

June 7, 2022

ज्येष्ठ - शुक्लपक्ष सप्तमी
विक्रम सम्वत २०७९

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051
NSE Code: GHCL

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building,
P.J. Towers, Dalal Street, Fort, Mumbai - 400 001
BSE Code: 500171

Dear Sir/Madam,

Sub: Filing of 39th Annual Report (Integrated) of the Company for the financial year 2021-22 along with Notice to Shareholders for Annual General Meeting

We would like to inform that that 39th Annual General Meeting of the Company, is scheduled to be held on **Thursday, June 30, 2022 (बृहस्पतिवार, आषाढ, शुक्लपक्ष प्रतिपदा, विक्रम संवत २०७९)** at **10.00 a.m. (IST)** through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14 of 2020 dated April 08, 2020, Circular No. 17 of 2020 dated April 13, 2020, Circular No. 20 of 2020 dated May 05, 2020, Circular no. 02/2021 dated January 13, 2021 and Circular no. 2/2022 dated May 5, 2022 and also SEBI Circular dated May 12, 2020, SEBI Circular dated January 15, 2021 and SEBI Circular dated May 13, 2022 (collectively referred to as "Circulars").

We would further like to inform that pursuant to requirement of Regulation 34 read with 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and any other applicable provisions if any, please find enclosed herewith 39th Annual Report (Integrated) of the Company for the financial year 2021-22, which includes Notice, Board's Report along with report on Corporate Governance, Business Responsibility and Sustainability Report, Integrated Report, MDA, Audited Financial Statements along with Consolidated Financial Statements and Auditors Reports thereon. The dispatch of notice of the 39th AGM through emails has been completed on June 7, 2022.

We would further like to inform that as per the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. In compliance with the said Finance Act, Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend the Shareholders.

Please note that copy of this intimation is also available on the website of BSE Limited (www.bseindia.com/corporates), National Stock Exchange of India Limited (www.nseindia.com/corporates) and website of the Company (www.ghcl.co.in).

You are requested to kindly take note of the same.

Thanking you

Yours faithfully

F GHCL Limited



Bhuwleshwar Mishra

Sr. GM-Sustainability & Company Secretary

B- 38, GHCL House, Institutional Area, Sector- 1, Noida, (U.P.) - 201301, India. Ph. : +91-120-2535335, 4939900, Fax : +91-120-2535209
CIN : L24100GJ1983PLC006513, E-mail : ghclinfo@ghcl.co.in, Website : www.ghcl.co.in



GROWTH



PERFORMANCE



39th
Integrated Annual
Report 2021-22



SUSTAINABILITY



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Learn more about us at
www.ghclindia.com



Company Information

Board of Directors

Mr. Sanjay Dalmia

Non-Executive Chairman

Mr. Anurag Dalmia

Non-Executive Vice Chairman

Smt. Vijaylaxmi Joshi, Retd. IAS

Independent Director

Justice (Retd.) Ravindra Singh

Independent Director

Mr. Arun Kumar Jain, Retd. IRS

Independent Director

Dr. Manoj Vaish

Independent Director

Dr. Lavanya Rastogi

Independent Director

Mr. R S Jalan

Managing Director

Mr. Raman Chopra

CFO & Executive Director (Finance)

Mr. Neelabh Dalmia

Executive Director (Textiles)

Secretary

Mr. Bhuneshwar Mishra

Sr. General Manager - Sustainability & Company Secretary

Registered Office

"GHCL HOUSE"

Opp. Punjabi Hall
Navrangpura
Ahmedabad - 380009 (Gujarat)

Corporate Office

"GHCL HOUSE"

B-38, Institutional Area,
Sector-1, Noida - 201301 (U.P.)
Email: ghclinfo@ghcl.co.in,
secretarial@ghcl.co.in
Website: www.ghcl.co.in

Subsidiaries

1. Grace Home Fashions LLC
2. Dan River Properties LLC
3. GHCL Textiles Limited

Company Identification No.

CIN - L24100GJ1983PLC006513

Statutory Auditors

S.R. Batliboi & Co. LLP
Chartered Accountants, Gurugram

Secretarial Auditors

Chandrasekaran Associates,
Company Secretaries, New Delhi

Cost Auditors

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

Plant Locations

Inorganic Chemical Division:

Soda Ash Plant:

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

Salt works:

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

Lignite Mines:

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

Consumer Products Division

Salt Works & Refinery:

Kadinal Vayal, Vedaranyam,
Distt. Nagapattanam,
Tamil Nadu - 614707 Nemeli Road,
Thiruporur, Distt. Kancheepuram,
Tamilnadu - 603110

Textile Division:

Paravai, Samayanallur P.O,
Distt. Madurai, Tamil Nadu - 625402
Thiagesar Alai P.O, Manaparai,
Distt. Trichy, Tamil Nadu - 621312

Plant - Home Textile Division

S. No. 191 & 192, Mahala Falia,
Village - Bhilad, Distt. Valsad, Vapi,
Gujarat - 396191
[Ownership -Till April 1, 2022]

Wind Energy Division

Muppandal, Village: Irukandurai,
Post: Sankaneri, Taluk: Radhapuram,
Distt. Tirunelveli, Tamil Nadu
Village: Chinnaputhur,
Taluk: Dharapuram,
Distt. Erode, Tamil Nadu
Village: Kayathar, Distt. Tuticorin,
Tamilnadu.

Bankers / Financial Institutions

State Bank of India
Export Import Bank of India
HDFC Bank
Union Bank of India
Bank of Baroda
IDBI Bank
ICICI Bank
Axis Bank
IDFC First Bank
CTBC Bank
Bank of Bahrain & Kuwait

Details of Registrar and Share Transfer Agent

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

As per SEBI Circular dated May 13, 2022, company will send digital copy of the annual report to its shareholders and physical copy on demand.

GROWTH. PERFORMANCE. SUSTAINABILITY.

The theme for our Integrated Annual Report (IAR) FY 2021-22, “GROWTH. PERFORMANCE SUSTAINABILITY” reflects our commitment towards achieving long-term sustainable growth while taking full accountability and responsibility for our actions.

We endeavour to be responsive and accountable for environmental stewardship as we proactively perform our business commitments, guarantee transparency and nurturing integrity in our internal operations. We are fully committed to grow financially, perform better, and create value for all our stakeholders sustainably.

We believe in the philosophy of

“सर्वे भवन्तु सुखिनः
सर्वे सन्तु निरामयाः।
सर्वे भद्राणि पश्यन्तु
मा कश्चिद् दुःख भाग
भवेत् ॥”

And our endeavour is to operate our business that leads to value creation of all our stakeholders.



We anticipate even more opportunities and growth ahead as we have taken a new business approach by embracing the needs of our employees, communities and the environment and achieve competitive differentiation.

We acknowledge the ever-changing scenarios and demonstrates resilience to create a sustainable future wherein, sustainability resides at the core of our vision, values, and corporate culture. We consider that by acting responsibly, accepting ownership for our actions,

and responding to the needs of our stakeholders, such as communities, suppliers, and other stakeholders, we can successfully build a more resilient tomorrow. We believe that organizations can accomplish sustainable corporate growth when governance, risk management, and sustainability all work together as a unit. We endeavour to build business strategies, maintain our commitment to our stakeholders, improve our health and safety performance, and have a valuable influence on the environment and society at a large.

About the report

We are pleased to present GHCL’s 39th Annual Report for the FY 2021-22. The report gives a comprehensive overview of the Company’s observation on business, governance, risk management, sustainable initiatives, financial and non-financial performance. This report is intended to provide a clear picture to our stakeholders of how we are striving to accomplish our objective of embedding growth, sustainability, and responsibility into our business strategy.

This edition of the report has been developed in compliance with the Integrated Reporting <IR> framework issued by the International Integrated Reporting Council (IIRC) while continuing our commitment to demonstrate in-depth, transparent, and balanced quantitative and qualitative disclosures reflecting on our enhanced performance. We believe in pursuing a focused leadership and business strategy which would help to deliver

operational excellence across all our divisions complemented by our Sustainability Vision 2023. Our reports continue to evolve towards an enhanced approach to accomplish our long-term sustainable growth along with reinforcing trust in stakeholder value and return on investment. Going forward, we have accentuated our approach to business beyond the usual by incorporating the value provided by our Company through six capitals.

The reporting period for our IAR is from 1st April 2021 to 31st March 2022. The report covers the information of GHCL’s sites that manufacture Soda Ash, Yarn, and Consumer Products Division. In addition to the manufacturing facilities, the employee data also covers our corporate office at Noida and marketing offices located across the country.

Scope and Boundary

The reporting period for this year’s IAR is from 1st April 2021 to 31st March 2022. As an update from last year, the current report covers the environmental, social, governance, human resource, safety, and other miscellaneous information of GHCL’s sites namely Soda Ash, Yarn and Consumer Products Division. Information pertaining to Home textile division which has been sold out, has been excluded.

In the report, the employees’ data covers our manufacturing sites, corporate office Noida and marketing offices located across the country.. However, the Corporate Social Responsibility (CSR) data includes the beneficiary of Home textile division as well.

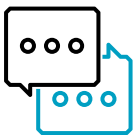
All financial figures are related to continued operations of the Company.



Assurance for FY 2021-22

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

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



Suggestions and feedback

Please email to corpcommunication@ghcl.co.in to share your thoughts, suggestions and/or feedback on the report. GHCL would appreciate your comment and feedback on its report and performance.

Forward Looking Statements

Several assertions in this IAR about our business operations could be considered forward-looking statements that involve risks and uncertainties. Words like "anticipate," "believe," "estimate," "intend," "will," "anticipated," and other similar expressions, when used in connection with the Company or its businesses, are intended to identify forward-looking statements, whether because of new information, future events, or otherwise. The actual results, performances or achievements, and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. Important factors that might make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets, raw material prices, changes in governmental regulations, labour negotiations, tax laws, and other statutes, economic development within India and the countries within which the Company conducts its businesses and other incidental factors such as the repercussions of a global pandemic that the world witnessed throughout a major portion of FY 2021-22. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information, or events.

Chairman's Message



We are positive that we shall continue to be a robust driver of revenue and profitability supported by our strong team of professionals.

Dear Shareholders,

FY 22 was year that witnessed an abrupt transformation of the world. The conflict all over Europe affected the post COVID recovery of world economies, shook global supply chains, reduced growth forecasts and increased inflation levels. Furthermore, uncertainty about the fourth wave and virus mutations have increased risks towards future growth worldwide. Climate change and its impact is already alarming. If humanity doesn't act now to stop greenhouse gas emissions, major cities will be underwater, unprecedented heat waves will define summers, terrifying storms will become more frequent, and millions of plant and animal species will go extinct.

All this volatility has brought with it many uncertainties and exposed organisations to the inevitability of change. Our strategy to navigate through these uncertain times has been to concentrate on and continue doing what we are good at. It was in January this year that we decided to divest out Home textiles business and demerge the Chemicals and Yarn businesses. Our focus continues to be on outperforming

our competitors in our core business of Chemicals and Yarn. Going forward, we will be investing in initiatives such as Greenfield project, product basket expansion, clean energy and ESG initiatives, and automation. Within each business we shall focus on digitisation, customer centricity, and governance and sustainability measures. These initiatives will help us reduce risks and create value for our stakeholders.

Our investments in renewable energy and modernisation and expansion of our businesses will give us better leverage going forward. Last quarter, we commissioned two 10 MW each on-grid solar power projects in Tamil Nadu. These will be followed by an additional 20 MW Solar power project for captive use. Once commissioned, we will be fulfilling almost 85% of the energy requirement from renewable resources.

In FY22 demand for soda ash stayed strong globally. This was mostly due to a revival of the economy post COVID as well as a strong demand for solar glass. Our Revenue has increased by 51.67% on year-on-year basis. EBITDA has significantly increased by 60.14% as compared to last year. The spinning business is facing certain headwinds, due to high cotton prices. However, we believe that the demand situation will improve going forward. The China+1 strategy, the situation in Sri Lanka and Pakistan and likely FTAs with UK and Europe have the potential to positively impact demand.

Dear Shareholders, as the Chairman of the Board of Directors of GHCL, I am proud to share that your company has been certified as a "Great Place to Work" for the sixth year in a row and was among top 30 Best Workplaces in the Manufacturing sector. We were awarded the CII HR EXCELLENCE AWARD with a "Commendation for Strong Commitment to HR Excellence". We won the Gold award by International Research Institute of Manufacturing (IRIM) and were 1st Runners up - Mega Large Business, Process Sector Frost & Sullivan and TERI Sustainability 4.0 Awards 2021. I am indeed proud of these achievements which are a testimony of our core strengths, what we

stand for, and the value we bring to our stakeholders.

Over the years, we have been consistent in our pay out and as a token of gratitude for your support this year too, a dividend of Rs. 15/- per equity share has been announced.

Dear Shareholders, the volatility in the business environment during the past two years has made us realise the importance of being adaptable and agile, of understanding our core competencies and ensuring them to generate the desired value for our stakeholders. We learnt from adversity, we transformed quickly, adapted new technologies and ways of doing business. We increased our focus on modular expansion, debottlenecking, creating a diversified product basket and backward integration of raw material supplies. We also benefited from our focus on product market expansion and value added products. Going forward, we are certain that our investments in the renewable energy portfolio and modernisation and expansion of the businesses will give us better leverage.

We are positive that we shall continue to be a robust driver of revenue and profitability supported by our strong team of professionals. It gives me a lot of confidence when I see the agility and resilience that the team demonstrated in the face of all this unprecedented volatility. In the last couple of years, we made proactive investments in our people, our processes, operations and technologies to deliver a strong operational performance. The year ahead, promises its own set of challenges. However, with the potential and determination of our people, we are confident that we shall grow our Business Responsibly, with Governance, Sustainability and Core Values as our Foundation.

With this, I would like to thank all our customers, partners, shareholders and investors for their continued support, partnership and invaluable contribution.

Sanjay Dalmia
Chairman

Accomplishments in FY 2021-22



Financial Capital

INR **574.47** Crores

Profit After Tax

INR **3778.36** Crores

Total Revenue



Manufactured Capital

1,50,000 MTPA

Raw salt manufacturing, one of the largest in India from Consumer product division.

349.86 INR Crores

Capital expenditure



Intellectual Capital

1,705

Kaizens implemented



Human Capital

32.8%

Female workforce representation

6th

Consecutive year as Great Place to Work



Natural Capital

42%

Power requirement of Yarn division is met through renewable energy

24%

Reduction in specific water consumption since FY'19



Social and Relationship Capital

10.62 INR Crores

Contributed to CSR

79%

Vendors engaged are local to the area

Honors and Awards



Received Great Place to Work Award for the 6th consecutive year

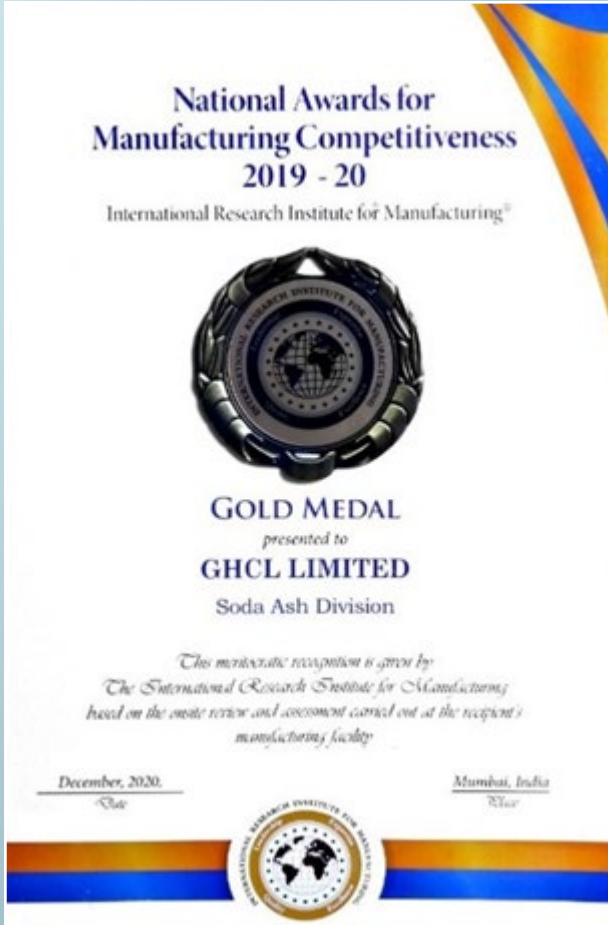


Frost & Sullivan and TERI Sustainability 4.0 Awards 2021



Great Place to Work Awards-Category Awards 2021-22

GHCL Foundation Trust received Mahatma Award 2021 under CSR Excellence and Sustainability Categories



Gold award at the India Green Manufacturing Challenge conducted by International Research Institute of Manufacturing (IRIM)



GHCL at a glance

GHCL limited was incorporated on 14th October 1983, with the name of **Gujarat Heavy Chemicals Limited**, as a Public Limited Company. We are promoted in the Joint Sector by the Gujarat Industrial Investment Corporation Limited (GIIC) and Dalmia's investment companies, as a Soda Ash manufacturing facility in the State of Gujarat. In 2005, the entire stake of GIIC was bought by private promoters. Over the last three decades, the Company spearheaded by its vision has gradually established itself into an industrial conglomerate with a market capitalization of almost ₹ 5,200 Crores plus.

We continue to transform our operations for a sustainable business and support inclusive growth through broad-based value creation for all our stakeholders and shareholders in a constantly changing world. By improving the Company's environmental responsiveness at its operating locations, GHCL maintains its commitment to reinforce a balance in natural resource utilisation. We aim to achieve resource efficiency by tapping into global technology and innovative ecosystem.



30+ Years

3

Decades in Industry



₹ 3778.36

Crores Turnover



42%

Renewable Energy at Yarn division



6th

Time certified as a Great Place to Work (GPTW)



1,08,092

CSR beneficiaries

Our Mission, Vision and Core Values

At GHCL, we have always taken a triple bottom line approach (i.e. People, Planet and Profit) considering environmental, social, and economic growth with an aim of becoming a sustainable company. We strive to put out our best efforts towards meeting our mission and vision on the development of economic, ecological, and social capital as a cohesive approach.

We believe that societal value creation is the core of our business strategy parallelly embedding our core values namely **Respect, Trust, Ownership, and Integrated Teamwork** in our business system. This has enabled us to foster a culture of cooperation and collaboration in accomplishing organizational goals.



MISSION

Responsibly maximising stakeholder value



VISION

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

Core Values



Respect

परस्पर देवो भवः

Thoughtful and show regards for another person.



Trust

विश्वस्तः तथा च स्वात्मानम जानीहि

Confidence in each others capabilities and intentions.



Ownership

लोकाः समस्ता : सुखिर्नो भवन्तु

Each person to work towards larger group objectives.



Integrated Teamwork

योगः कर्मसु कौशलम

Take Responsibilities of own decisions and actions

GHCL Businesses



Soda Ash

On the business front, GHCL is a leading producer of the Soda Ash with an aim of becoming the country's largest producer of Soda Ash within the next five years. The Company manufactures Soda Ash (Anhydrous Sodium Carbonate), a key raw chemical for detergents, glass and ceramic industries and Sodium Bicarbonate (Baking Soda). Additionally, GHCL also manufactures refined Sodium Bicarbonate (baking soda) which is an important raw material for industries like bakery, pharma, fire extinguisher manufacturing, cleaning agents. Our Soda Ash finds application in a variety of consumer products ranging from soap and detergents, glass, etc. It is advertised under the brand name 'LION' and comes in two grades: Light and Dense.



Mining Sites

- GHCL has lignite mines at Khadsaliya, Bhavnagar district of Gujarat which acts as a source of raw material for the production of Soda ash
- GHCL have captive limestone mines at Sutrapada, Veraval and Talala Taluka of Gir-Somnath district in Gujarat
- Semi-mechanized mining technologies are being used to mine an average of 45 MTPD to 500 MTPD of chemical grade limestone at these locations



Manufacturing Units

- Soda Ash manufacturing unit is based at Sutrapada, Gujarat with installed capacity of 11 lakh MTPA
- Additionally, the plant produces 70 Thousand MTPA of refined Sodium Bicarbonate (Baking Soda)



We continue to hold considerable domestic market share through striking a balance in market development, customer centricity, proactive direct Customer Relationship Management Satisfaction Initiatives (CSI) and

prompt response to a volatile market. Professionally, we strive to improve our clients' and consumers' product attributes. We are working on improving our marketing, product development, and operations teams. We have streamlined our focus and forged successful communication with all our major clients. We encourage communication on a variety of media to our customers and address their concerns through a robust feedback mechanism.

Key Differentiators



Largest integrated Soda ash manufacturing plant



Soda Ash B2B and B2C with robust supply chain



Best in class productivity



Focus on cost competitiveness with Quality circle



Expertise and specialization of 30 years

installed capacity of

11 Lakh

MTPA for Soda Ash manufacturing at Sutrapada, Gujarat

70 Thousand

MTPA of refined Sodium Bicarbonate (Baking Soda) is produced



GHCL Businesses



Yarn

GHCL's Yarn division is manufacturing high-quality yarns adhering to global standards and international best practices. The division is located in Madurai, Tamil Nadu and is recognised for customer focus and quality products. Furthermore, we are one of India's major exporters of cotton yarn.

GHCL Meenakshi mills in Madurai is equipped with world-class machinery from Rieter, Trutzschler, LMW, KTTM, Suessen, Uster, Muratec, Saurer Schlafhorst, Savio, SSM, and Suessen, Uster, Muratec. The yarn is sold to various customers in domestic and exports and a significant quantity is used at GHCL's weaving plant at Vapi. The company uses 3R approach of Reduce, Reuse, and Recycle to maintain sustainable material management. In the recent past, we have been using the digital platform to market our product which has helped the division increase its customer base in existing export markets like Italy, Germany, Bangladesh, Mauritius etc., and enter newer markets such as Portugal.



