2020

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	2,188.11	1,117.01	-	3,305.12
Inter-segment	-	-	-	-
Total revenue	**2,188.11**	**1,117.01**	**-**	**3,305.12**
Segment profit	629.40	7.22	0.35	636.96
Total assets	2,523.41	1,597.78	48.16	4,169.35
Total liabilities	1,134.92	631.51	253.95	2,020.38
Capital expenditure	144.50	47.35	-	191.85
Depreciation and amortization	79.50	51.71	-	131.21

For Year ended March 31, 2019

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	2,175.69	1,165.63	-	3,341.32
Inter-segment	-	-	-	-
Total revenue	**2,175.69**	**1,165.63**	**-**	**3,341.32**
Segment profit	620.19	55.77	1.39	677.35
Total assets	2,219.22	1,688.78	86.91	3,994.91
Total liabilities	880.41	925.78	263.22	2,069.41
Capital expenditure	155.66	99.24	-	254.90
Depreciation and amortization	71.22	45.64	-	116.86

All other adjustments and eliminations are part of detailed reconciliations presented further below.

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Capital expenditure consists of additions of property, plant and equipment and intangible assets.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

37 Segment information (Contd..)

Reconciliations to amounts reflected in the financial statements

Reconciliation of profit	For Year ended March 31, 2020	For Year ended March 31, 2019
Segment profit	636.96	677.35
Fair value gain on financial assets at fair value through profit or loss		
Un- allocated expenditure	(22.57)	(19.37)
Other finance costs	(119.79)	(127.35)
Profit before tax	**494.60**	**530.63**

Reconciliation of assets	As at March 31, 2020	As at March 31, 2019
Inorganic chemicals	2,523.41	2,219.22
Home textiles	1,597.78	1,688.78
Un-allocated	48.16	86.91
Total assets	**4,169.35**	**3,994.91**

Reconciliation of liabilities	As at March 31, 2020	As at March 31, 2019
Inorganic chemicals	1,134.92	880.41
Home textiles	631.51	925.78
Un-allocated	253.95	263.22
Total liabilities	**2,020.38**	**2,069.41**

Revenue from external customers	For Year ended March 31, 2020	For Year ended March 31, 2019
India	2,648.61	2,814.00
Outside India	656.51	527.32
Total revenue per statement of profit and loss	**3,305.12**	**3,341.32**

Trade receivable	As at March 31, 2020	As at March 31, 2019
India	203.02	213.99
Outside India	71.38	76.63
Total Trade Receivable	**274.40**	**290.62**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

38 Hedging activities and derivatives

Derivatives not designated as hedging instruments

The Group is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Group's risk management strategy and how it is applied to manage risk are explained in Note 40.

The Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions generally from one to 24 months. These contracts are not designated in hedge relationships and are measured at fair value through statement of profit or loss.

39 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value	Fair value	Carrying value	Fair value
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
Financial assets measured at fair value				
Investments (Refer Note 5B)	9.25	9.25	11.59	11.59
Derivative instruments	-	-	2.26	2.26
Financial assets measured at amortised cost				
Loan to ESOS trust (Refer Note 6A)	5.82	5.82	6.21	6.21
Security deposits (Refer Note 6 A & 11A)	9.89	9.89	5.24	5.24
Demand deposits# (Refer Note 6B)	0.00	0.00	0.00	0.00
Loan to employees (Refer Note 11A)	2.16	2.16	2.11	2.11
Demand deposits (Refer Note 6B)	-	-	-	-
Others ** (Refer Note 11)	1.49	1.49	0.50	0.50
Financial liabilities at fair value				
Derivative instruments (Refer Note 19A)	6.25	6.25	-	-
Financial liabilities measured at amortised cost				
Term loans (Refer Note 16A)	969.25	969.25	893.61	893.61
Short term borrowings (Refer Note 16B)	268.88	268.88	408.56	408.56

The management assessed that cash and cash equivalents, trade receivables, Export incentives receivable, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The other current financial liabilities represents Dealer deposits, Security deposits, Capital creditors, Unpaid dividend and Interest accrued on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

* Investments excludes investment in subsidiary which is carried at cost.