Spinning facilities

GHCL has spinning facilities located at Paravai in Madurai district and Manaparai in Trichy district, Tamil Nadu, India with current production capacity of 85 MT per day



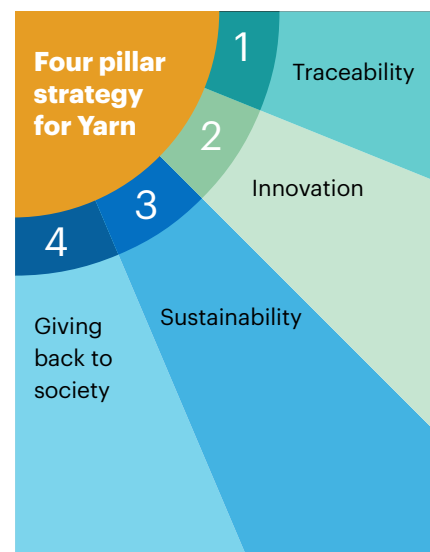
Operations of the Yarn division is based upon the four pillars of our strategy i.e., innovation, traceability, sustainability and giving back to society. This has proven to be one of the most important differentiators for our products identified as the preferred ones in the market.

GHCL and the Govt. of Tamil Nadu signed an MoU (Memorandum of Understanding) to invest INR 500 Crores to enhance the output of state's knitting and weaving sector. According to the MoU, GHCL would set up 40,000 ring spindles in Manaparai, Trichirappalli district, to produce synthetic blended yarn for the knitting and weaving sectors. In Paravai, Madurai district, additional 40,000 ring spindles with 24 knitting machines to manufacture 100% cotton yarn and knitted fabrics would be installed. In order to assure an uninterrupted power supply, the Company proposes to develop an Extra High Tension (EHT) power transmission facility in Manaparai.

During FY 2021-22, 42% of the energy requirements of yarn business is fulfilled from renewable resources.

Further, the Company installed 20 MW Solar Power plant in two phases between Jan'22 and Mar'22 at

Tattayangarpettai, Devanoor Village, Musiri, Tiruchirappalli district. With this initiative, the renewable energy portion is projected to increase to 80%. Furthermore, additional 20 MW Solar Power Plant is planned to be installed in FY 2022-23, through which the Company is targeting to meet most of its energy requirement from renewable sources and fulfil its commitment of moving towards sustainable business practices and reduce its carbon footprint.





Consumer Product Division

GHCL Consumer Products division manufactures and sells edible salt and industrial grade salt, in the country under the brand name of i-FLO and Sapan.



Manufacturing Units

- Salt pans are located at Vedaranyam, Tamil Nadu
- Salt Distillery is located in Tirupurore, Tamil Nadu
- Salt refinery is located in Chennai and its production capacity is 1,00,000 MTPA of edible salt and industrial grade salt.

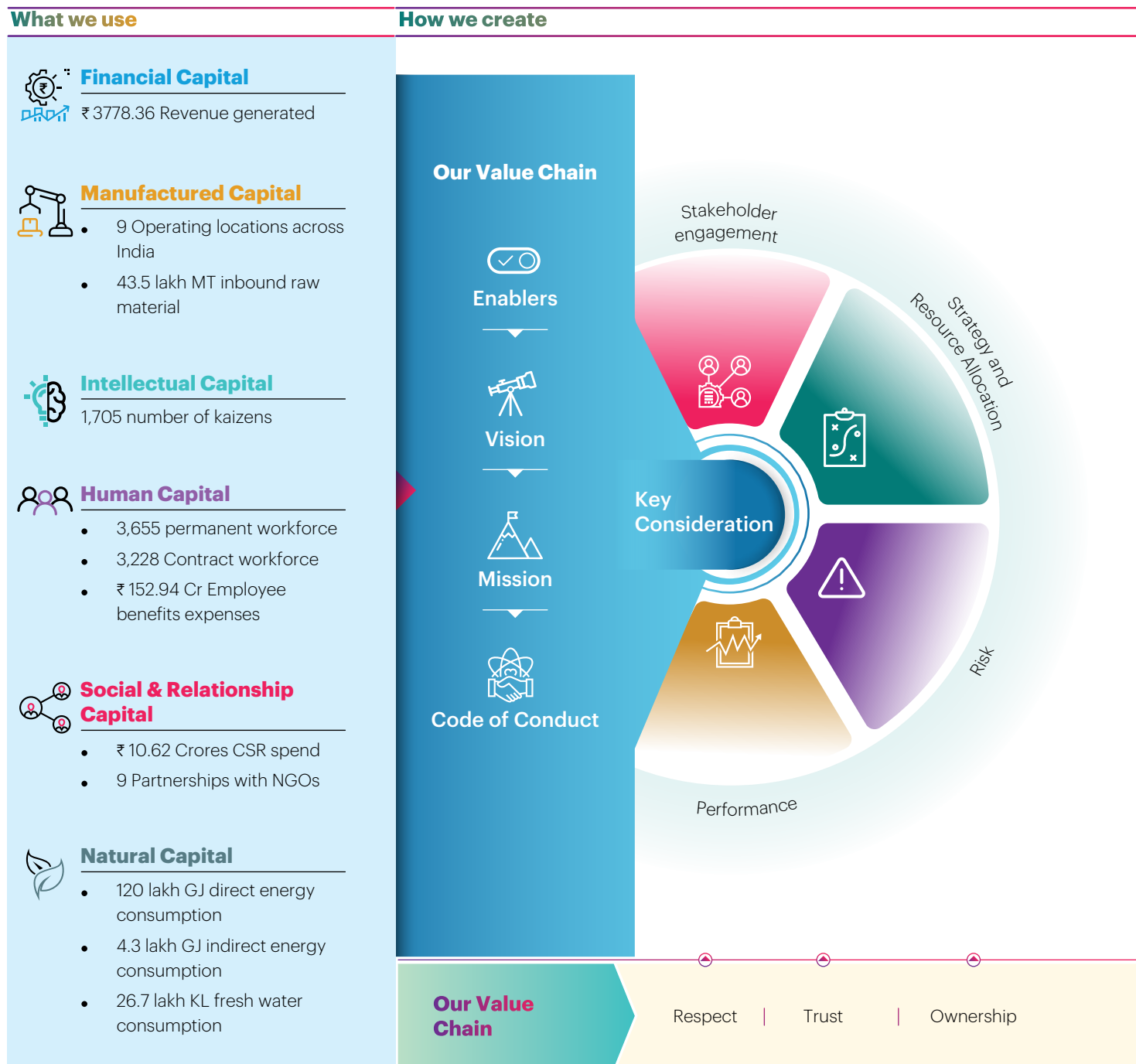
1,00,000

MTPA production capacity of Chennai Salt refinery

Business Environment

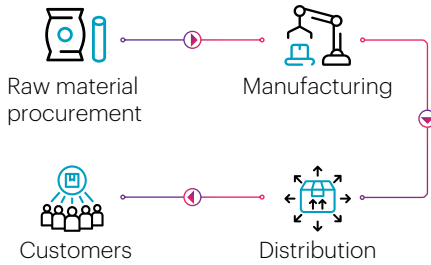
Value Creation Model

Our value creation model leverages our core competencies and focusses on creating a best-in-class integrated value chain. The below image describes what we use, how we manage the process, how we create value and what value we create.



What we create

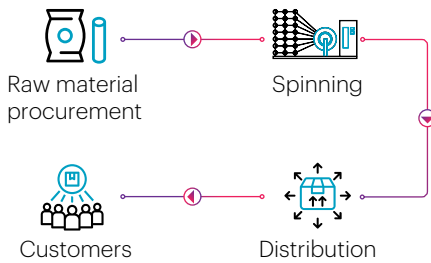
Soda Ash



Soda Ash

The second largest manufacturer of Soda Ash in India with 25% market share and 11 lac MT capacity

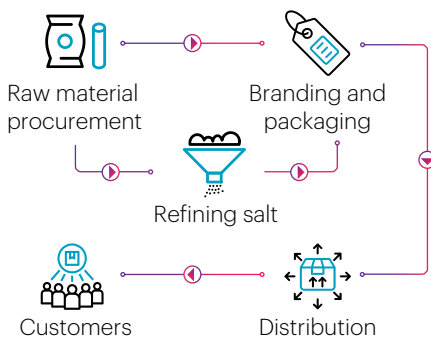
Yarn



Yarn

one of India's major exporters of domestic cotton

Consumer Products



Consumer Products

Strong FMCG presence in South India with Edible Salt.

Our Brands Sapan & i-FLO are well accepted among Category A stores in Major Southern cities

Growth Performance Sustainability



Financial Capital

₹ 3778.36 Cr. Revenue generated



Manufactured Capital

- 10.9 lakh MT Soda Ash division production
- 30,951 MT Yarn division production
- 88,790 MT CPD production



Intellectual Capital

₹ 2.2 Crores savings due to process efficiency



Human Capital

7,848 Man hours of formal training



Social & Relationship Capital

- 87 employee trust index in GPTW
- ₹ 28.74 Cr. Worth CSR projects implemented in association with our CSR partners
- 1,08,092 CSR beneficiaries



Natural Capital

- 11.6 lakh tCO2 scope 1 emission
- 59,750 tCO2 scope 2 emission
- 1.3 lakh MT waste disposal

Team work

Risk Management



IDENTIFY



ANALYSE



ACTION



MONITOR



CONTROL

Over the years, we have observed that our business has faced numerous bottlenecks marked by uncertainties due to volatile times and increased compliance requirements. The Company understands that effective and responsible risk management practices are critical in meeting our strategic objectives and achieving sustainable growth.



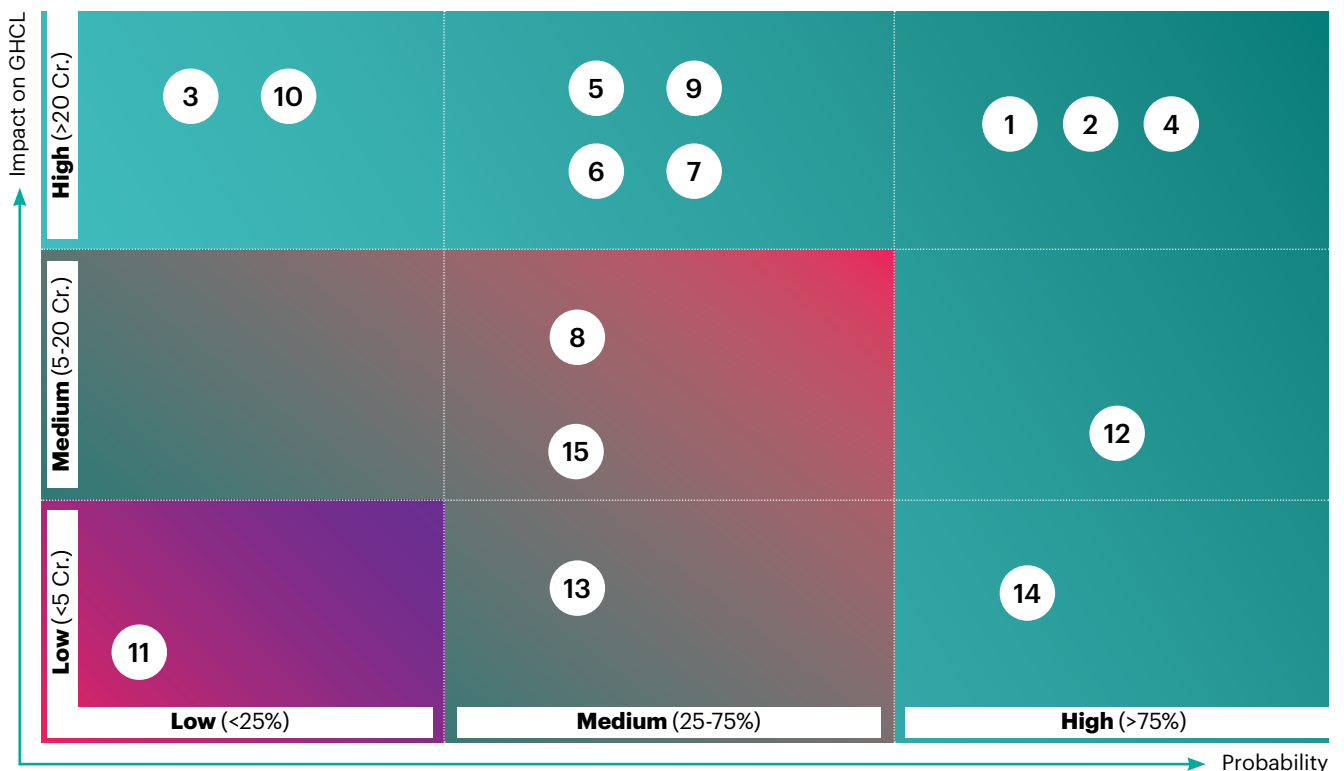
We put a strong emphasis on engaging with our strategic stakeholders and industry specialists on a regular basis to align our risk management strategy. We understand the importance of evaluating and managing risks that threatens the achievement of company's objectives. Consequently, we update our business model, execution strategies and risk profiles on a proactive basis. Additionally, we ensure adequate monitoring and reporting framework with updated systems to manage risk, refine processes, impart specific trainings to become future ready and provide value to our stakeholders.

At GHCL, we have a Risk & Sustainability Committee, which comprises of Independent, Non-Executive and Executive Directors. This committee







is headed by Independent Director. The Risk & Sustainability Committee's functions and responsibilities are outlined by the Board. The committee is responsible for formulating Risk Management Policy and framework for identification of internal and external risks including cyber security and ensuring appropriateness of the sustainability management system and its framework. The company manages risk through a well-defined, integrated framework that facilitates awareness of different risks and its intensity. Additionally, we interact with our stakeholders and industry experts on a regular basis and understand global risk trends and their implications. Consequently, we proactively review and update our business models, execution plans and risk profiles.








The Board is ultimately responsible for identifying and analysing the nature of internal and external risks that may threaten our ability to achieve our strategic goals. The Board is also in charge of assessing the Company's risk appetite, overseeing the development, implementation of Risk Management framework and maintenance of a suitable monitoring and reporting structure. Our Internal Audit Program is equally in line with the Company's risk profile and in charge of providing independent assurance as well as risk management in specific areas. The Risk & Sustainability Committee evaluates the Company's multiple implications on a routine basis and reports to the Board of Directors regularly.

Risk Heat Map



Risk Management

S. No.	Risk Indicator	Mitigation Strategy	Capitals Linked
Cost Competitiveness			
1	Raw Material availability and Volatility	<ul style="list-style-type: none"> Focus on efficient use and re-use of raw material as well as captive raw material (Backward Integration) Ensuring long term supply contracts and vendor diversification for commodity supplies Due Diligence and effective management in on-boarding raw material suppliers 	 
2	Margin Pressure – Low-cost competitors and Oversupply	<ul style="list-style-type: none"> Re-evaluate sales and marketing strategies to deal with margin pressure Introducing differentiated and Innovative products 	 
3	Financial Cost and disciplined Capital cost Allocation	<ul style="list-style-type: none"> Targeted deployment of financial funds, meticulous allocation of capital, and making future ready investments Efficient capital management thereby deriving the maximum output for each unit of capital disbursed 	
4	Currency Fluctuation	<ul style="list-style-type: none"> Monitoring the foreign exchange market closely and taking hedging measures, principally for terms shorter than one year and generally not exceeding 18 months Management of exchange rate exposures by utilising forward foreign exchange contracts Engagement with multiple rating agencies on our financial processes 	
Sustainability			
5	Social License to Operate	<ul style="list-style-type: none"> Regular engagement with the local communities to understand and address their issues 	
6	Climate Change and Natural Calamity	<ul style="list-style-type: none"> Investment in upgrading existing technology to minimise our GHG footprint Internal carbon price (the project is underway) Assessing impacts of climate change on GHCL's operations and supply chain Continuous monitoring of EHS KPIs 	
7	EHS Performance	<ul style="list-style-type: none"> EHS improvement areas are identified on a periodic basis Compliance with applicable legal norms is a priority Environmental Management Plan (EMP) in place to mitigate any further risks 	 
8	Succession Planning: Right People at Right Place	<ul style="list-style-type: none"> Robust identification process for finding persons with required capabilities Investing in training, mentorship, and development of selected candidates 	

S. No.	Risk Indicator	Mitigation Strategy	Capitals Linked
Governance			
9	Governance, Compliance and Regulatory Changes	<ul style="list-style-type: none"> Board engagement for developing a dynamic board agenda that highlights business strategy, ESG's KPIs, risk management, succession planning, enhancing Board process, CMS, Board evaluation, CSR, capex approvals, internal audit controls. Board's endeavor is to establish system for evaluating resource allocation, assessing value drivers, reducing decision biases, debating strategic alternatives, assessing portfolio synergies, adjusting strategy based on changing business conditions, encouraging functional team to focus on innovation, assessing portfolio diversification. Strengthening compliance system, ensuring accountability and engaging top leadership on the matter of statutory compliance and stakeholders engagement. Ensuring that all employees, including long-term contractors, are trained on GHCL's Code of Conduct 	
10	Ethical Business Practices	<ul style="list-style-type: none"> System in place for reporting and investigating violations of the Code of Conduct. Security policies and systems are upgraded regularly with the latest security standards Zero tolerance policy and approach on ethical business practices across its supply chain. 	
11	Cyber Security	<ul style="list-style-type: none"> Strengthening cyber security system and IT system upgradation Ensuring IT system audit, periodic security compliance check 	
12	Capex and Non-Capex Growth	<ul style="list-style-type: none"> Regular asset evaluation and return on investment Identify new technology and upgrades 	
Business Growth and Innovation			
13	New Product and Process Enhancement	<ul style="list-style-type: none"> Dedicated team to conduct research on new products identification and process enhancement for value enhancement Customer centric approach and process simplification for all stakeholders 	
14	Digitization/ Automation	<ul style="list-style-type: none"> Uptake of new-age technology to increase operational efficiency, improve processes and provide enhanced customer engagement Engaging partners for automation 	
15	Superior Customer Serviceability	<ul style="list-style-type: none"> Engagement with stakeholders Timely action on customer feedback 	

Integrating Sustainability

At GHCL, we have always attached environment and social considerations into our operations and decision-making process. As a result, we are financially sustainable, environmentally conscious, well governed and creating widespread impact in the lives of our employees, local communities, and business partners.

Initiatives taken under resource conservation, energy efficiency, and climate mitigation is a demonstration of our commitment towards sustainably transform our operations across locations. To mainstream the sustainability process, we developed our 'Sustainability Vision 2023' based on four themes i.e., Zero Harm, Responsible Stewardship, Stakeholder Centric and Climate Warriorship in 2019. Through this vision, we continue our best efforts to Environment, Social & Governance performance of the company.

Sustainability Vision 2023

Our fundamental objective is to embrace long-term, sustainable business agenda based on simple business techniques. As part of GHCL's climate change strategy, we envision ourselves attaining our objectives through strategic actions implemented over time. To help our businesses grow more responsibly, we focus on supporting our company's climate change strategy by striking the right balance between our economic, environmental, and social goals.

As an established player in the market, we understand the expectation of our key stakeholders in the ESG domain. Consequently, we keep updating our strategies to be economically, socially, and environmentally beneficial. We strive to enhance our sustainability performance at GHCL in ways consistent with our organizational mission and vision. To support our commitment towards creating a better world for all (i.e. कृद्वंतो विश्वमार्यम), we are evolving from



a commodity-driven chemical business to a solution-driven, customer-centric, cost-effective, and market-oriented leader with an objective to grow our business responsibly, by way of adopting principle of governance, sustainability and focused to our core values..

Over the years, we have been diligently observing, evaluating, and strengthening our sustainability targets. We have recognized our sustainability initiatives and build our roadmap to accomplish our sustainability vision for 2023 on four themes namely "Zero Harm, Responsible

Stewardship, Climate Warriorship, and Stakeholder Centric". The base year for the targets has been set as FY 2018-19. Under each theme we have specified qualitative and quantitative targets. We are constantly working to reach the target.

We worked on the appropriate management systems for successful execution, management, and evaluation to create the required strategies for each business division in consonance with the sustainability goal. We decided to present our progress on an annual basis.

Sustainability Vision 2023



Zero Harm

Zero reportable injuries

We are continuously working towards ensuring that our workplace remains free from any safety incidents/injuries

Zero environmental Incidences

There have been zero environmental incidences this year



Responsible Stewardship

20% reduction in specific freshwater consumption

We have overachieved our target with 24% reduction in specific water consumption as compared to the base year FY 2018-19.

10% reduction in specific energy consumption

Our specific energy consumption has increased by 15% mostly due to the expansion of the Soda Ash division as compared to the base year FY 2018-19. However, we are consistently working to reduce the same in line with our target.

Green building certification for our Noida office

This is in progress. Lockdown has delayed the process.



Climate Warrior

20% reduction in GHG emissions

For the reporting period, our specific GHG emissions have increased by 13% mostly due to the expansion of the Soda Ash division as compared to base year FY 2018-19. However, we are consistently working to reduce the same in line with our target.

Implementation of Internal Carbon Pricing

We are in process of implementing a policy on Internal Carbon Pricing. The shadow price of carbon is established as US\$ 20 per metric ton of carbon emissions for CAPEX projects and US\$ 10 per metric ton of carbon emission of OPEX projects.



Stakeholder Centric

30% reduction in high-risk suppliers

We are in process of engaging with suppliers to ensure that our supply is risk free

Trusted CSR brand

GHCL Foundation Trust has taken a collaborative approach and believes in

acting responsibly for the communities in the areas of our manufacturing facilities. In addition, we are undertaking CSR efforts in the Kutch area of Gujarat, where our Greenfield project is in the way.

To be among the Top 100 Great Place to Work (GPTW)

GHCL has been recognized as a "Great Place to Work" (GPTW) for the sixth consecutive year. In addition, for the last three years, we have ranking consistently in the top 100 companies' Great Place to Work - Trust Index Survey.

Single-digit overall attrition rate

Our attrition rate is 6.43% for the reporting year, we have been maintaining single-digit attrition since FY'20.

25% representation of overall female employees and 10% in the executive cadre

We have over-achieved our target with 39% overall representation of female employees. In the executive cadre, we stand at 8.3% female representation.

Increase employment of specially-abled candidates by 50% than last year

GHCL is focused to increase employment of specially-abled candidates as and when appropriate vacancy arise for them.

Product Portfolio



Soda Ash Division

Light Soda Ash

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

Dense Soda Ash

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

Refined Sodium Bicarbonate

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



Yarn Division

Open end Yarns

Cotton Yarns (100%) with Ne 16s to 32s (in Indian, Contamination Free and CmiA Cottons)

Ring Spun Cotton Yarns

This yarn is used for weaving and knitting and is of the following types:

- 100% Indian Combed Compact - Count range Ne 30s to 60s
- 100% Giza & Giza blend Combed Compact - Count Range Ne 40s to 100s
- 100% Contamination Free (Australian) Combed Compact - Count Range Ne 30s to 60s.
- 100% Supima Combed Compact - Count range Ne 60s to 160s

TFO Yarns

- 100% Cotton yarns from Indian, Giza, Australian & Supima Cotton - Count range Ne 2/30s to 2/160s
- Gassed yarn in Paper cones and in Soft Package (ready to Dye)

Vortex yarns

- 100% Viscose Vortex - Counts 21s,30s,32s and 40s
- Cotton/Modal Vortex - Counts 21s,30s,32s and 40s
- Poly/Cotton Vortex - Counts 21s,30s,32s and 40s



Synthetic & Synthetic Blend Ring Spun yarns

- Polyester Cotton Yarns - Ne 30s to 62s in Blends 52/48, 65/35 & 75/25 (includes Sustainable Rpet)
- 2/80s PC Combed and Carded yarns
- Polyester Viscose yarns - Ne 30s to 60s in 65/35 & 75/25 blend
- Cotton Poly yarns - Ne 30s to 50s in 60/40, 80/20 & 90/10 Blend (CVC)
- 100% Viscose yarns- Ne 30s to 60s.
- 100% Micro Modal & Tencel yarns - Ne 30s to 80s
- Cotton Modal yarns- Ne 30s to 80s in blend 60/40
- Supima Tencel & Supima Modal Yarns - Ne 24s to 100s
- Polyester Modal yarns- Ne 30s to 80s in blend 52/48
- Polyester Cotton Slub yarns - Ne 30s to 60s

Product Portfolio



Consumer Products Division

Edible Salt

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





Resource Allocation

To maintain a robust financial growth, we must prioritise profitability and reduce loss-making production. We have ensured a focused approach to resource allocation underpinning our strategy, which is vital to safeguarding and increasing the returns on our shareholders' investments.

Subsequently we proactively work on making the allocation of resources even more effective. Recognizing that a firm cannot be successful without limiting environmental effects, we incorporated all six capitals into our resource allocation strategies.

To maintain long-term viability, we are committed to articulate our Company goals to assist our valued stakeholders in identifying and prioritising the most important areas for value creation. We also recognize that long-term value creation necessitates continuous

optimization of all resources at our disposal and optimal allocation of those resources considering financial, social, and environmental considerations. This has often assisted us in minimizing losses and maintaining a robust balance sheet.



Leading Business

Governance Structure

The Company has a robust governance structure which is governed by a ten - member team comprising of competent industry members (bureaucrats, judiciary, tax and finance) experts having wide range of expertise and accreditation. The members were elected based on their expertise and ability to challenge and bring value. Our Board of Directors and management team is highly motivated in maintaining high governance standards while fostering the Company's and shareholders' interests. Owing to our robust governance mechanisms, sustainability principles are embedded in our corporate strategy and execution plans.

We believe in achieving value-based growth without violating our ethical standards and understand the value of good governance culture with corporate governance guidelines, code of conduct, and financial ethics. They make a significant contribution to the necessary competence, expertise, and wealth of experience to the Board, allowing it to make effective decisions and guide management in fulfilling the Company's objectives and enhancing the value of stakeholders.

The Board has been at the epicentre of our corporate governance structure, ensuring that management serves and protects all our stakeholders' long-term objectives. They entrust their responsibility to Directors who oversee various committees. All our business dealings are governed by high standards of transparency, individual accountability and ethical behaviour which also are shared by our Board, top management as well as Committees.

Risk Management Committee has been constituted as per the requirement of Regulation 21 of the Listing Regulations. To strengthening Company's position

in governance, risk management, sustainability, and compliance (GRC) and for the developing framework for risk management and stakeholders' value creation on sustainable basis, the Board in their meeting held on July 29, 2021, had extended the scope of the Committee, and renamed it to "Risk & Sustainability Committee". The Risk Management Committee consists of five Executive and Non-Executive directors comprising of Mr. Arun Kumar Jain, IRS as Chairman of the Committee and Mr. Anurag Dalmia, Mr. R S Jalan, Mr. Raman Chopra and Mr. Neelabh Dalmia, as members of the Committee. The details of Committee and other particulars are also set out in the Corporate Governance Report forming part of the Board's Report. The policy on Risk Management as approved by the Board is uploaded on the Company's website <https://ghcl.co.in/code-of-conduct>.

Company believes that several factors such as advancements in technology,

prevalent geo-political environment and stringent regulatory and environmental requirements have consequential impacts across the value chain of a business. These impacts are likely to continue and intensify over time and for a business to be sustainable, it needs to adapt to the environment by managing risks and opportunities in a systematic manner. The Board of the Company is responsible for risk oversight functions. Risk & Sustainability Committee provide guidance for implementing the risk management policy across the organisation. The operational heads of each business units are primarily responsible for implementing the risk management policy of the Company and achieving the stated objective of developing a risk intelligent culture that helps to improve the Company's performance. Snapshot of committees at GHCL is given below. For details of the committees, please refer to the Corporate Governance Section in this Report.



Key Management at GHCL



Mr. R. S. Jalan

Managing Director



Mr. Raman Chopra

CFO & Executive Director (Finance)



Mr. Neelabh Dalmia

Executive Director (Textiles)



Mr. N Radia

COO - Soda Ash



Mr. M Sivabalasubramanian

COO- Yarn



Mr. Biswarup Goswami

CHRO



Mr. Bhwneshwar Mishra

Sr. GM - Sustainability &
Company Secretary



Mr. Sunil Singh

VP (Soda Ash - Marketing)



Mr. M V Murali Krishna

CEO - CPD

Key policies and governance documents

Our Board of Directors, top management, shareholders, employees, and other stakeholders have all encouraged us in implementing measures to conduct our business with highest level of integrity.

Our practices and regulations have indeed been put in place to ensure ethical business behaviour required to uphold our Company's values at all client touchpoints, among our employees, also with our business associates. As a responsible citizen, we keep drafting and updating policies governing ourselves and those associated with us. Everyone associated with our Company

is expected to operate with complete honesty, integrity, and professionalism. We believe that adherence to the Code's guidelines will ensure a consistent legacy while we expand. This also helps us remain ahead of all emerging trends, business uncertainties and risks. Snapshot of policies and governance documents is given below

Code of Conduct of Board of Directors and Senior Management Personnel	Code of Practices and Procedures for Fair Disclosure of UPSI	Policy on CSR	Board Diversity Policy
Risk Management Policy	Data Protection Policy	Prevention of Sexual Harassment at Work Place	Nomination & Remuneration Policy
Investor Grievance Redressal Policy	Preservation of Documents & Archival Policy	GHCL Composition of various committees of Board of Directors	Terms & Conditions of Appointment of Independent Director
Policy for determining material subsidiary	Whistle-blower Policy	Related Party Transactions Policy	Policy on Succession Plan
Dividend Distribution Policy	Supplier Code of Conduct	Policy on Determination of Materiality	Familiarisation Programme for Independent director

Materiality Analysis



Stakeholder Engagement

GHCL believe in the philosophy of shared knowledge and gaining from the experience of our stakeholders. Our stakeholders engagement process is laid on foundation of **आ नो भद्राः क्रतवो यन्तु विश्वतः** means let noble thoughts come to me from all directions [Rigveda 1:89:1] . In this background, we kept our all stakeholders i.e. employees, investors, suppliers, communities and customers at the centre of our policy making. Every year, GHCL works towards fostering more structured stakeholder engagement approaches and methodology.

	Investor	Suppliers
Key Stakeholder Expectation	<ul style="list-style-type: none"> • Growth of the company • Rewards to Shareholders • Return on capital employed (ROCE) • Governance and risk management 	<ul style="list-style-type: none"> • Payment terms • Growth of suppliers • Fair and transparent dealing • Loading/unloading infrastructure • Hygiene and sanitation infrastructure • Safety system and performance
Frequency and Engagement Platform	<ul style="list-style-type: none"> • Annual General Meetings • Quarterly earning calls and presentation • Investor conference • Press releases and newsletters • Communication to shareholders immediately after the declaration of quarterly results/ half yearly results and providing of necessary links to the financial related information. • Updates on the website of the company 	<ul style="list-style-type: none"> • Suppliers/Vendors meet • Supplier feedback and periodic site visits • VENDX portal
Functions	<ul style="list-style-type: none"> • Corporate Secretarial, Sustainability and Investors Relations 	<ul style="list-style-type: none"> • Procurement

Promoting healthy stakeholder relationship allows us to set better understanding on how to provide value to our stakeholders. Stakeholder engagements also help us in determining our material issues through regular interaction with stakeholders. Stakeholder concerns both explicit and perceived are conveyed to the top leadership team regularly for deliberation while the Company's policies and initiatives are shared with the stakeholders as input. We communicate with our stakeholders to understand the

economic, environmental, and social issues that are most important to them for better decision making. We created several communication platforms with our stakeholders that empower us to understand their expectations. We discuss knowledge on our sustainability priorities, practices and performance which helps us develop relationships to achieve our ambitions. While all stakeholders are significant to GHCL, five core stakeholder group's modes of involvement are listed below. The concerns identified during stakeholder

engagements are viewed as both risks and opportunities for the Company. We develop strategies to manage the risks and seize on the opportunities that follow. Our Stakeholder Relationship Committee regularly updates on the novel list of topics that are raised by our valued stakeholders. The Board-level Committee then decides on issues that can have an impact on GHCL's value creation and are critical to the stakeholders.

Employees	Community	Customers
<ul style="list-style-type: none"> • Growth opportunities • Safe working environment • Hygiene and sanitation facilities • Healthcare facilities 	<ul style="list-style-type: none"> • Livelihood support • Hygiene and sanitation facilities • Healthcare facilities • Education • Local employment • Infrastructure development • Air and water pollution • Resource optimization 	<ul style="list-style-type: none"> • Product quality • Delivery • Customer connect • Credit period and transparent payment terms • Packaging • Health and safety aspects • Innovation
<ul style="list-style-type: none"> • GHCL Tea (Think, Experiment and Adopt) • MILAP (Medium for Interactive Lateral and Actionable Partnership) • DISHA meeting • Engagement survey • Monthly and quarterly publication and newsletter 	<ul style="list-style-type: none"> • Community meetings and visits • Participatory rural appraisals including focus group discussions, awareness camps, exposure and training visits for beneficiaries • Interaction for local bodies • Engaging CSR committee on the issues of CSR initiatives and sensitise the matter at the level of top leadership 	<ul style="list-style-type: none"> • Customer satisfaction surveys • Direct customer relationship management satisfaction initiatives • Regular customers/ Distributor notes
<ul style="list-style-type: none"> • Human resources and Corporate communications 	<ul style="list-style-type: none"> • GHCL Foundation, CSR team and Corporate Sustainability & Secretarial team 	<ul style="list-style-type: none"> • Branding and Marketing team

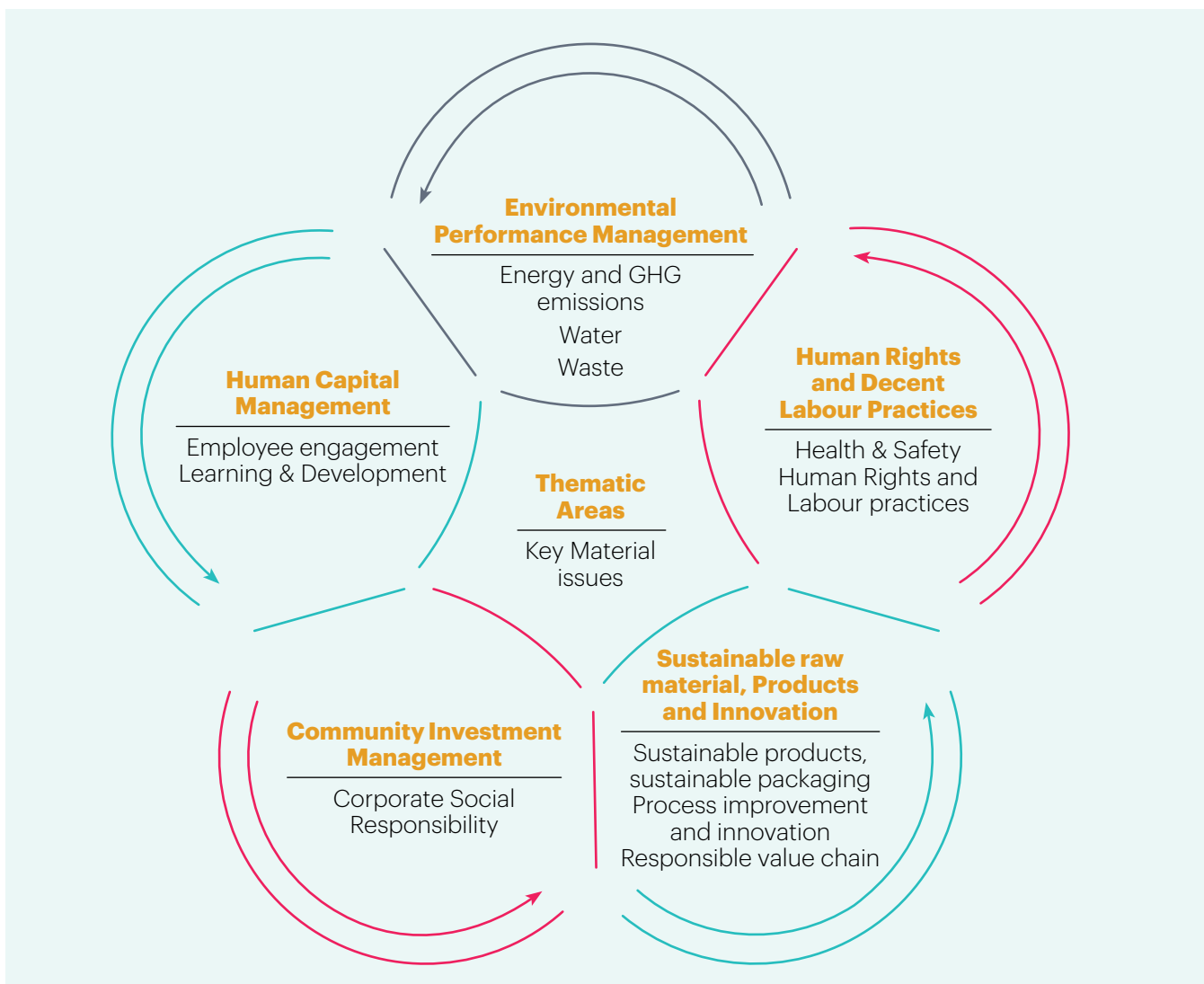
Materiality Assessment

We conducted a comprehensive materiality assessment to identify and prioritize issues affecting our businesses in the environmental, social, and governance space in 2019. This year we reviewed our analysis to identify updates.

Materiality analysis helps us in identifying key concerns and opportunities, allowing us to streamline our approach towards sustainability goals. During the turbulent times that the world endured for most of the year, it has become even more critical that we do frequent revision of

each of our identified material themes and analyse initiatives to manage them constantly. Over these internal stakeholder consultations, the list of key issues presented in last year's Integrated Report was reviewed and revised accordingly. The Company has finalized

the material themes that are crucial to both stakeholders and the Company based on discussions with internal stakeholders including team who are in constant connect with external stakeholders.



Capital wise performance

We strive to strengthen our approach towards long term growth with the fourth version of our Integrated Annual Report and dedicated a section to capital management and performance, with capital reviews outlined in the following sections to establish how we interact with capitals and build on our Sustainability Vision 2023.

We continue to focus on our long-term growth areas coupled with the right investments to achieve them. Against the odds, the Company is comfortably positioned to demonstrate the resilience of our business model. Our approach to building resilience in our Company stands on the core values of – Respect, Trust, Ownership, and Integrated Teamwork.



Financial Capital

GHCL believes in the principle of creating wealth for stakeholders by operating business responsibility with governance, sustainability and core values. We believe in creating wealth by fair means as stated in our sanskrit quote:

अर्थेभ्योऽपि हि वृद्धेभ्यः संवृत्तेभ्य इतस्ततः। प्रवर्तन्ते क्रियाः सर्वाः पर्वतेभ्य इवापगाः।I means do your best to create the wealth because, through wealth everything can be achieved.

Our यजुर्वेद pronounce that अग्ने नय सुपथा राये अस्मान् means O Agni (lord of fire), knowing all kinds of knowledge, lead us to wealth in good ways [यजुर्वेद 5.36]



Financial capital comprises of the pool of funds available to the organization through financing (debt, equity), operations and investments and the surplus generated in the given period. Financial capital is used to create value through its transformation into other forms of capital like Machinery (Manufactured Capital), People (Human Capital), Knowhow (Intellectual Capital) and Energy (Natural Capital).

At GHCL we understand that sustaining growth and expansion over the long term is possible only with proper and prudent use of financial capital. Therefore, we are determined to focus on structuring our financial capital and achieving financial excellence using smart allocation, technology-driven quality investments, and branding. We believe in increasing value for stakeholders by enhancing financial capital management and facilitating the mobilization of financial resources to support our value-creation process. We continue to enhance our profitability and cash flow from our business operations. Our balance sheet continues to be strong with a net worth of ₹3090.25 Crores. In

comparison to ₹2501.82 Crores in FY21, our cash and equivalents were ₹230.10 Crores on March 31, 2022. The payout to shareholders is expected to be ₹143.03 Crores. Our financial performance is driven by strong sales across business divisions in the current FY. We managed to earn ₹3778.36 Crores through sales. Our company posted a growth of 51.67% from pervious FY.

This part highlights our efforts in addressing the issues our firm has faced in recent years and how we overcame them to provide a long-term favorable return on investment to our valued shareholders while also assuring their well-being. We have demonstrated our dedication to optimizing earnings while delivering competitive value and safeguarding long-term sustainability throughout the year. The financial parameters of GHCL are disclosed concisely and transparently, covering total revenue, profit after tax, borrowings, return on invested capital, and share price.

Performance Highlights

3778.36

Total Revenue (₹ Crores)

25.6%

EBIDTA

23%

Return on Invested capital (ROIC)

574.47

Profit After Tax (₹ Crores)

3090.25

Net worth (Equity) (₹ Crores)

0.25

Debt to equity ratio

Below 1

Debt to equity ratio maintained over the last 3 years

767.45

Borrowings (₹ Crores)

Total revenue

(₹ Crores)

FY 18-19	3,385
FY 19-20	3,272
FY 20-21	2,850
FY 21-22*	3,778

Profit after tax

(₹ Crores)

FY 18-19	361
FY 19-20	406
FY 20-21	310
FY 21-22*	574

EBITDA

(₹ Crores)

FY 18-19	784
FY 19-20	753
FY 20-21	646
FY 21-22*	967

Return on Capital Employed

(in %)

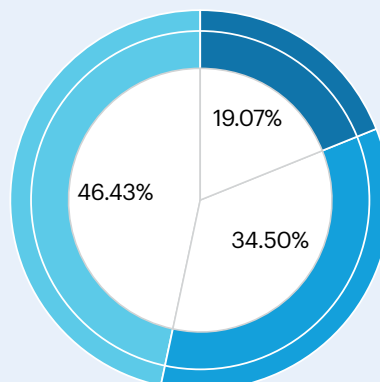
FY 18-19	19
FY 19-20	18
FY 20-21	15
FY 21-22*	23

Shareholding Pattern

Since inception, GHCL has always been a professionally managed organization. GHCL's shares are listed and traded on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). We are continuously striving to expand our systems and processes, along with reinforcing our Corporate Governance. We conduct all our operations in an open and transparent way.

As of March 31, 2022, the ownership pattern below illustrates the allocation of our total shares across various individuals and entities.

Shareholding Pattern (As on March 31, 2022)



- Promoters and Promoters Group Holding

- Institutional Investors

- Non-institutional Investors

*The figures for FY 2021-22 is only for continued operations.



Manufactured capital

Manufactured Capital used in the process of operating our business. Our belief in hard work for creating wealth is endorsed by a Sanskrit quote : उद्योगिनम पुरुष सिंह मुपेति लक्ष्मी means fortune waits upon the enterprising lion in men and श्रम एव जयते means hardwork alone triumphs.



Manufactured Capital consists of company's physical infrastructure such as plant, buildings, machinery, equipment, tools, and technology including infrastructure owned by third parties like warehouses and logistics facilities.

GHCL has been delivering value-added products and catering to the needs of customers through its world-class manufacturing facilities in the Inorganic chemical, CPD, and Yarn. The company's state of the art manufacturing has been instrumental in fulfilling the requirements of the customers which is evident from our ever-expanding customer base, both in the domestic and international market.