** The other non-current financial assets represents bank deposits and insurance receivable.

#Amount in absolute terms is INR 35,000 (Previous Year INR 35,000)

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

The following methods and assumptions were used to estimate the fair values:

i The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

ii The fair values of the FVTOCI financial assets are derived from quoted market prices in active markets.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Particulars	Date of valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
FVTOCI financial investments					
Quoted equity shares (Refer Note 5)	March 31, 2020	7.87	7.87		
	March 31, 2019	11.29	11.29		
Unquoted equity shares (Refer Note 5)	March 31, 2020	0.13			0.13
	March 31, 2019	0.26			0.26
Unquoted debt securities (Refer Note 5)	March 31, 2020	0.04			0.04
	March 31, 2019	0.04			0.04
Financial assets measured at fair value through profit and loss					
Derivative instruments	March 31, 2020	6.25			6.25
	March 31, 2019	2.26		2.26	
Financial assets measured at amortised cost					
Security deposits (Refer Note 6A)	March 31, 2020	9.69		9.69	
	March 31, 2019	5.24		5.24	
Loan to ESOS trust (Refer Note 6A)	March 31, 2020	5.82		5.82	
	March 31, 2019	6.21		6.21	
Demand deposits (Refer Note 6B)	March 31, 2020	0.00		0.00	
	March 31, 2019	0.00		0.00	
Loan to employees (Refer Note 11A)	March 31, 2020	2.16		2.16	
	March 31, 2019	2.11		2.11	
Others (Refer Note 11C)	March 31, 2020	1.49		1.49	
	March 31, 2019	0.50		0.50	
Financial liabilities measured at fair value					
Derivative instruments (Refer Note 19A)	March 31, 2020	6.25		6.25	
	March 31, 2019	-			-
Financial liabilities carried at amortised cost					
Floating rate borrowings (India)	March 31, 2020	1,238.13		1,238.13	
	March 31, 2019	1,302.17		1,302.17	

There have been no transfers between Level 1 and Level 2 during the period.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

39 Fair values (Contd..)

Particulars	Fair value hierarchy	Valuation technique	Inputs used
FVTOCI financial investments			
Quoted equity shares	Level 1	Market valuation techniques	Prevailing rates in the active markets
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, Weighted average cost of capital, Long-term operating margin, Discount for lack of marketability.
Unquoted debt securities	Level 3	Discounted cash flow	Long-term growth rate for cashflows for subsequent years, weighted average cost of capital, long-term operating margin, discount for lack of marketability.
Financial assets measured at fair value through statement of profit and loss			
Derivative instruments	Level 2	Market valuation techniques	Forward foreign currency exchange rates
Financial assets measured at amortised cost			
Security deposits	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts.
Loan to ESOS trust			
Loan to employees			
Financial liabilities measured at fair value			
Derivative instruments	Level 2	Market valuation techniques	Forward foreign currency exchange rates
Financial liabilities measured at amortised cost			
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payouts

40 Financial risk management objectives and policies

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group also holds FVTOCI investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a banking and operations committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by expert list teams that have the appropriate skills, experience and supervision. It is the Group's policy, that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Notes to the Consolidated Financial Statements

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40 Financial risk management objectives and policies (Contd..)

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2020, and March 31, 2019. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

In order to optimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The Group in not exposed the significant interest rate as at a respective reporting date.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Group's profit before tax is effected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2020	+/(-).50%	'(-)/+ 6.20

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2019	+/(-).50%	'(-)/+ 6.46

b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month periods for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

c) Foreign currency sensitivity

Particulars	Change in USD rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.49

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

c) Foreign currency sensitivity (Contd..)

Particulars	Change in USD rate	Effect on PBT
March 31, 2019	+/(-)1%	INR +/(-) 2.19

Particulars	Change in GBP rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.00

Particulars	Change in GBP rate	Effect on PBT
March 31, 2019	+/(-)1%	INR (-)/+ 0.02

Particulars	Change in EUR rate	Effect on PBT
March 31, 2020	+/(-)1%	'(-)/+ 0.16

Particulars	Change in EUR rate	Effect on PBT
March 31, 2019	+/(-)1%	INR +/(-) 0.09

d) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 1.35 crores as on March 31, 2020, (INR 0.25 as on March 31, 2019).

At the reporting date, the exposure to listed equity securities at fair value was INR 7.87 Crore as on March 31, 2020, (INR 11.30 as on March 31, 2019). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 0.79 Crore on the OCI or equity attributable to the Group. An increase of 10% in the value of the listed securities would also impact OCI and equity. These changes would not have an effect on profit or loss.

e) Commodity risk

The Group is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the Group has entered into purchase contract for coal with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Group's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

f) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous Company's and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Group is not having the history of the significant bad debts expect one off cases. The receivables are recovered in business operating cycle. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. Therefore the Group has not created any provision on receivables according to the ECL - Simplified approach.

Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020, and March 31, 2019, is the carrying amounts as illustrated in Note 9 except for financial guarantees and derivative financial instruments. The Group's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

Liquidity risk

Liquidity risk is the risk that the Group will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Group to manage liquidity is to ensure , as far as possible, that it should have sufficient liquidity to meet its respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The Group also believes a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd..)

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

As on March 31, 2020	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	268.88	162.86	627.01	179.38	1,238.13
Trade and other payables	-	407.72	-	-	407.72
Lease Liabilities	-	0.68	2.05	11.87	14.60
Other financial liabilities	11.18	66.72	1.19	-	79.09
	280.06	**637.98**	**630.25**	**191.25**	**1,739.55**

As on March 31, 2019	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	408.56	191.58	499.01	203.02	1,302.17
Trade and other payables	-	409.41	-	-	409.41
Other financial liabilities	7.47	66.00	0.74	-	74.21
	416.03	**666.99**	**499.75**	**203.02**	**1,785.79**

41 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, security premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio of less than 75%. The Group includes within net debt, interest bearing loans and borrowings, lease liabilities, trade and other payables, less cash and cash equivalents.

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	1,238.13	1,302.17
Trade payables	407.72	409.41
Lease liabilities	14.60	-
Other financial liabilities	79.10	74.21
Less: Cash and bank balances	(91.74)	(12.18)
Net debt	**1,647.81**	**1,773.61**
Equity	2,148.97	1,925.50
Capital and net debt	**3,796.78**	**3,699.11**
Gearing ratio	43%	48%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

42 Raw material and power & fuel costs include expenditure on captive production of salt, limestone, briquette and lignite as under:

Particulars	For Year ended March 31, 2020	For Year ended March 31, 2019
Manufacturing expenses*	154.60	191.58
Stores and spares consumed	1.52	1.37
Power and fuel	4.13	5.32
Excise duty, cess and royalty	5.59	9.67
Repairs and maintenance	-	
Building	0.17	0.29
Plant and machinery	0.88	0.99
Earth work	2.01	3.57
Others	0.48	0.43
Salaries and wages	10.37	9.90
Travelling & conveyance	0.71	0.77
Lease rent	1.00	0.71
Rates and taxes	0.24	0.36
Insurance	1.35	0.87
Misc. expenses (including deferred revenue & intangible expenses)	1.86	2.62
Less: Other misc. income	(0.58)	(0.51)
Total	**184.33**	**227.93**

*It includes consumption of breeze, starch binder and other production and mining cost.

43 In prior years as per SEBI (ESOS & ESPS) guidelines 1999 the Employees Stock Option Schemes of GHCL was administered by the registered Trust named GHCL Employees Stock Option Trust. However, the SEBI circular dated November 29, 2013, required the closure of all Employee Stock Option Trusts by June 2014. Accordingly, GHCL closed its ESOS Scheme, disposed of GHCL shares but retained its ESOS Trust for a limited purpose of litigation. ESOS Trust owns 20,46,195 GHCL shares, out of which 15,79,922 shares were illegally sold by broker involved, against which ESOS Trust has initiated legal proceedings and 4,66,273 shares were blocked for transactions by Stock exchange under legal proceedings. During the year, 4,66,274 shares were transferred/released to ESOS Trust as per NSE order dated July 24, 2019 and are currently held by the Trust.

During the tenure of ESOS Trust, the Holding company had advanced INR 29.54 crores interest free loan to the Trust to buy the shares and at the end of March'2014, the Holding company had written off an amount of INR 23.34 crores due from ESOS Trust on account of permanent diminution in the value of 20,46,195 shares as on March 31, 2014 held by the Trust.

Once the legal matter will settle ESOS Trust will get the possession of 15,79,922 shares also, the sale proceeds from the disposal of these 20,46,195 shares by ESOS Trust will first be used to repay the loan amounting to INR 29.54 crores due to GHCL which includes restatement of earlier write-off of INR 23.34 crores taken in March, 2014 and the balance surplus (if any) will be used for the benefit of the employees of the Holding company as per the recommendation of GHCL's Compensation Committee.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

44 Demerger

The Board of Directors of Holding Company on March 16, 2020, approved a Scheme of Arrangement u/s 230- 232 of the Companies Act 2013, involving a demerger of its Textiles Business into a separate company (to be incorporated as a Resulting Company) (the 'Scheme'). Upon the Scheme becoming effective, the Textile Business (along with all assets and liabilities thereof) shall be carved out and transferred to the Resulting Company on a going concern basis. As a consideration for the Demerger, the Resulting Company would issue its equity shares to the shareholders of GHCL as on the record date in a 1:1 swap ratio (i.e. One (1) share of INR 2 each would be issued by the Resulting Company for every one (1) share of INR 10 each held in GHCL), following which the shareholding of both Companies shall be same as at the record date.