We believe in making considerable investments in our manufacturing plants and equipment to deliver our customers the best-in-class services. These strategic investments have also empowered us to minimize our environmental footprint as much as possible. We prioritize maintaining and modernizing our equipment and modify industrial operations to gain a competitive advantage over our competitors. We make sure that all our manufacturing facilities adhere to our sustainability policies due to which we are in constant transformation in shifting towards a responsible steward.

Our experience in delivering best-in-class products to our clients entails



Strengthening Customer Touchpoints



Process improvements



Introducing innovative Products

Material Issues



Sustainable Raw Material, Product, and Innovation

Performance Highlights

9

Operating locations across India

42.90 Lakh MT

Major raw material handled

349.86

Capital Expenditure (₹ Crores)

99 %

Utilization of Soda Ash Division

Payment for Capital Expenditure

(₹ Crores)

FY 18-19	284
FY 19-20	225
FY 20-21	112
FY 21-22	349.86

Soda Ash

GHCL's Soda ash manufacturing facility located at Sutrapada, Gujarat, is one of India's leading producers of Soda Ash (Anhydrous Sodium Carbonate) and has an annual production capacity of 1.1 million MTPA. Consequently, our output caters to nearly a fourth of India's annual domestic demand today. Our edge over the competition includes customer centricity, use of high grade raw materials and higher capacity utilization. Our Marquee clients for Soda Ash export are - Hindustan Unilever, HNG, Borosil Renewable Limited, FENA, P&G, Saint Gobain, Patanjali, Hindustan Zinc, Piramal, etc.

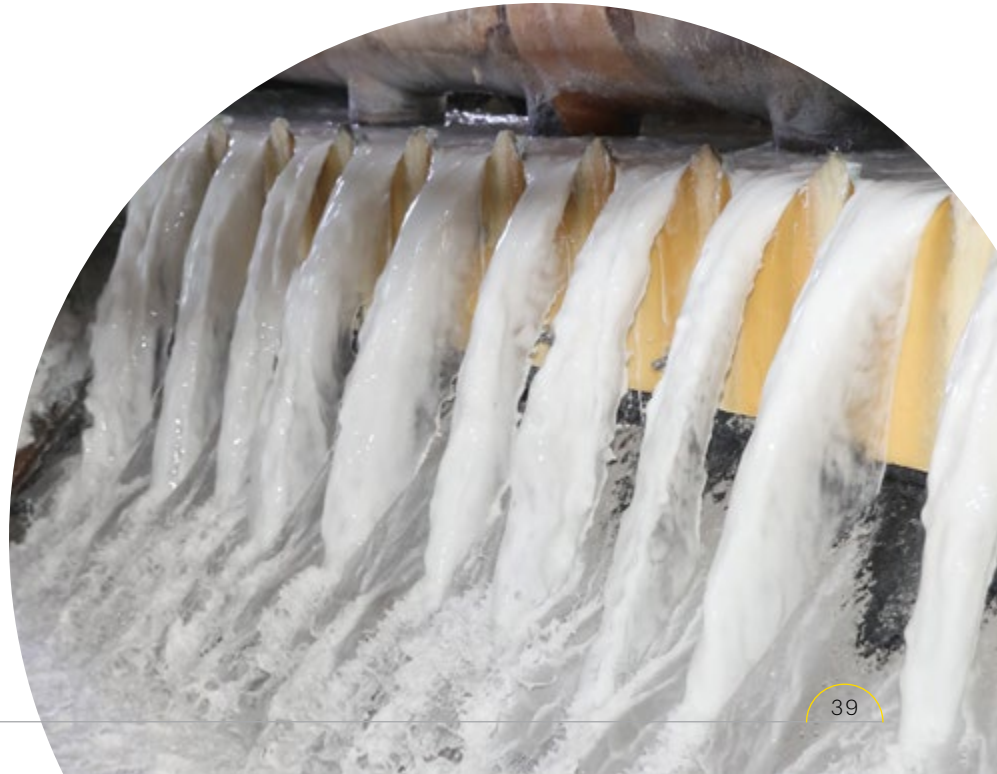
With a powerful Soda Ash B2B and B2C supply chain, GHCL is determined to ensure best-in-class efficiency in the Soda Ash segment. For cost reductions, we have transitioned from coke to briquette coke and developed expertise in appropriate mix of fuel. This year, GHCL has opted to install a pulverizer in the briquette plant for enhanced output. We are focused on cost competitiveness, quality, and timely delivery of raw materials and products, with over 30 years of knowledge and expertise in logistics and supply chain. The outbound logistics network of our Soda Ash business comprises one dispatch center and of 17 warehouses

and spread across the country.

We embarked on a project to replenish our chemical grade limestone reserves at captive mines which is diminishing with each passing year. Through this project, we added 10 million MT of reserves to our pool, enabling us to continue mining at a rate of 0.5 million MTPA for the next 10 years.

Additionally, we have taken up the task to acquire 50 to 100 million MT of chemical

grade limestone reserves in Rajasthan to sustain the new soda ash project for next 50 years. We are expected to complete this project within next 3-4 years. We are encouraging our limestone suppliers to adopt latest technology and install mechanical sizing and screening system which results in cost-effective, handles large volumes and minimises the waste. We successfully achieved 60-70% of our procurements through mechanical system.





Manufactured capital

Yarn

GHCL Limited is one of the largest Yarn manufacturers/ exporters in India with high embedded and quality yarn manufactured at our integrated setup in Madurai, Tamil Nadu. Recognized for our premium product development capabilities, we are placed at the forefront in major markets internationally. This facility houses world class machinery from Rieter, Trutzschler, LMW, KTTM, Suessen, Uster, Muratec, Saurer Schlafhorst, Savio, SSM sourced with

the ability to process both cotton and blended fabrics.

Maintaining symphony with the belief of achieving excellence in our manufacturing divisions, we have always strived to maintain the brand reputation among our loyal customers through our persistent focus on customer delight and rolling out high-quality products to meet their expectations.

We have also taken steps to integrate customer feedback into our product design and planning to measure and improve our customer satisfaction index. Over the years, we have also included integrated thinking into our value creation and product development process by taking various initiatives on sustainability and innovation in developing new products. Our list of buyers includes international and domestic clients such as Mantafil, Bossifil, Subbifil, Keno, Codefine, Raymonds, Arvind Ltd, Shahi Exports, Vardhman, Welspun etc.



Consumer Product Division

GHCL moved into the Consumer Products business in 1999 with the production and trading of edible salt. The company has over 3,200 acres of Veda salt works at Vedaranyam (Tamil Nadu). With an annual production of 1,50,000 MTPA, the company is the largest manufacturer of raw salt. GHCL also has a salt refinery at Chennai for edible salt with the capacity of 1,00,000 MTPA of salt and industrial grade salts for institutional sales. Our product line consists of edible salt and industrial grade salt.

Our edible salt refinery complies with the ISO 22000:2018 and ISO 9001:2015 standards, and our consumable goods are certified with HALAL certification.





Intellectual Capital

We believe in the philosophy that न हि ज्ञानेन सदृशम पवित्रमिह विद्यते

means there is nothing as sublime and pure as knowledge.

In GHCL the term Intellectual capital refers to the intangible resources that are critical to the value creation process.



The term intellectual capital includes brands, reputation, patents, copyrights, intellectual property as well as design, R&D, and innovation capabilities.

The development of technological competence and infrastructure with the support of an innovative culture technology innovations, governance, and human resources, are important to reshape our approach towards technological advancement. Furthermore, the pandemic has emphasized the need for digital technology adoption in the new normal for producing and unlocking value.

We at GHCL, recognize the importance of staying well-positioned and standing tall to sustain our position as a technologically advance conglomerate. We believe in putting our best foot forward in safeguarding our standing as

one of India's industrial powerhouse when it comes to new product introduction and process efficiency. By upgrading our technological infrastructure along with existing practices, we aim at reducing carbon emission and developing a low carbon economy. As we continue innovating, we want to build on our intellectual capital and adopt effective techniques, establish precise, tangible, and timely targets to reduce emissions, optimize specific energy intensity, and enhance the use of renewable energy.

We have emphasized fostering and leveraging our assets to create a competitive edge in support of our Sustainability Vision 2023, using our expertise in managed processing and sustainable systems products. Our distinct intellectual capital separates us from our contemporaries and is a critical

Material Issues



Sustainable Raw Material, Product, and Innovation

component of our main contributions and expansion. It corresponds to our business's knowledge base, which includes systems, processes, and new value-added products that have been produced through extensive research and development. The value created by our diverse goods has encouraged the domestic market to expand while reducing dependence on imports.

The Intellectual Capital also includes our organizational governance, knowledge, culture, and leadership structures. It encompasses our processes, risk management system, our ability to deliver on our business strategy and our relationships. We have a firm belief that leveraging on our intellectual capital would allow us to implement the most effective and efficient ways possible for an integrated thought process. Our organizational governance, knowledge, culture, and leadership structures are all part of our Intellectual Capital. It encompasses our processes, risk management system, our ability to deliver on our business strategy. We are optimistic that leveraging our intellectual capital will empower us to implement the most efficient and effective integrated thought processes accessible.

Performance Highlights

1,705

Kaizens implemented



Intellectual Capital

Product Innovation

Application technology

GHCL has developed a digital traceability platform 'True Trace', which works based on QR code technology that has been completely implemented and audited by third-party accreditations.

The 'True Trace' platform provides a comprehensive Business to Business and Business to Consumer-level of assurance for special cotton (such as Egyptian cotton and other similar cotton) and helps to bring complete transparency while also instilling trust for long term business associations.

Branding and Marketing

We understand that the branding and marketing of our products are paramount to our long-term success. Branding our product has a substantial impact on how our customers perceive our products, resulting in greater awareness. Over the years, the firm has built up a reputation for producing high-quality, affordable, and reliable products. Our straightforward, honest, and ethical values serve the purpose of our branding and marketing communications portfolio at GHCL. We want to build a trustworthy relationship with our consumers, safeguard our brand value, and learn from the best practices that are being used across industries.

We have amplified our endeavors to build a successful brand and professional image in facilitating a trustworthy connection with our customers, future clients, employees, and communities. We are also been actively using social media platforms to boost our brand reputation and increase the visibility of our value-added products especially sustainable products. This has also empowered us to reach a wider segment of the population and promote awareness among them. While updating on videos, brochures, and website content, we continually spotlight to create awareness about our products in industry events and sustainability forums. We are constantly upgrading our videos, brochures, and website information to spread awareness about our products at industry events and sustainability forums.



RPA: Robotic Process Automation

Background:

- Robotic process automation (RPA) is a proficient software application that can automate and replicate human activities that are manual, rule-based, and repetitive to enhance productivity
- This is a first-of-its-kind activity in the supply chain sector, and it is certain to change the way we work in the industry today
- Trials for auto-posting of ASN with the help of BOT were successfully initiated in the pilot phase

Benefits gained

- Eliminates manual intervention
- results in user delight
- Increases speed
- Increases accuracy
- Increases efficiency

Certification Dashboard

					
<p>OEKO-TEX</p>	<p>GOTS</p>	<p>COTTON LEADS</p>	<p>SUPIMA</p>	<p>EGYPTIAN COTTON</p>	<p>ISO 14001:2015</p>

					
<p>STeP</p>	<p>BCI</p>	<p>COTTON AFRICA</p>	<p>SMETA</p>	<p>ORGANIC 100</p>	<p>ISO 9001:2015</p>

			
<p>FLOCERT</p>	<p>GRS</p>	<p>ISO 22000 2005</p>	<p>LIVA</p>



Human Capital

GHCL believe in the philosophy of अमंत्रमक्षरं नास्ति नास्ति मूलमनौषधम्। अयोग्यः पुरुषो नास्ति योजकस्तत्र दुर्लभः means there is not a single word that does not have the power of a mantra, there is not a single plant that does not have an herbal quality and not a single man or woman who is useless.



The Human Capital is the form of combined know-how, skill, effort, and experience of the workforce of an organization. The continuous success of any organization depends on how well an organization manages and motivates its people, as well as how it grooms talent and the leadership team. In GHCL, we believe that developing a culture of excellence is essential for our employees' continuous growth. We understand that

a diverse workplace motivates people to achieve higher performance levels, leading to increased business success. We are committed to support and facilitate our employee growth in the organization as per their aspirations and capabilities. Our employees have been instrumental in making our organization a 'Great Place to Work' for so many years. We are committed to ensure an enthusiastic and skilled workforce that can meet our commitments.



Sustainability Vision

1

Zero Harm

Zero Reportable Injuries

2

Stakeholder Centric

To be among the Top 100 GPTW

The single-digit overall attrition rate

25% female employees representation in overall headcount

10% female employees in executive cadre

To increase employment of specially able candidates by 50%

Material Issues



Human Capital Management

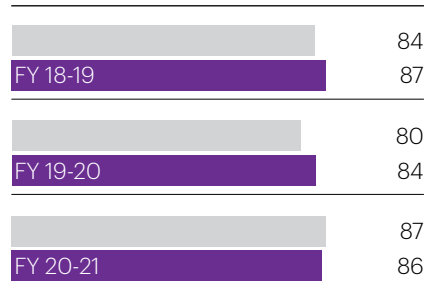
Human Right and Decent labour Practices

The Human Capital is the form of combined know-how, skill, effort, and experience of the workforce of an organization. The continuous success of any organization depends on how well an organization manages and motivates its people, as well as how it grooms talent and the leadership team.

GHCL has been participating in the Trust Index Employee Survey which is a rigorous assessment process conducted by the Great Place to Work Institute. This survey is based on the consistency of experience across all demographics and on the Culture Audit People Practices Framework.

Over the last three years, GHCL has shown remarkable results in the Great Place to Work - Trust Index Survey. We stayed dedicated to our goal of being ranked consistently in the top 100 GPTW. In FY 2018-19, GHCL's score was 84. During COVID-19 situation, in FY 2019-20, our score dropped down to 80. Since then, we have taken the necessary steps and are proud to say that we have improved our performance by scoring 87, which is three points more than the average score of the Top 100 Companies. The company excelled in the five aspects that define a 'High-Trust, High-Performance Culture' - Credibility, Respect, Fairness, Pride, and Camaraderie. This year's score was an outcome of our continuous improvements in the HR parameters by creating an engaging work environment for all our employees. Our score was higher in each of these five categories.

GHCL Score Vs Average of Top 100 Companies in Trust Index Survey



- Average of top 100 Companies Score
- GHCL Score

As a result, we continue to sustain the recognitions that assist the Company in becoming more consistent in its approach to conduct our business. It inspires us to consider numerous ways in which we might develop and work to build our core team while also nurture healthy relationships with our internal and external stakeholders.

At GHCL, employee competencies are developed through capability development programs and succession planning for critical positions, including assessment centers, gap analysis, customized classroom, project-based training, and other development programs. Throughout this training, the

Company examines the employee's existing skill level, enthusiasm, and personality and takes appropriate steps to improve them.

Performance Highlights

7,848

Training person-hours

1.09

LTIFR

32.8 %

Female workforce

29

EHS Stewards

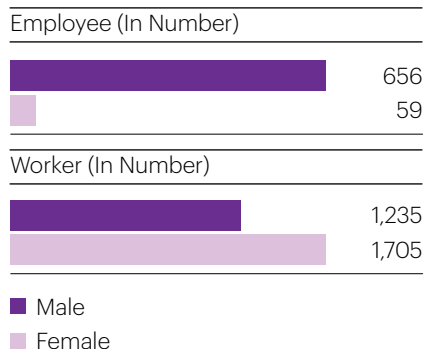
6.43 %

Employee attrition rate

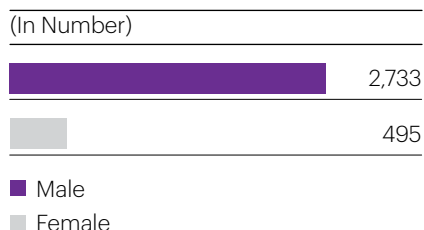


Human Capital

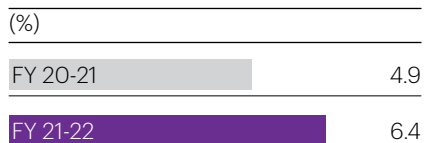
Total permanent workforce FY 2021-22



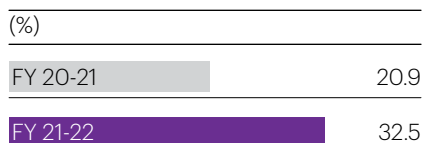
Total contractual workforce FY 2021-22



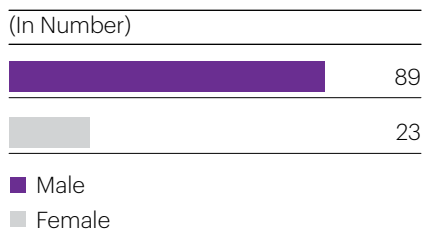
Employee attrition



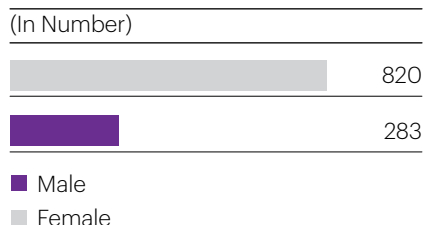
Worker attrition



New hires



New hires



HR Strategy and Initiatives

At GHCL, the HR process and practice adopted are focused on employee wellbeing and facilitating a sense of care, commitment, and harmony among them. In today's digitalized work environment, our focus is to develop a high-performing culture across our value chain that motivates us to become an attractive employer. Our HR team facilitates a culture, wherein, every employee is imparted with the core business and cross-function knowledge so that they understand customer needs, deliberate among the business units, and provide customized solutions.

To build an engaging work environment, we conduct 'Apex Meeting' which includes CHRO (Chief Human Resource Officer) and all the regional/divisional HR Heads to discuss elaborately strategic HR issues. We make critical decisions on the implementation of HR Policies and Strategies while considering the needs and suggestions of all business units, geographies, and employees. Also, every month we conduct 'HR Operational Review' meeting to present our HR plans and their implementation in front of the MD (Managing Director) and other senior management so that any discrepancies found can be fixed without delay. During these meetings, we focus on formulating strategies on the implementation of these HR plans.

We have successfully implemented "Participatory Style Management" which encourages our employees to learn more



about the Company and participate actively in decision-making over the years. This also brings our employees a greater sense of pride in their work. Our HR team fosters a culture in which every employee is trained in core business and cross-functional learning so that they can better understand our customers' requirements and recommend the best solutions for adoption. Some channels that we use to communicate with our employees are GHCL Digest, MILAP, Shopfloor, GHCL TEA and GHCL Townhall.

Talent Management

GHCL has entered on a new transformative phase in HR transformation. The company has introduced employee friendly modules such as Success Factor and GHCL Employee Management System (GEMS) to solve HR related queries during the Covid-19 crisis and thereafter. Other than that, some of the initiatives and targeted solutions are presented below:

On boarding



This provides newcomers with a smooth onboarding experience, particularly on a digital platform.

Performance & Goal Management System (PMGM)



With the use of this Performance & Goal Management System (PMGM) tool, employees can manage their goals in advance and efficiently monitor their performance.

Employee Central



This assists employees and employers in storing information such as employment details, biographical information, and other documentation required for org records in the system.

Learning Management System



This allows employees to access learning at their leisure, whenever and wherever they want.

GHCL Employee Management System (GEMS)

GHCL Employee Management System (GEMS) is implemented to create an automated and digitized environment instead of the manual work that had previously been done to integrate all HR processes from Hire to Retire (Recruitment,

Employee Self Service, Onboarding, Performance & Goal Management System, Learning and Development) in a very short period. Employees can review and edit their personal and professional information (such as an address, mediclaim, educational qualifications, certifications, etc.) as well as access all required services such as reimbursements, salary slips, loans, and advances, leave approvals, and attendance with the help of GEMS. Additionally, GHCL has launched the GEMS Mobile Application for the convenience of all employees. GEMS has changed the way we engage with our workforce, how we attract, grow, and retain talent through optimizing and automating human capital processes and removing redundancies.

All GHCL's HR plans, strategies, and policies are deployed in an organized manner at all levels. GHCL uses a variety of strategies such as the 'SMM Cares' approach. GHCL HR team also conduct numerous awareness sessions with the stakeholders. Furthermore, we distribute Mailers, Teasers, and Posters to raise awareness and foster better knowledge of the organization's strategic HR plans among all employees. GHCL also has various helpdesks such as GEMS Helpdesk which is formulated for any HR digitization and HR-related issues. In GEMS helpdesk, employees can raise a ticket which will be settled within 24-48 hours based on the priority raised by the employees. We also organize weekly status review meetings to address all HR digitization-related concerns and to improve our dashboards, current practices for resolving our employees' concerns to implement GEMS successfully. The HR team has also formed a Covid Helpdesk for all GHCL on-roll employees to aid with any Covid-related matters.

Human Capital

Strategy for improving the culture & thereby the perception of our People

- C** Communicate everything
- A** Appreciate everything
- R** Respect everyone
- E** Engage everyone
- S** Synthesize 'CARES' whenever possible

Succession Planning

Our succession planning process essentially involves planning and execution of a smooth transition of deserving candidates to mold them into leaders of the future. It is a strategic program that involves identification of key roles and traits in the employees best suited to fill these roles in the future. Trajectory of each role is established highlighting the skills needed for optimal performance in each role and finding the right and adequate skills acquired to excel in these roles. Hence, we have developed a seven-step succession plan process for our employees.



Learning and development

It is becoming extremely important for businesses to foster a learning culture across their business activities to remain relevant in today's competitive marketplace. As a practitioner of continual improvement, the learning and development of our Company is playing a vital role and developed several new programs that will undoubtedly boost our employees' talent and competency levels. As a result, employees must learn, unlearn, and relearn new cutting-edge expertise in their respective fields.

SKILLSOFT (An E-Learning Platform)

The GHCL HR Team has offered a range of e-learning opportunities for the executive cadres through the Skillsoft platform on GEMS. Interactive videos, books, and practical simulations are being used by Skillsoft to keep students engaged with over 5,000 plus value-added learning programs.

Vying for individual knowledge, attitude, and skill initiative (VIKAS)

We successfully implemented the VIKAS platform to develop a learning and development culture in the organization,

where employees are encouraged to create their own personal learning and development requirement based on their individual career aspirations. Employees have the responsibility and ability to choose their own training programs to improve their skills and knowledge, which promotes their engagement with the firm.

Executives Grievance Redressal Policy

GHCL HR team recognizes its executives and their grievances. Considering that such grievances reflect their unhappiness with their working environment, we have formed a formal grievance redressal system under the name Executive Grievance Redressal Policy effective from 01st Oct 2021 which covers all the Executives of GHCL, Level 1 and above.

Objective	Provide a mechanism to the Executives of GHCL to raise any grievances arising from their employment
Resolve the grievances of the Executives in the shortest possible time	

GHCL HR team successfully implemented Executives Grievance Redressal Policy through GEMS platform.

Under this policy, the team formed two level of council:

1. Grievance Redressal Committee (Council 1)
2. Apex Grievance Redressal Committee (Council 2)

Council-1

Grievance Redressal Committee

- Committee shall ensure that grievances are dealt effectively in accordance with the grievance Redressal procedures
- Committee will be reconstituted every two years or maybe extended for another tenure
- The designated Team Member (Location Coordinator) of the Human Resources team, shall be notified and can access the grievance
- A grievance shall be acknowledged within two days of receipt

Council-2

Apex Grievance Redressal Committee

- This committee is constituted for the grievance escalation mechanism
- Any complaint not satisfied with the redressal of complaint by the Grievance Redressal Committee may escalate the complaint to the Apex Grievance Redressal Committee with proper explanation
- The Apex Grievance Redressal Committee would communicate the response within thirty days to the complainant and its decision shall be considered final

HR Data privacy Policy

Businesses are putting great emphasis on identifying, preventing, and combating information security threats and data breaches because of increased digitization and rapid rise in corporate cyber-crime. Consequently, we are committed to safeguard our business information and employee confidential personal data from external and internal

threats. To support our vision and ensuring the security and integrity of personal data, we have implemented Human Resources personal data privacy policy. Under this policy, we endeavour to maintain appropriate administrative, technical, personnel and physical measures to safeguard personal data against loss, theft, and unauthorised uses or modification.

Prevention of Sexual Harassment Policy (POSH)

The Company has zero tolerance towards sexual harassment at the workplace and upholds the responsibility to identify and prevent sexual harassment. The Company has adopted policy on prevention, prohibition, and redressal of sexual harassment at workplace applicable across the Company in all its workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act. We are committed to respond promptly to reports of sexual harassment and will take immediate steps in case if required, to facilitate legal action to ensure there is no violation of this policy.

Employee wellness

GHCL has taken multiple initiatives to educate their employees regarding the importance of mental health. GHCL has started a psychometric training program for all its executives in partnership with Tava Mitram. Under this wellness program named "My mental health, my priority" there are many courses related to Stress Management, dealing with anxiety and depression for psychological and social well-being.

At GHCL, we also support our employee's overall wellbeing in terms of improving their work-life balance and satisfaction level to boost their productivity. We have undertaken various initiatives to ensure that our employees receive a great working environment and healthy work-life balance considering the realities of a networked world through following:

Flexible work hours

We introduced concept of flexible timing in our offices citing the pandemic

Human Capital

situation. At locations, where flexi system could not work well, we have provided grace period of 10 minutes to all employees. Also, all employees are permitted some relaxation in late arrivals. Late arrivals beyond 10 minutes and up to one hour are permitted on maximum three occasions in a month.

Maternity Leave Policy

At GHCL, maternity leave is granted for a period of 26 weeks. In addition to this, the employees are entitled to a maximum of one month of leave in the case of illness (of the mother and/or child) arising from childbirth. Any employee who legally adopts a child under the age of three months is eligible to maternity benefits for a period of 12 weeks from the moment the child is passed over to the adoptive mother.

Leave Policy

Employees are entitled up to 40 days leave in a calendar year to take care of his/her family commitments, minor illnesses and to rejuvenate himself/herself without any demarcation. This leave policy is applicable to paternity leave as well.

Employee Health and Safety

Health and safety of our employees and worker is always high on priority to GHCL business objective. Our Environment, Health and Safety (EHS) policy, objectives, standards, and work procedures are all designed to make GHCL a safe and healthy place to work. Across all our manufacturing facilities, we strive to create a safe and ethical working environment. We identified Company-level sustainability material challenges and designed a time-bound strategy for each business to accelerate

our overall performance through a formal materiality assessment process.

We have been working towards reaching "Zero Harm" entails to "Zero Accident and Zero Incident" to achieve zero reportable injuries within all our operations, as part of our Sustainability Vision 2023. We work towards institutionalising a culture of safety across our divisions with adherence to industrial safety rules and regulations. To foster the culture of safety among our employees, we organize safety awareness events such as National Safety Day celebrations at our locations. This empowers our employees and workers to have a better understanding of safety aspects. We have also launched EHS Stewardship program across our manufacturing locations to promote EHS responsibilities and accountabilities across all levels. Identified stewards are capacitated to deliver their objectives with robust performance tracking and incentive systems in place. Periodic EHS trainings are organized to promote safety awareness and responsibility

among our employees, therefore embedding the concept of safety across our organization.

We have focussed on creating a safe environment and fostering a safe working culture among our employees through putting stress on the following focus points:

- Identifying, understanding, controlling, and eliminating the risk associate with hazards at workplace including man-machine interaction, process safety and fire hazards
- Identify structure for skill improvement and competency enhancement of employee and contractual workers
- Implementation of new measures to reduce manual interventions
- Monitoring exposures for better and timely controls



We consider health and safety criteria to be key components of our success as a responsible organization and we have built a rigorous method to managing safety risks to reduce occupational hazards and workplace accidents for our employees and contractors working on our premises. GHCL is committed towards continuous improvement in its business processes by implementing globally accepted standards such as ISO 9001:2015, ISO 14000: 2015 and OHSAS 18001:2007.

Safety Management System

The Company provides a safe workplace environment and imparts different type of safety trainings to all its employees regularly. To improve safety performance, management reviewed the incident history from previous years as well as the underlying factors of such occurrences. Consequently, Safety Cardinal Rules were implemented across locations to avoid the recurrence of such incidents. To assist in these rules, the management also implemented a Consequence Management System that gives guidelines for proper handling of any non-compliance. Under the Safety Policies, GHCL's Safety Management System has established standards for OHS improvements, SOPs, work instructions, daily record-keeping, and reporting to ensure daily routine activities are carried out in compliance with the Company's EHS policy.

We have also placed a greater emphasis on employee involvement in incident reporting, safety observations, and near-miss reporting. For our existing workforce, we have implemented measures such as the 'EHS scorecard system' and a custom-made app reporting system called 'G-SOS'. We are also planning to provide access of 'G-SOS' reporting app to our contract employees.

Senior Executive Round

The top management participates with the HODs on a fortnightly basis for Plant Audit, recording the observations and taking view of the progress of safety measures

Focus on avoiding repetition of injuries and accidents

Ensuring all the designed preventive actions are adequate and proper barrier of safety system is in place without any loophole.

Safety Interaction Program

It is a well-defined approach of making provision for the safety team to develop a safe working environment.

It is carried out on a quarterly basis

OSH Improvement Initiatives

For the overall OSH improvement, a designated team of EHS committee members are involved in the system development, based on their previous learning experiences to develop an action plan for the same

Awards

To provide motivation to both our permanent and contractual employees, awards such as 'Best Safety Champion' and 'Best Contractor safety Performance' are awarded on a periodic basis

Training and Mock-drills

GHCL has compiled a comprehensive training calendar with important subjects that are compulsory for all workers. As part of our culture, we address them through seminars, simulated exercises, and a series of surveys that follow the safety standards.

We are always forthcoming to receive fresh ideas for maintaining training compliance, 100% participation and suggestions for developing successful training modules to meet on-the-job requirement. The training methods implemented this year are:



Training Calendar



Training Need Identification for Company Employees and Contractor Workers



Virtual Training Virtual Sessions



Shop floor Training



SME Training



Mock Exercise



Social and Relationship Capital

We believe in the philosophy of जीवेषु करुणा चापि मैत्री तेषु विधीयताम means to be compassionate and friendly to all living being.



Social & Relationship capital refers to an organisation's relationship with all internal and external stakeholders such as customers, vendors, suppliers, associates, alliances, dealers, sales network, government, regulatory authorities, communities, and society.

As an organisation with a wide geographical footprint, we value our relationship with all our stakeholders. Social and Relationship Capital forms an integral component of our Sustainability Vision 2023. Since GHCL's holistic development approach necessitates an intensive and deep level of stakeholder engagement, it is necessary to protect needs and aspirations of our stakeholders. For driving exceptional performance, GHCL regularly undertakes community need assessment and periodically engages with stakeholders through various formal and informal platforms to address their concerns in a fair and appropriate manner.



Sustainability Vision

1

Stakeholder Centric

30% reduction of high-risk suppliers in the supply chain

Trusted CSR brand

Our approach to pursue the socially responsible growth is pragmatic, structured, and responsible. Significant efforts have been made to inculcate compliance measures among our stakeholders through systems and

Material Issues



Community investment
engagement

processes. We are mindful of our commitments and work to adhere to the highest ethical standards to make a positive impact on the communities we engage with. We are conducting business following safe and healthy working conditions for our employees, contractors, and suppliers. We are constantly striving to make a positive impact on the communities in which we interact.

Performance Highlights

10.62

Contribution to CSR (₹ in Crores)

79.37 %

Local Vendors (Located within state of operations)

9

Partnerships with NGOs, trusts and government agencies

1,08,092

CSR Beneficiaries impacted

CSR Expenditure

(₹ Crores)

FY 19-20	9.75
FY 20-21	9.8
FY 21-22	10.62

Beneficiaries of CSR Projects

(₹ Crores)

FY 19-20	1,24,103
FY 20-21	90,108
FY 21-22	1,08,092

Community

We have implemented various community development initiatives to ensure positive and long-term impact in the vicinity of our operating units. GHCL established its CSR wing called 'GHCL Foundation Trust', to undertake responsible corporate citizenship initiative and to support efforts that go beyond the area of business interest and carry positive influence on the society and environment. We have addressed the issues of health care, sanitation, education, rural development, upliftment

of women and undertook various social development initiatives that embrace the most disadvantaged sections of society, especially in rural India. Activities under CSR is mandated by our Corporate Social Responsibility Policy, which can be accessed at <https://www.ghcl.co.in/wp-content/uploads/2019/03/Policy-on-CSR.pdf>.

We have a CSR committee at the Board level to strengthen and oversee the activities falling under the 'Corporate Social Responsibility' umbrella. The Committee is responsible to ensure effective implementation of initiatives and measurement of their impact. Apart from working directly in areas mentioned above, we have partnered with several NGOs to expand our reach and increase the scale and effectiveness

of our initiatives. Our initiatives, weather directly or in association with other organisations, have benefited the communities and enhanced the quality of life and economic well-being of the locals. During FY22, we undertook following initiatives:

Organising Eye-camp at Nedungulam village

GHCL foundation team conducted a free of cost eye screening and cataract camp for villager in association with Meenatchi Mission Hospital, Madhrai. Group of doctors performed an eye screening, diagnosed cataract patient, referred them patient to a hospital for free surgery, and gave free spectacles covering hundreds of patients.



Social and Relationship Capital

Donating oxygen generation plant at CHC, Dolasa

GHCL foundation has donated fully automatic medical oxygen generation plant worth ₹ 54 lakhs to Dosala, dist. Gir Somnath, Gujarat. In addition to this, we have donated oxygen concentrators, cylinder, medicine, surgical items to district health authority and extended full support to local government and community in fighting against Covid-19.



Relief work at Cyclone affected region of Gujarat

GHCL foundation provided humanitarian relief work in areas affected by Cyclone Tauktae. Our team arranged drinking water tankers, distributed thousands of grocery kits, roof tiles, and Tarpaulins to the vulnerable communities across villages in area around our salt division i.e., Rajula and Jafrabad block



“Bhoomi Dan” for construction of government secondary school

To strengthen our commitment to provide quality education to communities, GHCL has denoted its purchased land acquired for mining purpose to the construction of new Government Secondary School building at Khadsaliya.

Furthermore, we have identified few comprehensive thematic areas as a focus for CSR interventions followed by proactive support to ensure that meaningful socio-economic development reaches and benefits the community. These include local employment opportunities, better educational and infrastructural amenities, healthcare programs and hygiene awareness. Hence, we focus on delivering substantial stakeholder value through innovative and inclusive social development models that focus on three key pillars - “Agriculture and Animal Husbandry, Education, and Healthcare”.



Agriculture and Animal Husbandry

Since 2014, our CSR wing has been implementing various initiatives aimed at increasing farmer earnings and resource efficiency. The essence is to reduce farmer’s input costs, magnify productivity, adopt environment friendly

solutions, and generate a supplementary income to improve and sustain their livelihood. Agriculture is the primary source of income in the communities surrounding GHCL's Sutrapada plant. We have supported in the implementation of numerous programs such as animal husbandry, zero-budget farming, and organic farming to help benefit the society at large. To strengthen the Agro-based livelihood through horticulture, we distribute various saplings to farmers every year. This year we distributed thousand saplings in nearby coastal villages of Gir Somnath and Amreli district of Gujarat.

Since inception of this initiatives, we have provided saplings of Coconut, Mango, Lemon, Pomegranate, Ambla, Gooseberry, Chandan, Bilipatra, White Jamboon, etc.



31,000+

farmers impacted through agriculture and animal husbandry

Educational and Vocational Training

We believe in empowerment through education, hence continuously engage in education and skill development especially for women and young girls.

As a responsible organisation, we understand importance of conducting education and training programs. We give precedence to youth programs, enabling them with vocational training as well as creating awareness on significant and current socio-economic issues. We regularly engage with students of the community and encourage their participation in all these programs to facilitate them with necessary education and skills.

To improve employment opportunities, our activities are focused on two areas: School and Skill Building.

- At school level, we strive to promote access to education and learning opportunities among children from weaker sections.
- At skill building level, we offer the essential skill through vocational training to limit the potential of migration and make the young employable in places closer to their homes.

Our Foundation plays a vital role in working with the Anganwadi workers, student's parents. We educate student's parents about the value of education and its benefits in the life of any individual. We engage students in extra-curricular activities like story-telling sessions, tree-plantation drives, art, and craft competitions for their overall development. Science fairs, student competitions, special courses on Maths and English for secondary school students, etc. are organized to ensure overall development.

4,900+

students impacted

Healthcare

Access to quality healthcare services is still a big challenge in rural India with lack of proper infrastructure in place. We extend primary healthcare services in the communities that we operate in. The scope of our healthcare programs covers preventive health care aspects and to ensure the overall wellbeing of the resident communities around GHCL's operations.

For the local community, free preventative healthcare programs, and hygiene awareness training are provided. The initiatives under these programs include health check-ups, medical services, eye camps, cancer-camps. We have also extended our support to the local communities especially marginalised section of society and women in areas of - cataract operation and cancer screening. The Foundation also organizes permanent, mobile camps in primary schools, in nearby villages, to screen children for waterborne diseases, tuberculosis, etc.

66,000+

patients treated

Employees

We at GHCL strongly believe in engaging with our employees regularly and their well-being in a bid to drive performance excellence. We strive to maintain mutually respectful and beneficial relationship with our employee thus creating a favourable environment for business. The intent is to have a positive influence on all facets of well-being, particularly physical, mental, and emotional well-being with a supportive workplace environment which provides

equal learning and personal growth opportunity by undertaking multiple HR initiatives across all the businesses. We are delighted to announce that we are an equal opportunity employer, and our inclusive and empowerment philosophy ensures that our employees have ample opportunities to demonstrate their abilities, develop innovative solutions, take risks, and make decisions that will help them learn, grow, and thrive in this competitive world. Our central Human Resources function is responsible for developing, incorporating, and effectively communicating corporate values, policies, and practices and treat our valued employees with dignity and equality, in accordance with employment and labour laws, corporate directives, and collective bargaining agreements.

To stay consistent with the constantly evolving work environment, GHCL strives to incorporate a systemic approach of continuous learning and improvement among our employees. We recognize that our employees contribute significantly to our Company's success, and we sincerely acknowledge their contributions to our success. We intent to support our employees in their personal and professional growth through periodic training and workshops organized by senior management. We ensure that our employees benefit from both on-the-job practice and off-the-job learning. GHCL is engaged in a lot of formal and non-formal activities for the wellbeing of their employees. Festival festivities and birthday celebrations are encouraged for employees to have a healthy and open culture. GHCL has received several accolades and acknowledgments for its commitment toward promoting a secure workplace and continually ranked among the Top 100 in Great Place to Work survey from the last three years. We understand it is important to make sure that our employees have understanding

Social and Relationship Capital

and knowledge of our sustainability agenda and adequate encouragement must be provided to them to drive more ownership towards its implementation.



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



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



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

Investors

At GHCL, we strive to keep our investors well informed on the Company’s strategies, plans, and performance and thereby gain their trust and confidence. Some of the channels GHCL uses to keep their investors informed are the annual

general meeting, investor presentations, investor meets and analyst calls, press conferences, and media releases. As a part of good governance strategy, we have established a communication platform for investors. In addition, for the matters related with grievances, we have provided our investor grievance redressal platform. We also have dedicated resource assigned to support our investors.

At GHCL, responsible corporate leadership, continuous improvements in operational performance and sustainable value creation are in line with the Sustainable Development Goals. We strive to drive operational efficiency and share our profit with our investors. We carefully balance risks and returns to generate an optimum return to the shareholders in a sustainable manner.

Suppliers

Suppliers and contractors play a critical role at GHCL, and we view them as partners in our growth. We seek to build a relationship based on trust and strong ties to meet our growing business demand. We connect with our vendors regularly, sharing our goals and challenges. Our supply chains have been considered as part of our sustainability agenda at GHCL, and we continue to collaborate with partners who share our values. We have proper systems

and processes in place to analyse and manage risks across the supply chain. We maintain a fair process of selecting suppliers, contractors, and service providers without any external or internal interference.

We are constantly working towards our commitment in having sustainable practices and processes across our value chain. We encourage our partners, suppliers, and vendors to do the same by following GHCL’s Code of Conduct. We recognize that our suppliers and vendors play a critical role in allowing us the social license to operate globally. One of our primary focus areas is the conviction that continual involvement is the best way to develop a long-term, transparent, and trustworthy connection. We are working to reduce the effect of high-risk suppliers across our supply chain by 30% as per our Sustainability Vision 2023. We used the VendX platform to examine the Environmental, Social, and Governance (ESG) aspects of our suppliers and identify the important suppliers to meet this goal.