Post Demerger, GHCL shall continue with the Chemicals Business while the Resulting Company shall house the Textiles Business. Shares of GHCL shall continue to be listed on the BSE and NSE and that of the Resulting Company shall also be listed on the BSE and NSE. The Demerger is expected to facilitate focused growth, concentrated approach, business synergies and increased operational and customer focus for respective business verticals apart from exploring independent business opportunities with efficient capital allocation.

The Holding Company shall be filing the requisite documents with the appropriate jurisdiction of NCLT after taking necessary approval or clearance form concerned regulatory authorities . The Scheme would become effective on filing of certified copies of the order of the NCLT sanctioning the scheme by the Demerged Company and the Resulting Company with the registrar of companies

45 Remittances during the year in Foreign currency on account of

a) Dividend for the financial year ended

Particulars	2018-19	2019-20 (Interim)
Dividends to non-resident shareholders	29,628,540	17,752,524
Number of non-resident shareholders	629	617
Number of shares	5,925,708	5,917,508

46 Non-Current Assets held for Sale

Particulars	As at March 31, 2020	As at March 31, 2019
Non-Current Assets		
Property, Plant & Equipments	31.46	39.23
Current Assets		
Other Current Assets	-	-

The management has identified excessive and surplus land of 64.43 acres outside the premises of factory at Madurai, that is being disposed off and balance is held as non current asset held for sale.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

47 Group information

(i) The Consolidated financial statement of the Group includes subsidiaries are mentioned below :-

S. No.	Name of the entity	Country of incorporation	Nature	Ownership interest held by the Group	Year Ended	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in Total Comprehensive income	
						As % of consolidated Net Assets	Amount (INR In crores)	As % of consolidated profit or loss	Amount (INR In crores)	As % of consolidated other comprehensive Income	Amount (INR In crores)	As % of consolidated comprehensive Income	Amount (INR In crores)
1	2	3	4		6	7	8	9	10	11	12	13	14
(I)	**Parent**												
	GHCL Limited	India	Parent Company		Mar 31 ,2020	100.47%	2,185.56	105.14%	406.50	95.54%	(5.53)	105.29%	400.97
					Mar 31 ,2019	101.37%	1,951.95	102.98%	361.03	-50.47%	1.64	104.41%	362.67
(II)	**Foreign Subsidiaries having no minority interests**												
1	Grace Home Fashions LLC	USA	WOS	100%	Mar 31 ,2020	-0.76%	(16.63)	-5.22%	(20.24)	4.46%	(0.26)	-5.38%	(20.48)
				100%	Mar 31 ,2019	-1.68%	(32.43)	-3.38%	(11.84)	142.84%	(4.64)	4.74%	16.46
2	Dan River Properties LLC	USA	WOS	100%	Mar 31 ,2020	0.29%	6.33	0.09%	0.35	0.00%	-	0.09%	0.35
				100%	Mar 31 ,2019	0.31%	5.98	0.40%	1.39	7.45%	(0.24)	0.33%	1.15
Other consolidation adjustment					Mar 31 ,2020	0.00%	-	0.00%	-				
					Mar 31 ,2019	0.00%	-	0.00%	-				
		Total - March 31, 2020				**100%**	**2,175.27**	**100%**	**386.61**	**100%**	**(5.79)**		**380.82**
		Total - March 31, 2019				**100%**	**1,925.50**	**100%**	**350.58**	**100%**	**(3.24)**		**347.34**

Notes to the Consolidated Financial Statements

for the year ended March 31, 2020, (INR in crores unless specified otherwise)

48 Coronavirus (COVID-19) Impact on Financial Reporting – Accounting Year Ending March 31, 2020

Pursuant to outbreak of Coronavirus Disease (Covid 19) worldwide and its declaration as global pandemic, the Government of India declared lockdown on March 24, 2020 which led the temporary suspension of operations of the Group and has impacted the overall business activities of the Group. On account of this, management has prepared future cash flow projections and also assessed the recoverability of its assets and factored assumptions used in the annual impairment assessment of its cash generating units, using various internal and external information up-to the date of approval of these financial results/statements. The Group has on a prudent basis charged off INR 20 crores as an additional one time charge in the statement of profit and loss and adjusted the corresponding carrying value of the current assets. Further on the basis of this evaluation and current indicators of future economic conditions, the Group expects to recover the remaining carrying amounts of these assets and does not anticipate any reduction of its financial and non-financial assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future spread of the COVID-19 and its impact on the Group's business operations. The Group will continue to closely monitor any material changes to future economic conditions viz a viz its business operations.