We have dedicated resource to manage our supply chain operations. Also, we conduct periodic supplier satisfaction surveys to understand our vendor’s needs, requirements, and expectations. In response to the same, we have taken some initiatives to improve our supply chain management are as follows:



Digitalization of procurement process: VendX

Background:

- GHCL has been working on digitalization of the procurement process from Purchase Requisition (PR) to Payment to establish paperless working and increase transparency
- VendX is a negotiation module which helps in standardisation of purchase process and provides most competitive buying environment to the potential buyers
- GHCL has digitalized following procurement activities such as Purchase Requisition (PR), Request For Quotation (RFQ), Technical Bid (TB), Auctions, Decision Approval, Payment Register, Vendor Sustainability Report, ARC Process, Import Procurement, Vendor Negotiation Behaviour and Price Trend, Spend Analysis, Procurement Intelligence Tool, Connect Module – Collaborate, Communicate, and Track, Delivery Tracking, BOQ and Activities based Price Discovery (Non-SOR Services), Audit Module, QR code (ASN) for receipt of goods at Security Gate, Partner Portal (Supplier/Customer), etc

Benefits gained

- Timely procurement
- Process optimization
- Increases efficiency
- Cost reduction

Encouraging improvement in payment term for vendors and introducing Annual Rate Contracts (ARC)

Background:

- GHCL has done significant improvement in Payment term ensuring that micro and small vendors are paid on time and without incurring interest charge
- As part of the digital drive, we encourage e-invoicing and accounts payable invoice automation (APIA)
- GHCL has engaged into long term contracts with vendors to improve our relationships with them and reduce operational transaction
- ARC currently covers 50% of things in terms of value and 84% of items in terms of transaction
- Such contracts helped us sustain the same price for long time under current volatile environment

Benefits gained

- Helps in facilitating payment on time
- Supports digitalisation in payment space
- Reduces operational transaction
- Sustains same price for long time
- Helps in nurturing healthy long-term relationship with vendors

Social and Relationship Capital

Launch of Vendaxo Platform

Background:

- GHCL has successfully launched Vendaxo platform to potential buyers who find value in our excess inventory such as obsolete items and unused machinery
- This platform helps to raise qualified lead for the listed item where cataloguing of around 360 obsolete items was done and help fetch deals higher than the scarp price of an item listed

Benefits gained

- Helps to fetch deals higher than the scrap price of item listed
- Helps to raise qualified lead for the listed item

Creation of Manufacturing Infrastructure: MAAS (Manufacturing as a Service)

Background:

- MAAS refers to the collaborative production of commodities using a networked manufacturing infrastructure
- GHCL has been working on creation of service vendor (consolidator) with a diverse set of manufacturing processes and skills. It should have a network of world-class plants (either its own or in conjunction with others) that can provide us with services such as design engineering, fabrication, machining, welding, casting, forging, etc through a single point of contact

Benefits gained

- Encourages fair and quality competition among providers
- Increases in service level, availability, cost-effective value addition

Adopting vendor consolidation system

Background:

- For the last three years, GHCL has been on a journey of vendor consolidation. We have identified and works with strategic vendors who fulfil all our requirements of digitization, single source, and single point of contact for all statutory compliance and maximize value to both vendor and GHCL
- It helped us in entering a fixed contract with long term visibility, flexibility in alternate supply through consolidators pan India reach, volume discounts, lead time improvement, standardization of products, formula based long term strategic contract and VMI

Benefits gained

- Sort out the challenges such as multiple payment terms and different lead time for same material
- Reduces transactions, time, and related efforts
- Uniform payment terms and incoterms
- Reduction in inventory, sustainable supply chain

Sustainability assessment of vendors in our VendX portal

Background:

- Creation of a sustainability survey platform in our e-procurement technology, Vendx, to assess the high-risk supplier's current understanding of the sustainability parameters stated in the vendor supplier questionnaire and monitor our carbon footprint in the procurement and supply Chain function
- We identify the degree of risk associated with each vendor as per sustainability criteria and prepare a development plan for vendors who have been classified as high or medium risk based on their results

Benefits gained

- Identifies the risk zone of supplier group
- Carry out plan to move from a high-risk to a medium/low-risk or no-risk situation

Introduction of transparent online negotiation process and improvement of lead time

Background:

- GHCL has started using various types of auctions through third-party partners to encourage greater participation in our auction process and bring more transparency to our procurement function such as
 - English and pure English auctions
 - 2nd bid auctions
 - Weighted bid auctions
 - Start price auctions
 - Dutch auctions
 - Knock out auctions
- Also, it depends upon various parameters of commercial negotiations
- This whole auction activity is well documented while conducting a transparent online negotiation process
- GHCL has been working on the following strategies to improve our lead time such as:
 - Increased focus on timely processing of PRs and timely delivery of Purchase Order (PO) materials
 - Continuous deliberation with strategic vendors for rationalisation of high lead time (LT) items
 - Ready stock items to be covered under catalogue modules

Benefits gained

- Facilitates transparent online negotiation process
- Encourages greater participation in auction process
- Brings more transparency to procurement function
- Develops confidence in our internal customers about the availability of the required material at a defined lead time

Social and Relationship Capital

Vendor managed inventory

Background:

- Under this initiative, the vendor is responsible for managing inventory at our plant, ensuring optimal stock availability at all the times and timely replenishment to maintain minimum stock level
- At the GHCL site, a total of 580 items are covered under VMI, with more than 300 of them expected to be covered by the end of the current fiscal year
- We only pay for these Vendor Managed Inventories (VMI) products when we use them, therefore there is no inventory carrying cost

Benefits gained

- Reduces transaction costs
- Inventory optimization
- Increases contract coverage
- Improves delivery compliance
- Guaranteed optimal stock availability at all times
- Stock out situations can be avoided

Customers

We are a customer centric organization that values collaboration with all our customers. One of our strategic priority is continuously improve our customer's value proposition. We continually strive to improve customer satisfaction while addressing our environmental and social obligations to build a more sustainable business. We aim to deliver

value to our customers and consumers in a responsible way by considering their overall well-being and informing them on using our products and services safely and responsibly. GHCL, therefore, prioritise upon delivering superior products and services to customer in a timely and responsible manner. Customer satisfaction drives continual business growth in terms of innovation, efficiency, effectiveness, and quality

enhancement. We continually make use of multiple channels to communicate with our existing and potential customers. To effectively address our costumers concerns and grievance, we have established a comprehensive consumer feedback mechanism. In response to the same, we have taken initiative to improve our customer base as presented below:

Introduction of Catalogue Services for customer:

Background:

- GHCL is working to develop a self-service system for requisition and ordered goods and services using a catalogue module to reduce manual effort and PR-PO time without compromising process compliance
- Once approved, the requisition is automatically converted into PO and then transmitted to the supplier through the portal

Benefits gained

- Reduce manual efforts
- Reduce PR-PO time without compromising process compliance
- Provides user-friendly medium to customers/buyers

Furthermore, we conduct customer satisfaction survey to improve aspects such as product quality, packing and packaging, delivery performance and customer service. In addition to overall satisfaction, it includes three segments namely



Buying process



Value proposition

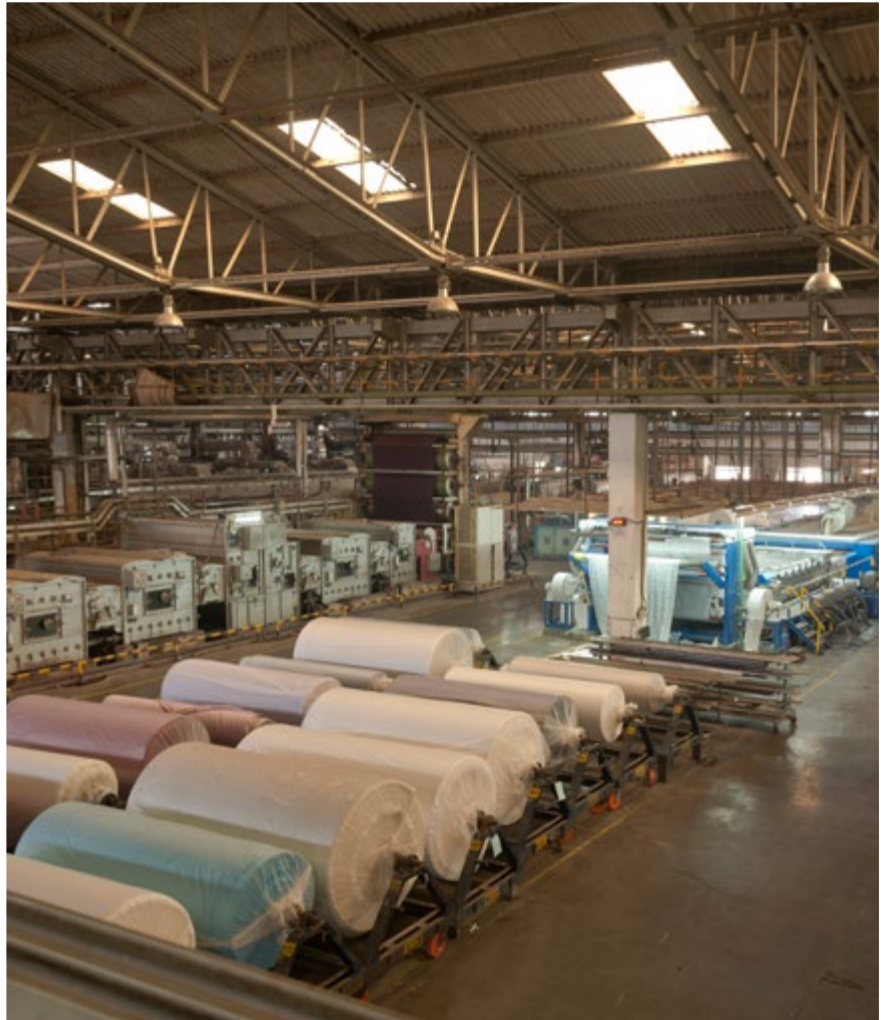


Customer support and serviceability

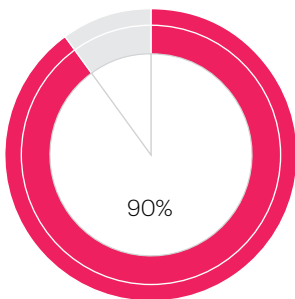
This year, we surveyed 149 customers across all region and across business lines to improve our operations and to create future action plans. The results of survey are as below:

149

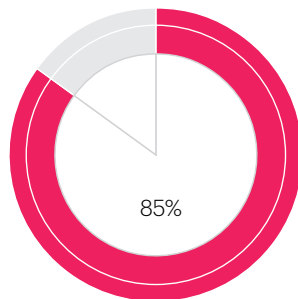
Total Customer Interviewed



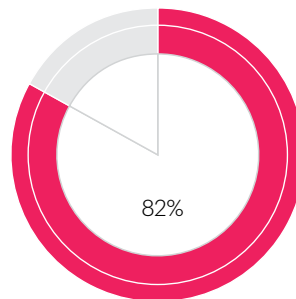
Overall Satisfaction Results



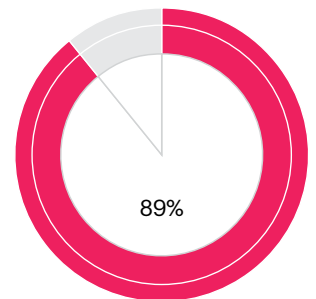
Buying Process



Value Proposition



Overall Service Quality



Net promoter's Score



Natural Capital

GHCL believe in the philosophy of माता भूमि: पुत्रोऽहं पृथिव्या: [अथर्ववेद 12.1.12] means earth is my mother and I am her child.



Natural capital constitutes renewable and non-renewable natural resources like land, water, air, fossil fuels and solar energy. We

are no exception to the fact that impact of climate change is evident, and it is a global phenomenon. For us, natural capital is one of the most critical capitals required for the process of value creation.



Sustainability Vision

1	2	3	4
Responsible Steward	Zero Harm	Responsible Steward	Climate warrior
Green building certification for Noida Office	Zero environmental incidence	25% reduction in fresh water consumption	20% reduction in GHG emissions
		10% reduction in specific energy consumption	Implementation of Internal Carbon Price
		20% waste reduction, recycling	

Material Issues



Sustainable Raw Material, Product, and Innovation

Environment Performance Management

We are deeply committed in protecting the environment in which we operate, for the benefit of the present and future generations. Our endeavour is to maintain a balance between economic development and protection of natural resources. As responsible corporate citizens, we are committed to the compliance with the applicable laws and regulations pertaining to environmental protection. We endeavour to create the best use of our assets while mitigating operational impacts and lowering our environmental footprint. We have also outlined our dedicated targets under our Sustainability Vision 2023 (with FY19 as base year) as part of being a responsible steward and climate warrior.

In line with our Sustainability vision 2023, Our targets to reduce consumption of freshwater, energy consumption, resource utilisation and waste generation is an epitome of our care for the environment. To enhance our environmental performance and mitigate our ecological footprint, we have not restricted ourselves within our organizational boundary, but significant measures have been taken to implement clean energy and convert waste to energy. We continuously innovate products and processes in line with our environmental commitments. We constantly endeavour to utilize our resources effectively in our overall business while managing operational impacts and minimizing our footprint on the environment. When

it comes to integrating sustainability into our Company operations, we make informed decisions and helped us to excel in value creation for all our stakeholders in a responsible, productive, and cost-effective manner. We are dedicated in addressing climate risks and continued to improve our measures to transition into a low carbon organization. Our environmental monitoring and management strategies and processes are reviewed and upgraded on a frequent basis. For FY 2021-22, the status of our natural resource consumption and management is given below.

Performance Highlights

43,49,851 MT

Inbound raw material

26,65,760 KL

Freshwater consumption

11,62,150 tCO₂

Scope 1 emissions

1,20,08,042 GJ

Direct energy consumption

2,04,034 KL

Water recycled/reused

59,750 tCO₂

Scope 2 emissions

9,21,754 kWh

Savings through energy initiatives

1,27,238 MT

Non-hazardous waste disposed

25.4 MW

Wind energy generation capacity

4,28,550 GJ

Indirect energy consumption

20.57 MT

Hazardous waste disposed

42%

Power requirement of Yarn division is met through renewable energy

Natural Capital

Energy efficiency and carbon footprint reduction

Over the years, we have placed a strong emphasis on incorporating energy efficiency and carbon footprint reduction measures to conserve our natural capital. Being a resource-intensive industry with diverse set of products, we understand the importance of minimizing the carbon footprint across all our business activities to reduce the impact that the manufacturing of our products has on our environment.

Under our Sustainability Vision 2023, we have taken a target to reduce our specific energy consumption by 10%. We are focussed on adopting various practices and procedures to reduce energy consumption, enhance energy efficiency and recover waste heat for use in our processes. We also deployed state-of-the-art technologies and installed energy efficient lighting systems across all our plants and facilities to cut down our CO₂ emissions. Going forward, to instil energy saving practices among our employees we regularly conduct awareness sessions across all our business units. We are consistently growing our renewable energy power portfolio through a mix of wind and solar power to support

our energy consumption needs while lowering carbon emission.

We understand most of our business operations are energy intensive and utilizes significant amount of natural resource, and hence, increases our carbon footprint. Therefore, we have put our best efforts to monitor and manage emissions so that we can reduce our carbon footprint. Holding the increase in global temperatures to 1.5 degrees above pre-industrial levels as adopted in the Paris Agreement is no longer a choice but a necessity. With a strong global commitment to limit GHG in compliance with the Paris Agreement, we understand the urgency and challenge of addressing the menace of climate change and have put in place an internal carbon price for relevant business operations. This pricing technique will help us drive decarbonization and provide financial incentives to transition to low-carbon alternatives.

Soda Ash Energy Intensity

(GJ/MT)	
FY 18-19	10.84
FY 19-20	11.34
FY 20-21	11.35
FY 21-22	11.02

Yarn Energy Intensity

(GJ/MT)	
FY 18-19	14.59
FY 19-20	15.38
FY 20-21	13.80
FY 21-22	13.41

CPD Energy Intensity

(GJ/MT)	
FY 18-19	0.097
FY 19-20	0.044
FY 20-21	0.089
FY 21-22	0.135

Soda Ash GHG Intensity

(tCO ₂ /MT)	
FY 18-19	1.05
FY 19-20	1.09
FY 20-21	1.11
FY 21-22	1.07

Yarn GHG Intensity

(tCO ₂ /MT)	
FY 18-19	2.53
FY 19-20	2.36
FY 20-21	1.68
FY 21-22	1.83

CPD GHG Intensity

(tCO ₂ /MT)	
FY 18-19	0.03
FY 19-20	0.01
FY 20-21	0.03
FY 21-22	0.04

Resource Management

With a view to optimise resource management, we monitor material consumption, reduce wastage, and increase the use of recycled material. We ensure a steady supply of key raw materials through local sourcing, captive production, and imports. We identify key issues that shape the current market scenario and the potential challenges that

might affect our businesses in the long run. We have undertaken various initiatives related to 3R practices in manufacturing as well as packaging across our value chain.

The various initiatives that we have implemented include following:

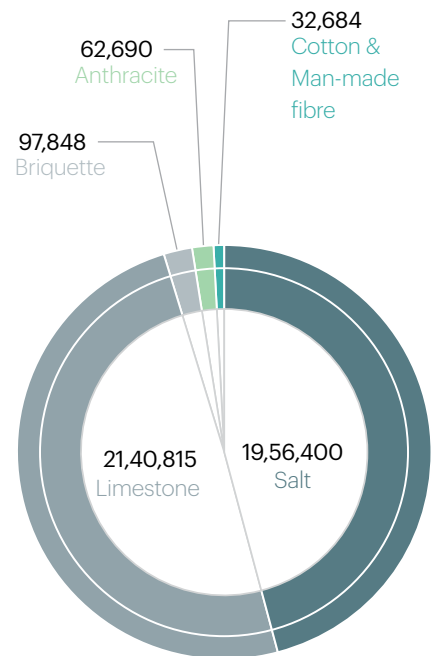
- Replaced use of metallurgical coke with briquette.
- Utilise fly ash waste generated by boilers to manufacture bricks and paver blocks.
- Majority of cotton waste to produce OE (Open End) yarn in which is further reutilised to produce rugged fabric like denims and other lower end category fabrics by supplying to the garment manufacturer.

We constantly work towards procuring sustainable raw materials and producing sustainable products to address the key material issues of sustainable raw material that have direct impact on our environmental footprint.



Major Raw Materials

(MT)



Natural Capital

Water Conservation

Water is a fundamental human need and essential for maintaining ecological balance. It is one of the most important natural resources for our industry because we rely on it so significantly. The statement **जलमेव जीवनम – जल ही जीवन है** indicates the importance of water in life and we at GHCL are very conscious on preserving and maintaining our natural resources and using them in a very efficient manner. We recognise access to clean water as a basic human right and have taken strict measures to conserve water and ensure the availability of clean or treated water for our businesses. We have also ensured the provision of safe drinking water for the communities that thrive around our operational premises as strong supporters of the UN Sustainable Development Goals. We have put in place mechanisms to identify the hazards connected with water scarcity, and we have been striving

to conserve water and reduce water use across all our business operations. A well-structured water management system is in place to ensure that sufficient freshwater is consumed and conserved, and that our operations and manufacturing processes are as efficient and productive. We aspire to be the industry leader in water conservation and stewardship. We have set a goal of reducing our freshwater consumption by 20% as part of our aim to achieve our Sustainability Vision 2023.

Soda Ash Water Intensity

(KL/MT)	
FY 18-19	3.42
FY 19-20	3.02
FY 20-21	2.97
FY 21-22	2.14

Yarn Water Intensity

(KL/MT)	
FY 18-19	8.30
FY 19-20	11.59
FY 20-21	8.59
FY 21-22	6.93

CPD Water Intensity

(KL/MT)	
FY 18-19	0.10
FY 19-20	0.20
FY 20-21	0.16
FY 21-22	1.35

GHCL has implemented several water-saving techniques across its operations resulting into significant reduction in raw water consumption.

- In the Soda Ash division, reverse osmosis and nanotechnology have resulted in the production of high-quality permeate from saltwater to meet the freshwater requirement. We were able to meet the stringent environmental discharge regulations by recycling our on-site water, which also contributed to improving our environmental performance
- In Yarn division, we have system in place to reuse the rejected water released from our RO plant to reduce raw water consumption. We have successfully implemented this initiative in phased manner and reutilised half of RO reject water in all the washrooms of our plant locations



RO Reject Water Tank

Environment initiatives planned for FY23



Climate Change Action:

To strengthen our low carbon footprint policy and transforming into more climate resilient entity, we at GHCL are introducing our climate change action programs. We are planning to conduct climate change study with the help of external consultancy and develop sustainability action plan to support our vision of sustainability.



Water Positivity:

This year, GHCL is planning to take up water positive assessment with the help of external agency on our water conservation projects such as installation of rainwater harvesting units and water conservation in our mined-out pits. We are cutting on our freshwater consumption through these projects and looking forward to generating credits from these projects.

Wastewater disposal and reuse

We strive to reduce freshwater consumption as well as reuse wastewater generated within our boundaries to minimise water consumption. We have implemented wastewater purification systems at all our manufacturing locations and ensure that the wastewater generated is below the Central Pollution Control Board (CPCB) or State Pollution Control Board (SPCB) permitted limits. We are fully aware of the environmental consequences of untreated wastewater and have taken steps to reduce its influence on our surroundings. At GHCL, we have been working hard to reduce our raw water withdrawals and have reutilised treated wastewater for humidification and green-belt development.

Solid waste management

Management of waste has assumed critical importance with increasing pressure on landfills and waste becoming a major pollutant across rivers and oceans. As a resource-intensive and diverse sector, we strive to incorporate material efficiency into our work processes, maximising the use of all raw materials while generating minimal waste. This method has ensured the proper and efficient use of by-products while also increasing our material efficiency rate. At GHCL, we envisage the concept of creating wealth from waste. Hazardous and non-hazardous wastes generated at our facilities are efficiently disposed off to reduce environmental impact. Our environmental strategy, policies, waste segregation, and treatment techniques, and waste disposal procedures follow standard environmental regulatory guidelines.

Indicator	Unit	Soda Ash	Yarn	CPD	Total
Non-Hazardous Waste	MT	1,26,208	329	701	1,27,238
Hazardous Waste	MT	16.99	3.44	0.14	20.57
Other Waste	MT	526	-	0.12	526
Total Waste	MT	1,26,750	332	701	1,27,784

Biodiversity conservation and restoration

At GHCL, we strive to include biodiversity management into all aspects of our operations. We have implemented various measures to minimise the impacts of our operations to the greatest extent possible as part of our commitment to conserve natural resources, reduce GHG and other hazardous emissions into the environment, and conserve biodiversity.

We prioritise biodiversity restoration and long-term value creation for our stakeholders, particularly the communities that thrive near our plants. Our strategies and measures to reduce carbon emissions, conserve water, reduce and recycle trash, and improve local biodiversity have all contributed to the creation of the ideal habitat for life to thrive.



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Independent Assurance Statement

The Management Committee
GHCL Limited
GHCL House, B-38,
Institutional Area, Sector-1
Noida, 201301, India

Scope

We have been engaged by GHCL Limited to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, hereafter referred to as the engagement, to report on GHCL Integrated Annual Report, which contains the data/information from the facilities units as per International Integrated Reporting Council (IIRC) Framework (the "Subject Matter") for the period from 1st April 2021 to 31st March 2022.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by GHCL

In preparing the Integrated Annual Report, GHCL applied the <IR> framework suggested by International Integrated Reporting Council (IIRC), were specifically designed for Integrated Annual Report; as a result, the subject matter information may not be suitable for another purpose.

GHCL's responsibilities

GHCL management is responsible for selecting the Criteria, and for presenting the Integrated Annual Report in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates relevant to the preparation of the subject matter. It is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'), and the terms of reference for this engagement as agreed with GHCL on 7th February 2022. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.



We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Integrated Annual Report and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Conducted interviews with select personnel at manufacturing units and corporate teams to understand the process for collecting, collating and reporting the subject matter as per International Integrated Reporting Council (IIRC) Framework
- Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria
- Undertook analytical review procedures to support the reasonableness of the data
- Identified and testing assumptions supporting calculations
- Tested, on a sample basis, underlying source information to check the accuracy of the data which includes:
 - Remote data review, on a selective test basis, carried out for the following units/locations through consultations with the Site Team



- Remote verification of data/information of Soda Ash (Sutrapada) facility and Yarn (Madurai & Manaparai) facility
- Desktop review of Consumer Product Division (CPD)
- Virtual verification of data/information of Corporate office in Noida, Uttar Pradesh
- Review of the Company's approach towards materiality assessment disclosed in the Report to identify relevant issues
- Review of select qualitative statements in various sections of the Integrated Annual Report

We also performed such other procedures as we considered necessary in the circumstances.

Emphasis of matter

The assurance scope excludes:

- Data and information outside the defined reporting period (1st April 2021 to 31st March 2022)
- Data and information on economic and financial performance of the Company
- Data, statements and claims already available in the public domain through Annual Reports, Corporate Social Responsibility Reports, previous Integrated Annual Reports, or other sources available in the public domain
- The Company's statements that describe the expression of opinion, belief, inference, aspiration, expectation, aim or future intention provided by the Company
- The Company's compliance with regulations, acts, guidelines with respect to various regulatory agencies and other legal matters.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the integrated annual report for the period from 1st April 2021 to 31st March 2022, in order for it to be in accordance with the Criteria.



Chaitanya Kalia
For and on behalf of Ernst & Young Associates LLP.
29th April 2022
Mumbai, India

Notice

GHCL Limited

(CIN: L24100GJ1983PLC006513)

Registered Office: GHCL House, Opp. Punjabi Hall,

Navrangpura, Ahmedabad – 380009 (Gujarat)

Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in

Website: www.ghcl.co.in

Phone: 079- 26434100, Fax: 079-26423623

NOTICE is hereby given that 39th Annual General Meeting of the members of GHCL Limited (CIN: L24100GJ1983PLC006513) will be held on Thursday, June 30, 2022 (गुरुवार, आषाढ शुक्ल पक्ष - प्रतिपदा, विक्रम संवत् २०७९) at 10.00 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14 of 2020 dated April 08, 2020, Circular No. 17 of 2020 dated April 13, 2020, Circular No. 20 of 2020 dated May 05, 2020, Circular no. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and SEBI Circular dated 12th May, 2020, January 15, 2021 (collectively referred to as "Circulars") to transact the following businesses:

ORDINARY BUSINESS:

Item no. 1: Adoption of audited financial statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2022

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT the audited Financial Statements (including audited Consolidated Financial Statements) of the Company for the financial year ended 31st March 2022 along with Board's Report, Independent Auditors' Report thereon, Integrated Report, Corporate Governance Report, Secretarial Auditor's Report and other annexure and attachment therewith, be and are hereby received, considered, approved and adopted."

Item no. 2: Declaration of dividend for the financial year ended on March 31, 2022

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT total dividend of Rs. 15 per equity share of Rs. 10/- each i.e. 150% on the paid up equity capital, (comprising of regular Dividend of Rs.10 per equity share and Special Dividend of Rs. 5 per equity share) of the Company, as recommended by the Board of Directors for the financial year ended March 31, 2022, be and is hereby declared and that such dividend be paid to those equity shareholders whose names appear in the Register of Members as on record date i.e. Thursday, June 23, 2022".

Item no. 3: Re-appointment of Mr. Anurag Dalmia as a Director of the Company, liable to retire by rotation

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Anurag Dalmia (DIN 00120710) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation."

Item no. 4: Re-appointment of Mr. Raman Chopra as a Director of the Company, liable to retire by rotation

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS:

Item No. 5: Re - Appointment of Mr. Ravi Shanker Jalan (DIN: 00121260) as Managing Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Section 196, 197 & 203 of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule V of the Act, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors Mr. Ravi Shanker Jalan (DIN: 00121260) be and is hereby re-appointed as Managing Director of the Company, for a period of 5 years with effect from June 7, 2022, liable to retire by rotation, on such terms and conditions including remuneration as stated in the explanatory statement annexed to the notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as the Board may think fit."



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

Item no. 6: Re - Appointment of Mrs. Vijaylaxmi Joshi (Retd. IAS) as an Independent Director of the Company

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 149, 150 & 152, and any other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mrs. Vijaylaxmi Joshi (holding DIN: 00032055), who was appointed as an Independent Director of the Company at the 34th Annual General Meeting of the Company and who holds office upto April 19, 2022 and is eligible for re-appointment and meets the criteria for independence, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years with effect from April 20, 2022 and for a term up to April 19, 2027."

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

Item No. 7: Approval for Private placement of Redeemable Non-Convertible Debenture

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 23, 42, 71 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder including any statutory modification or re-enactment thereof for the time being in force, ("the Act"), the Memorandum of Association and Articles of Association of the Company, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations"), Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, various rules, regulations, press notes, notifications, any other guidelines and clarifications

issued by the Government of India, all applicable regulations, circulars, notifications issued by the SEBI, stock exchanges on which the equity shares of the Company are listed, and also by any other statutory/regulatory authorities and subject to all such other approvals, permissions, consents and/or sanctions of any authorities, as may be necessary, consent of the members of the Company be and is hereby accorded to the Board Of Directors (including the Committee) for making offer(s) or invitation(s) to subscribe Rated, Taxable, Secured, Listed, Redeemable Non-Convertible Debentures ("NCDs"), upto an amount not exceeding Rs. 100 Crores having face value of Rs. 10,00,000/- (Rupees Ten Lacs) each ("NCDs"), at par, on private placement basis, to the specified person as may be decided by the Board of Directors (including the Committee) of the Company, from time to time, in one or more tranches, on such terms and conditions as the Board of Directors / Committee of the Company may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Banking & Operations Committee of the Board of Directors (Committee) be and is hereby authorized, in its entire discretion, to do all such acts, matters, deeds and things and to take all such steps and to do all such things and give all such directions, as the Committee may consider necessary, expedient or desirable, including without limitation, effecting any modification to the foregoing (including any modifications to the terms of the issue), to allot such number of Redeemable NCD in one or more tranches to each lender pursuant to this resolution, as may be thought fit or decided by the Committee, to prescribe the forms of application, allotment, to enter into any agreements or other instruments, and to take such actions or give such directions as may be necessary or desirable and to file applications and obtain any approvals, permissions, sanctions which may be necessary or desirable and to settle any questions or difficulties that may arise and appoint consultants, valuers, legal advisors, advisors and such other agencies as may be required for the issue of the Redeemable NCDs, in line with the approval of the members to be accorded by the members."

"RESOLVED FURTHER THAT the Committee be and is hereby authorized to delegate all or any of the powers herein conferred by the above resolution to any Director / KMP and / or any other employees of the Company to give effect to the aforesaid resolution."

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

Item No. 8: Alteration of Articles of Association of the Company for adoption of new set of Articles of Association in alignment with the Companies Act, 2013

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 5 & 14 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s), amendments thereto or re-enactment thereof, the circulars, notifications, regulations, rules, guidelines, if any, for the time being in force), and subject to necessary approval(s), if any, from the competent authorities, the consent of the Members of the Company be and is hereby accorded to the alteration of the existing Articles of Association of the Company by adoption of a new set of Articles of Association in substitution, and to the entire exclusion of the Articles contained in the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company, to accede to such modifications and alterations to the aforesaid resolution as may be suggested by the Registrar of Companies or such other Authority arising from or incidental to the said amendment.”

Registered Office:

GHCL HOUSE

Opp. Punjabi Hall

Navrangpura, Ahmedabad - 380009

Dated: April 30, 2022

By Order of the Board

For **GHCL LIMITED**

Bhuvneshwar Mishra

Sr. GM-Sustainability

& Company Secretary

Membership No.: FCS 5330

NOTES:

1. In view of the spread of COVID-19 pandemic, the movement is restricted and considering the urgency of the matter, the Board of Directors of the Company is convening this Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in terms of the framework prescribed by the Ministry of Corporate Affairs (MCA) vide General Circular No. 14 of 2020 dated April 08, 2020, Circular No. 17 of 2020 dated April 13, 2020, Circular No. 20 of 2020 dated May 05, 2020, Circular no. 02/2021 dated January 13, 2021, Circular No. 21/2021 dated December 14, 2021 and also SEBI Circular dated 12th May, 2020, SEBI Circular dated January 15, 2021 (collectively referred to as “Circulars”). The facility of VC or OAVM and also casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL. The framework prescribed by MCA in said circulars would be available to the members for effective participation in following manner:
 - a. The Company is convening 39th Annual General Meeting (AGM) through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting.
 - b. VC / OAVM facility provided by the Company, is having a capacity to allow at least 1000 members to participate the meeting on a first-come-first-served basis. However, the large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, KMPs, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. may be allowed to attend the meeting without restriction on account of first-come-first-served principle.
 - c. Notice of 39th AGM and financial statements (including Board’s report, Auditor’s report or other documents required to be attached therewith) for FY 2021-22, are being sent only through email to all members as on May 6, 2022 (i.e. based on Benepos report after the Board Meeting in which notice is approved) on their registered email id with the company and no physical copy of the same would be dispatched. However, physical copy of the Integrated Annual Report will be sent on demand. 39th Integrated Annual Report containing Notice, financial statements and other documents are available on the website of BSE Limited (www.bseindia.com) and National Stock Exchange of India Limited (www.nseindia.com) where the Company’s shares are listed and is also available on the website of the Company (www.ghcl.co.in).



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- d. Company is providing two way teleconferencing facility or WebEx for the ease of participation of the members.
 - e. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company.
 - f. Pursuant to the Circular No. 14/2021 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
 - g. Participants i.e. members, directors, auditors and other eligible persons to whom this notice is being circulated are allowed to submit their queries / questions etc. before the general meeting in advance on the e-mail address of the company at secretarial@ghcl.co.in. Further, queries / questions may also be posed concurrently during the general meeting at given email id.
 - h. Members, directors, auditors and other eligible persons to whom this notice is being circulated can attend this annual general meeting through video conferencing at least 15 minutes before the schedule time and shall be closed after expiry of 15 minutes from the scheduled time.
 - i. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
2. Process for those Members whose email Ids addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:
 - a) **For Physical Members** - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company (secretarial@ghcl.co.in) / RTA (rnt.helpdesk@linkintime.co.in).
 - b) **For Demat Members** - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company (secretarial@ghcl.co.in) / RTA (rnt.helpdesk@linkintime.co.in).
 3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the notice is annexed hereto.
 4. The dividend as recommended by the Board of Directors will be paid to the members on or before 30th day from the date of declaration:
 - **For equity shares held in physical form** - those Members whose names will appear in the Register of Members on the record date i.e. Thursday, June 23, 2022.
 - **For equity shares held in dematerialized form** - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on the record date. Thursday, June 23, 2022.
 5. The relevant details of directors seeking re-appointment under Items No. 3 & 4, as required under Regulation 36(3) of the Listing Regulations read with applicable provisions of the Companies Act, 2013 and relevant Secretarial Standards are given herein below.
 - a. Mr. Anurag Dalmia (DOB - May 11, 1956) is a Non-executive Vice Chairman and Director of the Company. Mr. Anurag Dalmia is an eminent Industrialist and is also representing PHD Chambers of Commerce and Industry. In the past, Mr. Anurag Dalmia had also represented Confederation of Indian Textile Industry. He holds 110000 equity shares of the Company in his individual account and 572774 equity shares of the Company in his HUF account. He is the Chairman of Corporate Social Responsibility (CSR) Committee of the Company and member of Risk & Sustainability Committee. He is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. Except Mr. Sanjay Dalmia and Mr. Neelabh Dalmia, he is not related to any other director or key managerial personal of the Company. The details of skill matrix of directors are prescribed in the Corporate Governance Report.

- b. Mr. Raman Chopra (DOB – November 25, 1965) is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having around 33 years of experience in the area of corporate finance, restructuring, strategy, project implementation and general management. He is a member of Stakeholders Relationship Committee, Banking & Operations Committee, Corporate Social Responsibility (CSR) Committee and Risk & Sustainability Committee of the Company. Mr. Chopra is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. He is not related to any other Director/KMP of the Company. He holds 150000 equity shares of the Company in his individual account and also holds stock options as per policy of the company. Also, his wife is holding 18,000 equity shares and his son is holding 7000 equity shares of the Company. Mr. Raman Chopra is neither related to any director or key managerial personal of the company.
6. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company in respect of their physical share folios, if any.
7. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or / change in such bank details. Further instruction, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depositories Participants.
8. Members are requested to send their queries, if any, at least seven (7) days in advance of the meeting so that the information can be made available at the meeting.
- 9. Voting through electronic means:**
- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (“Listing Regulations”) and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 39th Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
- (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulation read with the MCA circulars.
- (c) During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Thursday, June 23, 2022 may cast their vote electronically. The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- (d) The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, June 25, 2022 and ends at 5:00 p.m. (IST) on Wednesday, June 29, 2022. The e-voting module shall be disabled by CDSL for voting thereafter.
- (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (f) The facility for voting, through electronic voting system, shall also be made available during the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (g) Instructions for members for remote e-voting are as under:**
- (i) Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat



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mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

In order to increase the efficiency of the voting process, all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants, able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Pursuant to said SEBI Circular, login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp

Type of Members	Login Method
Individual Members (holding securities in demat mode) login through their Depository Participants	<p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting</p> <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

- (ii) Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

(h) Login method of e-Voting for Members (including HUF) other than individual Members & physical Members.

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Members" tab.
- (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:



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Type of Members	Login Method
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client id/Folio number in the dividend Bank details field.

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

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

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

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

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

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

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

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

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

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

Note for Non – Individual Members and Custodians

Step 1: Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

Step 2: A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

Step 3: After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

Step 4: The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

Step 5: A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

Step 6: Alternatively, Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, at least 48 hours before the meeting to the Company at secretarial@ghcl.co.in, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

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

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 - ii. Only those Members/ Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
 - iii. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
 - iv. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- 11. Instructions for members for attending the AGM through VC / OAVM are as under:**
- (i) Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under Members / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
 - (ii) Members are encouraged to join the Meeting through Laptops/Personal Computers for better experience.
 - (iii) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
 - (iv) Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network.
- It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (v) Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request 7 days prior to Meeting mentioning their name, demat account number/folio number, email id, mobile number at secretarial@ghcl.co.in and register themselves as speaker. Only those who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.
 - (vi) Company is providing two way teleconferencing facility or WebEx for the ease of participation of the members. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company



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

Login type	Helpdesk details
(i) Individual Members holding securities in Demat mode with CDSL	<p>(a) If you have any queries or issues regarding attending e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Bhavesh Pimputkar (022-23058543) or Mr. Rakesh Dalvi (022-23058542).</p> <p>(b) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk. evoting@cdslindia.com or call on 022-23058542/43.</p>
(ii) Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

13. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., M/s. Link Intime India Private Limited, Unit: GHCL Limited, Mr. Ganapati Haligouda, C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083, changes, if any, in their Bank details, registered address, Email ID, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participant.
14. Mr. Manoj R. Hurkat, Practicing Company Secretary holding Membership No. F4287 and Certificate of Practice No. 2574 has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinizers in addition to and/or in place of Mr. Hurkat.
15. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.

16. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ghcl.co.in and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.
17. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, Certificate from the Secretarial Auditors of the Company under SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and all documents referred to in the Notice and Explanatory Statement are available at the Registered Office of the Company.

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

Item no. 5

In line with the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on April 30, 2022, has re-appointed Mr. Ravi Shanker Jalan (DIN: 00121260) as Managing Director of the Company for a period of five years with effect from June 7, 2022. The disclosure in accordance with the provisions of Regulation

36 (3) of the Listing Regulations read with Section 102 of the Companies Act, 2013, Secretarial Standard-2 and other applicable provisions, if any, in regard to the re-appointment of Managing Director is given below:

Mr. Ravi Shanker Jalan, born on October 10, 1957, is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Operations, Corporate Finance, Marketing, HR and Textiles. Mr. Ravi Shanker Jalan has more than three decades of Industrial experience. Mr. Ravi Shanker Jalan is a Director / Partner on the Board of Sachin Tradex Pvt. Ltd, Sumedha Worldwide LLP, India Hostels Pvt. Ltd. and Federation of India Mineral Industries. He is a member of Stakeholders Relationship Committee, Banking & Operations Committee, CSR Committee and Risk & Sustainability Committee of the Company. He is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. Mr. Jalan holds 400000 equity shares of the Company in his individual name and 100 equity shares as Karta of HUF. Apart from the above, Mr. Jalan has also been granted two lacs stock options as per the policy of the Company. Mr. Ravi Shanker Jalan fulfills the eligibility criteria set out under Part I of Schedule V to the Companies Act, 2013. The remuneration payable to Mr. Ravi Shanker Jalan is in line with the provisions of Schedule V to the Companies Act, 2013, as may be amended from time to time.

1. **Basic Salary:** Rs. 9,44,800 per month. Annual increments will be effective from 1st April each year, as may be decided by the Board of Directors on the recommendation of Nomination & Remuneration Committee of the Company based on the merit and performance of the Managing Director and also after taking into account the overall performance of the Company. Further, the annual increment in the CTC shall not exceed 15% of the total CTC of immediate preceding financial year.
2. **Perquisites / Allowances:** Mr. R S Jalan shall also be entitled to the perquisites / allowances covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Club Fee, Personal Accident Insurance, conveyance, Car, Driver and other allowances / perquisites as per policy of the Company. Presently, total value of perquisites / allowances (including HRA, food allowances, Car & other allowances / perquisites) except retiral benefits are

Rs. 15,41,759 per month. However, perquisites / allowances can be structured as per the policy of the Company.

The breakup of perquisites / allowance of Mr. R S Jalan are given below:

2.1 Housing:

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

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

2.2 Medical Reimbursement:

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

2.3 Leave:

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

2.4 Leave Travel Concession:

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

2.5 Club Fee:

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

2.6 Personal Accident Assurance:

As per policy of the company.

2.7 Conveyance:

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

2.8 Telephone:

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

2.9 Personal Adjustment allowance:

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



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2.10 Any other allowances:

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

- 3. Retiral Benefits:** In addition to the above perquisites, Mr. R S Jalan shall also be eligible to the following benefits, which is not included in the computation of the perquisites value. However, at present, total value of retiral benefits (Provident Fund, NPS, Superannuation & Gratuity) are Rs. 1,75,774 per month.

(a) Provident Fund:

As per Rules of the Company.

(b) Superannuation:

As per Rules of the Company.

(c) Gratuity:

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

(d) Encashment of Leave:

Encashment of leave at the end of the tenure.

Annual salary for FY 2022-23 including perquisites / allowances and other retiral benefits (i.e. Total CTC) of Mr. R S Jalan is Rs. 26,62,333 per month (i.e. Rs 3,19,47,996 per annum) in addition to the annual commission as decided by the Board / Nomination & Remuneration Committee from time to time.

4. Total remuneration including Commission:

Annual Commission, salary and other perquisites (i.e. overall remuneration) payable to any one Managing Director or Whole time Director shall not exceed 5% of the net profits of the Company and remuneration of all the Managing Director and /or Whole time Directors shall not exceed 10% of the net profits of the Company for the year in respect of which the remuneration is paid. The individual breakup of commission / annual increment of individual Whole time Director and Managing Director will be decided by the Board/ Nomination & Remuneration Committee from time to time and shall not exceed the overall ceiling stipulated U/s 197 of the Companies Act, 2013 or any amendment thereto.

5. Minimum Remuneration:

Where in any financial year during the currency of tenure of a Managing Director, the Company has no profits or its

profits are inadequate, the Company will pay remuneration to the Managing Director by way of salary and perquisites as specified in the resolution or in accordance with provisions of Schedule V and any other applicable provisions of the Companies Act, 2013, including any amendment thereto from time to time, whichever is less.

Mr. Jalan, being Managing Director of the Company, is mainly responsible for the efficient operations and also for the financial performance of the Company. The Company is currently implementing expansion project in various divisions and also demerger of textiles business of spinning division are going on. At this crucial juncture, the continued services of Mr. Ravi Shanker Jalan are considered essential for successful completion of the project and smooth operations thereafter. It is also essential for the Company to have his continued services and able leadership for future growth of the Company. Hence, Your Board recommends the above resolution set out in Item No. 5 for your approval. Except Mr. Ravi Shanker Jalan, none other directors and Key Managerial Personnel and their relatives are interested in the resolution.

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

Except Mr. Ravi Shanker Jalan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and/or any other applicable laws.

Item no. 6

Mrs. Vijaylaxmi Joshi (DOB – August 1, 1958) is a Non-Executive Independent Director of the Company. Based on the recommendation of the Nomination & Remuneration Committee, the Board of Directors had re-appointed Mrs. Vijaylaxmi Joshi (Ex-IAS) as an Independent Director with effect from April 20, 2022. Mrs. Vijaylaxmi Joshi is a 1980 batch IAS officer of the Gujarat cadre and she had served in various posts in the State and in the Centre including Joint and Additional Secretary in the Commerce Ministry; Secretary in the Ministry of Panchayati Raj. She had also been appointed as Officer on Special Duty in the Ministry of Drinking Water and Sanitation. Lastly, she was head of the Swachh Bharat Abhiyan, the Clean

India Programme. Under State level, she had also been deputed as Managing Director of Government Company such as Gujarat Mineral Development Corporation Ltd. At present, Mrs. Joshi is also a Director on the Board of Adani Enterprises Limited and Saraf Foods Limited. Mrs. Joshi is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. She does not hold any shares in the Company.

In terms of Section 149, 150 & 152 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mrs. Joshi being eligible for re-appointment as an Independent Director for a second term of five consecutive years with effect from April 20, 2022 and for a term up to April 19, 2027.

In the opinion of the Board, Mrs. Vijaylaxmi Joshi (holding DIN: 00023055) fulfils the conditions specified in the Listing Regulations read with the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management.

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

Except Mrs. Vijaylaxmi Joshi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and/or any other applicable laws.

Except Mrs. Vijaylaxmi Joshi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and/or any other applicable laws.

Item no. 7

In terms of Section 42 of the Companies Act, 2013 and Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a Company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the Members of the Company by a Special Resolution. In case of an offer or invitation to subscribe to non-convertible debentures on private placement, the Company can obtain previous approval of its shareholders by means of a Special Resolution once a year for all the offers or invitations for such non-convertible debentures during the year.