As per report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 301003E/E300005

per **Atul Seksaria**
Partner
Membership No. 86370

Place : Gurugram
Date: May 20, 2020

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

Sanjay Dalmia
Chairman
DIN: 00206992

Manoj Vaish
Director
DIN: 00157082

R. S. Jalan
Managing Director
DIN: 00121260

Raman Chopra
CFO & Executive Director-Finance
DIN: 00954190

Place : New Delhi
Date: May 20, 2020

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

GHCL Textiles Limited

Annexure 7

A. Name of the Company: GHCL Textiles Limited ('Resulting Company'). The Resulting Company was incorporated on June 17, 2020.

The financial details of GHCL Textiles Limited for the previous 3 years as per the unaudited statement of Accounts as certified by the management

(INR in crores)

Particulars[1] *(Basis – Standalone financials)*	As per last Unaudited financials of last quarter	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	30-June-2020	**2019-20**	**2018-19**	**2017-18**
Equity Paid up Capital	0.01	-	-	-
Reserves and surplus	-	-	-	-
Carry forward losses	-	-	-	-
Net Worth[2]	0.01	-	-	-
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Fixed Assets	-	-	-	-
Income from Operations	-	-	-	-
Total Income	-	-	-	-
Total Expenditure	-	-	-	-
Profit before Tax	-	-	-	-
Profit after Tax	-	-	-	-
Cash profit	-	-	-	-
EPS^	-	-	-	-
Book value/share[3]^	2.0	-	-	-

^Per share value in INR

Notes:
1. The above information is on the basis of standalone financials of Resulting Company as certified by the management
2. Net worth means aggregate of the paid-up value of share capital and free reserves.
3. Book Value is calculated by dividing Net-worth by No. of equity shares as provided in the financial statement of Resulting Company as certified by the management.

GHCL TEXTILES LIMITED

Annexure - 7 501

GHCL Textiles Limited
Standalone Balance Sheet as at June 30, 2020
(INR in Lacs)

Particulars	As at June 30, 2020	As at March 31, 2020
I. Assets		
(1) Non-current assets	-	**NA**
Total Non-Current Assets	-	**NA**
(2) Current assets		
i) Bank balances other than cash and cash equivalents	1.00	
Total Current Assets	**1.00**	**NA**
Total assets	**1.00**	**NA**
II. Equity and liabilities		
Equity		
(a) Equity share capital	1.00	NA
(b) Other equity	-	NA
Total Equity	**1.00**	-
Liabilities		
(1) Non-current liabilities	0	NA
Total Non- Current Liabilities	-	**NA**
(2) Current liabilities		
Total Current Liabilities	-	**NA**
Total equity and liabilities	**1.00**	**NA**

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

GHCL TEXTILES LIMITED

RS Jalan
Director

GHCL TEXTILES LIMITED

Raman Chopra
Director

GHCL TEXTILES LIMI

Note: The Company is incorporated on 17th June 2020, hence previous year nos are shown as NA

GHCL Textiles Limited
Standalone Statement of Profit and Loss for the year ended Mar 31, 2020
(INR in lacs)

Particulars	**Total For the Period ended June 30, 2020**	**Total For the year ended March 31, 2019**
Revenue		
Revenue from operations	-	NA
Other income	-	NA
Total Income	**-**	**NA**
Expenses		
Cost of raw materials consumed	-	NA
Purchase of stock in trade	-	NA
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-pr	-	NA
Power, fuel and water	-	NA
Employee benefit expenses	-	NA
Depreciation and amortization expense	-	NA
Finance costs	-	NA
Other expenses	-	NA
Total expenses	**-**	**NA**
Profit before exceptional items and tax	-	NA
Profit before tax	**-**	**NA**
Tax expense:		
Current tax	-	NA
Less: Tax adjustment for Earlier years (Refer Note 12)	-	NA
Deferred tax	-	NA
Total tax expense	-	-
Profit for the year	**-**	**NA**

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

RS Jalan
Director

Raman Chopra
Director

Note: The Company is incorporated on 17th June 2020, hence previous year nos are shown as NA