The NCDs issued on private placement basis is one of the cost effective sources of long term borrowings raised by the Company. The Company had obtained members' approval vide Special Resolution on May 31, 2018 to borrow moneys in excess of the aggregate of the paid up shares capital and free reserves of the company, provided that the total money borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the company's bankers in the ordinary course of business, shall not be in excess of ₹ 2500 Cr. (Rupees Two Thousand Five Hundred Crores). The borrowings of the Company (on standalone basis excluding joint operations) as at March 31, 2022 is in aggregate approximately Rs. 767.45 crores, of which outstanding NCDs is NIL. The Company's Net Debt-Equity ratio (on standalone basis excluding joint operations) as at March 31, 2022 is 0.25 and the Company believes that the aggregate borrowings (including the proposed NCD) would be well within the acceptable levels.

In continuation of its efforts to strengthen its capital structure, the Company intends to augment the resources through a mix of internal accruals and long-term borrowings to ensure that they are aligned in terms of quantum, risk, maturity and cost with its earning profile. Accordingly, it is proposed to issue NCDs on a private placement basis aggregating upto Rs.100 crores, in one or more series/tranches during the period of one year from the date of passing of this Resolution, with an intention to finance, inter-alia, the repayment of certain term loans from Banks, to fund part of the ongoing capital expenditure and for general corporate purposes. The Company intends to raise NCDs for tenures ranging between 3 to 10 years and expects the borrowing cost of NCDs to be lower than 1 year MCLR rate of State Bank of India (prevailing at 7% p.a. as on March 31, 2022 plus a spread of 100 bps. CARE (Credit Analysis & Research Ltd) has upgraded external rating to CARE AA- with Stable Outlook from CARE A+ with Stable Outlook for Long Term facilities and for short Term facilities, highest rating of CARE A1+ with Stable Outlook has been reaffirmed. India Rating has also upgraded Long Term Issuer Rating as to AA- with Stable Outlook from A+



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with Positive Outlook. CRISIL Rating has assigned CRISIL AA- with Stable Outlook for issuance of NCD up to Rs.150 crores.

In order to augment the long-term resources for financing inter alia, the ongoing capital expenditure, for refinancing of part of the existing loans to reduce interest costs and for general corporate purposes, the Company may offer or invite subscription to more secured non-convertible debentures, in one or more tranches on private placement basis.

The resolution as set out at Item No. 7 of the Notice is therefore being sought to borrow funds by offer or invitation to subscribe to secured redeemable non-convertible debentures for an amount not exceeding Rs. 100 Crores (Rupees one hundred crore only) having face value of Rs. 10,00,000/- (Rupees Ten Lacs) each ("NCDs"), at par, on private placement basis. This resolution is only an enabling resolution and would be valid for a period of one year from the date of this Annual General Meeting.

Disclosures required to be made in accordance with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out below:

Sl. No.	Particulars	Explanations for the Changes
1.	Object of the Issue	The proceeds of the Issue are proposed to be used for paying all costs, fees and expenses in relation to the Issue, capital expenditure for the Issuer's business, refinancing of existing borrowings of the Issuer, for general corporate purposes and other bona fide purposes in normal course of business, subject to proceeds being used for bank eligible end use(s) only and in compliance with Reserve Bank of India regulations, SEBI regulations and all regulations applicable to use of proceeds of funds received from Foreign Portfolio Investors.
2.	Total number of securities to be issued	The proceeds of the Issue will not be used to invest in capital markets and real estate. Upto 1,000 Rated, Listed, Taxable, Secured, Redeemable Non-Convertible Debentures of Rs. 10,00,000/- each
3.	Price at which the allotment is proposed	The NCDs are proposed to be issued at par with a face value of Rs.10,00,000 each for a total consideration of Rs. 100,00,00,000/- (Rupees One Hundred Crores only)
4.	Amount to be raised	Rs. 100,00,00,000/- (Rupees One Hundred Crores only)
5.	Date of Board Resolution	October 28, 2021
6.	Basis or justification of the price at which the offer or invitation is being made	The NCDs are being issued at its face value.
7.	Name and address of valuer who performed valuation	This is an enabling resolution and valuation will be done before the issue of NCD.
8.	Material terms of raising NCDs	The NCDs are proposed to be issued as per terms and conditions to be finalised by the Committee at the time of issue of NCD.
9.	Principle terms of assets charged as securities	The Debentures shall be secured by way of : (i) Subject to lenders' approval First pari passu charge on all present and future movable assets of Soda Ash Division of the company, situated at Sutrapada, Veraval, Gujarat; and/or (ii) Exclusive charge on all the present and future movable assets of Consumer Product Division.
10.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of objects	Nil
11.	Proposed time schedule / time within which the allotment shall be completed	This is an enabling resolution. However, the issue and allotment of the Proposed NCD will be completed within 1 year from the date of this AGM.

None of the Directors, Key Managerial Personnel of the Company or their relatives are interested in the proposed resolution.

Item no. 8

The existing Articles of Association (AOA) are based on the Companies Act, 1956 which are no longer in full conformity with the new applicable provisions of the Companies Act, 2013 (hereinafter referred as "the Act, 2013") and the Rules framed thereunder (collectively 'the Act'). It is perceived to be in the best interest of the Company to align the Provisions of the Articles of Association with the provisions of the Act, 2013. Accordingly it is considered expedient to wholly substitute the existing set of Articles with a new set of Articles, in line with the Companies Act, 2013

Pursuant to the provisions of Section 5, 14 and 15 of the Companies Act, 2013 read with the applicable Rules, consent of the members is sought by way of Special Resolution which is required for adoption of new set of Articles of Association of the Company. Therefore, your Board of Directors recommends the Special Resolution set forth in Item No.8 of the Notice for approval of the Members.

The Board of Directors at the meeting held on April 30, 2022 had accorded their approval for alteration of Articles of Association by adopting new set of AOA. The existing AOA of the Company and the draft of proposed AOA is available on the Company's website at <https://ghcl.co.in/> for perusal by the Members. Member(s) interested in obtaining a copy of the AOA can send their request to the Company at its e-mail address: secretarial@ghcl.co.in. Accordingly, the Board recommends the aforesaid Resolution for approval by the Members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are interested in the proposed resolution.

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall

Navrangpura, Ahmedabad - 380009
Dated: April 30, 2022

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

Bhuwneshwar Mishra
Sr. GM-Sustainability &
Company Secretary
Membership No.: FCS 5330



Board's Report

To the Members of
GHCL Limited,

Your directors take pleasure in presenting the 4th Integrated Report, prepared as per the framework set forth by the International Integrated Reporting Council, (IIRC) and the 39th Annual Accounts on the business and operations of your Company, along with the summary of standalone and consolidated financial statements for the year ended March 31, 2022. The economic contraction in the initial part of the year (FY 2021-22) was very challenging due to 2nd wave of Covid 19 lockdown; however, after easing of lockdown restrictions and improving macro trends, which leads to enhanced traction across industries, almost back to pre-pandemic levels. Accordingly, your Company observed sequential improvement in its business during the year, supported by favourable demand - supply dynamics backed by positive pricing scenario. The financial highlights of the Company for FY 2021-22 are given below:

A: FINANCIAL RESULTS

(₹ in Crores)

Particulars	Standalone		Consolidated	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Net Sales /Income from Continued operations	3789.17	2498.23	3790.50	2498.64
Profit before interest and depreciation from Continued operations	992.29	604.05	991.15	609.90
Finance Cost from Continued operations	63.57	74.32	63.57	74.32
Profit before depreciation and amortisation - (Cash Profit) from Continued operations	928.72	529.73	927.58	529.58
Depreciation and Amortisation from Continued operations	116.78	111.40	116.78	111.40
PBT before exceptional items from Continued operations	811.94	418.33	810.80	418.18
Profit before Tax (PBT) from Continued operations	786.97	418.33	810.80	418.18
Provision for Tax – Current from Continued operations	204.10	104.85	204.10	104.85
Tax adjustment for earlier years from Continued operations	(0.03)	(0.93)	(0.03)	(0.93)
Provision for Tax – Deferred from Continued operations	8.43	7.42	8.43	7.42
Profit after Tax from Continued operations	574.47	306.99	598.30	306.84
Profit from discontinued operations	81.46	4.07	70.37	20.39
Tax Expense of discontinued operations	(21.99)	(1.08)	(21.97)	(1.11)
Profit from discontinued operations after tax	59.47	2.99	48.40	19.28
Profit for the year	633.94	309.98	646.70	326.12
Other comprehensive income (OCI)	1.65	4.73	1.65	4.73
Total Comprehensive income for the period	635.59	314.71	648.35	330.85
Balance brought forward from last year	2279.83	1971.07	2262.73	1937.83
Appropriations				
FVTOCI Reserve	0.33	(1.22)	0.33	(1.22)
Final Dividend	(52.27)	-	(52.27)	-
Balance carried to Balance Sheet	2861.83	2279.83	2857.50	2262.73

1. Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations") the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy ("DDP") in its meeting held on May 19, 2016. As per the DDP, the Board's endeavours is to ensure transparency in deciding the quantum of dividend and commit a dividend pay-out ratio including the dividend tax, in the range of 15% to 20%

of profits after tax (PAT) on standalone financials of the Company. The Board of Directors while taking decision for recommendation of the dividend will take guidance from this policy and would ensure to maintain a consistent approach to dividend pay-out plans.

The Dividend Distribution Policy is available on the Company's website www.ghcl.co.in

As per section 194 of Income Tax Act, a company is required to deduct TDS @ 10% on dividend payment if it exceeds

Rs. 5000/- . However, no TDS shall be deducted in the case of any dividend payment to Life Insurance Corporation, General Insurance Corporation of India, any other insurer and Mutual Funds etc. specified u/s 10(23D) of Income Tax Act. Moreover, as per section 195 of the Income Tax Act, TDS is required to be deducted @ 20% plus surcharge on payment of Dividend to Non Resident.

2. Dividend

Your Directors are pleased to inform that your Company has a consistent track-record of dividend payment for last 28 years.

In line with the Dividend Distribution Policy, the Board of Directors of the Company ('the Board') has recommended total Dividend of Rs. 15 per equity share of Rs. 10 each i.e. 150% on the paid up equity capital, (comprises of regular Dividend of Rs.10 per share and Special Dividend of Rs. 5 per share) for the financial year ended March 31, 2022 to be paid to those equity shareholders whose names appear in the Register of Members as on record date i.e. Thursday, June 23, 2022 (Previous year dividend was Rs. 5.50 per equity share).

The dividend on equity shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting of the Company scheduled to be held on Thursday, June 30, 2022.

The dividend once approved by Shareholders will be paid on and from July 4, 2022 (Monday) and the Record Date for the purpose of the dividend shall be June 23, 2022 (Thursday). The total dividend payout for the financial year 2021-22 shall be in line with the dividend distribution policy of the company.

3. Transfer to Reserves:

The Board of Directors has decided to retain the entire amount of profits for FY 2021-22 in the profit and loss account.

4. Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2022 is Rs. 95,35,07,860/- comprising of 9,53,50,786 equity shares of Rs. 10/- each; whereas paid up Equity Share Capital of the Company as on March 31, 2021 was 95,01,32,860/- comprising of 9,50,13,286 equity shares of Rs. 10/- each.

Your directors would like to inform that during the financial year, Nomination and Remuneration Committee in their meeting held on July 15, 2021 had made Allotment of 3,37,500 Equity Shares of Rs. 10 each to the employees of the Company against exercise of Employees Stock Options pursuant to GHCL ESOS 2015. Consequent to said allotment of 3,37,500 Equity Shares, the Issued, Subscribed & Paid-up Capital of the Company was increased from Rs. 95,01,32,860/- consisting of 9,50,13,286 equity shares of Rs. 10/- each to Rs. 95,35,07,860/- consisting of 9,53,50,786 equity shares of Rs. 10/- each.

5. Employees Stock Options Scheme

Your Company has Employees Stock Options Scheme for its permanent employees as per the scheme approved by shareholders in their Annual General Meeting held on July 23, 2015. The Company had obtained in-principle approvals from the Stock Exchanges for issue of 50 lakh equity shares through Employees Stock Option Scheme. Further, the Board of Directors, on recommendation of the NRC Committee has approved the vesting of ESOP to the eligible employees and the same shall be exercised by the employees of the company. Hence, after exercise of ESOP the paid up capital shall be increased and the same shall be reported to the stock exchanges.

During the year, there are no material changes in the ESOP scheme of the Company and the ESOP scheme is in compliance with the ESOP regulations. The Company has received a certificate from Dr. S Chandrasekaran, representing Chandrasekaran & Associates, Practicing Company Secretaries, New Delhi, Secretarial Auditor of the Company, certifying that GHCL Employees Stock Option Scheme 2015 (the scheme) is implemented in accordance with SEBI (Share Based Employees Benefits and Sweat Equity) Regulations, 2021 and the resolutions passed by the members. The certificate is available for inspection by members in electronic mode.

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

6. Finance

6.1 Resource Mobilization

Short Term

During the year your company arranged / renewed working capital facilities of Rs. 1065 Crs. (both fund based and non-



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fund based limit) with participation from State Bank of India, Bank of Baroda, Union Bank of India, IDBI Bank Ltd., HDFC Bank Ltd. and Axis Bank Ltd. During the year, your company also arranged / renewed unsecured working capital facilities of Rs. 90 Crores (both fund based and non-fund based limit) from HDFC Bank Ltd. and Bank of Bahrain and Kuwait. Further, your company has arranged new unsecured working capital facility of Rs. 140 crores (both fund based and non-fund based limit) from ICICI Bank Ltd. (Rs. 50 crores) and CTBC Bank Co. Ltd. (Rs. 90 crores). During the year your company has close down working capital facility of Rs. 50 crores with IDFC First Bank.

Long Term

Your Company has raised term loan of Rs. 100 crores by way of reimbursement of capital expenditure incurred during last year from ICICI Bank for a period of 5 years including moratorium period of 6 months and has availed the same during the current year.

6.2 Interest Rate Management

Since your company has maintained excellent relationship with the lenders and also taking into consideration of timely repayment of principal and interest, your company has negotiated better interest rates with lenders.

The details of rate of interest are as under:

Borrowing	Outstanding as on 31.03.2022	ROI P.A.
Long Term Borrowing	559.40	7.57%
Short Term Borrowing	208.05	4.90%
Total Borrowing	767.45	6.85%

6.3 Upgradation of external Credit Rating

- Due to efficient cash flow management and timely repayment of interest and principal to lenders, CARE (Credit Analysis & Research Ltd) has upgraded external rating to CARE AA- with Stable Outlook from CARE A+ with Stable Outlook for Long Term facilities and for short Term Facilities, highest rating of CARE A1+ with Stable Outlook has been reaffirmed.
- India Rating has also upgraded Long Term Issuer Rating as to AA- with Stable Outlook from A+ with Positive Outlook.

- Further, India Rating has affirmed Credit Rating for Issuance of Commercial Paper program as under:

Instrument Type	:	Commercial Paper
Size of Issue	:	Rs. 100 Crores
Rating Assigned by the Agency	:	IND A1+ (Highest)

- CRISIL rating has assigned Credit Rating for issuance of NCD as under:

Instrument Type	:	Non-convertible Debenture (NCD)
Size of Issue	:	Rs. 150 Crores
Rating Assigned by the Agency	:	CRISIL AA- with Stable Outlook

6.4 Investors Education and Protection Fund

During the financial year, your Company has transferred a sum of Rs. 38.04 lacs towards unclaimed dividend to investors' education and protection fund account (IEPF).

7. Change in Nature of Business

During the Financial Year 2021-22, there was no change in the nature of Company's Business. No material change and/or commitment affecting the financial position of your Company has occurred between April 1, 2022 till the date of signing of this report.

8. Management Discussion & Analysis

In terms of Regulation 34 (2) (e) of the Listing Regulations, 2015 read with other applicable provisions, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report (MDA) which forms part of this Annual Report and is incorporated herein by reference and forms an integral part of this report.

B: INTEGRATED REPORT

Your Company believes that sustainable development calls for concerted efforts towards building an inclusive, sustainable and resilient future for people and planet through harmonising economic growth, social inclusion and environment protection. In furtherance to this commitment, your company had taken paradigm shift from compliance based reporting to governance based reporting and

adopted the Integrated Report (IR) framework developed by the International Integrated Reporting Council. Your Company create long-term value for all stakeholders through its strategy, activities, and commitments. The Integrated Report is a part of this Annual Report, which provides a clear, concise, and comprehensive vision of our business model.

C: PERFORMANCE HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS:

The detail of business performance and state of company's affairs are given in MDA (from Page no. 148 to 154) and Integrated Report (Page no. 1 to 69).

1. Slump sale of the Home Textiles Business of the Company and Change in the Scheme of Arrangement for Demerger of the Textiles business

Your Directors are pleased to inform that in line with the approval of the Board of Directors of the Company in their meeting held on December 06, 2021, your Company (i.e. GHCL Limited) entered into a Business Transfer Agreement ('BTA') for transfer of its Home Textiles Business (located at Vapi, Gujarat) ('HT Business') to Indo Count Industries Limited ('ICIL') by way of a slump sale, on a debt free basis. In addition, Grace Home Fashions LLP ('GHF'), USA, a wholly owned subsidiary of the Company also entered into an Asset Transfer Agreement (ATA) for transfer of its identified assets (i.e. inventory and intellectual property) to Indo Count Global Inc., USA (US subsidiary of ICIL). The Company realised a consolidated amount of INR 608.30 crores from the above transfers (subject to certain adjustments in accordance with the BTA) including certain assets to be realised by the Company themselves. Said transfer of HT Business had also been approved by the Shareholders of the Company by way of special resolution (pursuant to postal ballot) on January 21, 2022 and the transfer of HT Business was completed on April 2, 2022.

Consequently, HT Business of the Company had been considered and disclosed as 'Discontinued Operations' as per Ind-AS 105 "Non-current Assets Held for Sale and Discontinued Operations" Accordingly, figures for all the prior periods have also been reclassified and disclosed separately under the head "Profits from the Discontinued Operations". The effect of the transfer has been reflected in the financial information of the period in which the deal

is consummated post receipt of all the requisite regulatory approvals (i.e. quarter ended March'22).

Further, in view of the divestment of HT Business of the Company to ICIL pursuant to BTA, the Board of Directors of the Company, at their meeting held on December 6, 2021 had approved withdrawal of the then existing Scheme of Arrangement u/s 230-232 of the Companies Act 2013, involving demerger of its entire Textiles business into GHCL Textiles Limited ('Old Scheme') and correspondingly approved a fresh Scheme of Arrangement consisting of demerger of Spinning Division of GHCL Limited ("Demerged Company") into GHCL Textiles Limited ('Resulting Company') (the "New Scheme"). Subsequently, on December 20, 2021, Hon'ble NCLT (Ahmedabad Bench) allowed the withdrawal petition. Further, the Company has received requisite approvals / NOC from the Stock Exchanges (NSE & BSE) and CCI on its new Scheme and in the process of obtaining requisite approvals from other regulatory authorities (including NCLT) as applicable. As per the new Scheme, the equity shares held by GHCL Limited in GHCL Textiles Limited shall be cancelled. Further, the Resulting Company's shareholding pattern will mirror the shareholding pattern of the Demerged Company post Scheme. Also, shares of the Resulting Company shall be listed on the Stock Exchanges. Hence post completion of Demerger, there will be two listed entities i.e. GHCL Limited (Chemical business) and GHCL Textiles Limited (Spinning business).

2. Awards and Recognition:

Your Directors are pleased to inform that despite of unprecedented problems faced due to COVID - 19 and lockdown, your Company has received various awards and recognition during the financial year 2021-22. The details of the awards and recognition are given on page no. 8 of the Integrated Report.

3. Subsidiaries:

Grace Home Fashion, LLC, a subsidiary of the Company in USA was engaged in Home Textile segment. Post divestment of HT business, management of the Company will take necessary steps to wind up this subsidiary at the appropriate time. As reported in the previous year, Rosebys Interiors India Limited (RIIL) an Indian subsidiary, is under liquidation with effect from 15th July 2014.

The Board of Directors of the Company at their meeting held on March 16, 2020 had approved a Scheme of Arrangement u/s 230-232 of the Companies Act 2013, involving



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demerger of Textiles Businesses of the Company into a separate company (i.e. Resulting Company). Accordingly, the Resulting Company was incorporated on June 17, 2020 with name of GHCL Textiles Limited as a wholly owned subsidiary of the company. This Company has not carried any manufacturing, trading, or service activities since its incorporation and also during the financial year ended on 31st March 2022 due to pendency of Scheme.

Pursuant to requirement of Section 136 of the Companies Act, 2013, which has exempted companies from attaching the financial statements of the subsidiary companies along with the Annual Report of the Company. The Company will make available the annual financial statements of the subsidiary company and the related detailed information to any members of the company on receipt of a written request from them at the Registered Office of the Company. The annual financial statements of the subsidiary company will also be kept open for inspection at the Registered Office of the Company on any working day during business hours. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies, associates etc. Details regarding subsidiaries (including name of companies which have become or ceased to be its subsidiaries, joint ventures or associate companies during the year) have been provided in note no. 36 (refer page no. 287 of Annual Report) and also in the statement u/s 129(3) of the Companies Act, 2013 (refer page no. 309). The statements are also available on the website of the Company www.ghcl.co.in

4. Consolidated Financial Statements:

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to the requirement of Regulation 33 & Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) read with other applicable provisions and prepared in accordance with applicable IND AS, for the financial year ended March 31, 2022.

5. Corporate Governance:

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

of the Annual Report. The requisite certificate from the auditors of the Company confirming compliance with the conditions of the Corporate Governance is attached to the Report on Corporate Governance.

6. Board Meetings:

The Board meetings of your company are normally planned in advance in consultation with the Board Members. However, in certain emergency situation and / or to maintain the price sensitivity of the transaction, Board meeting was also convened on shorter notice after complying necessary requirement for the same. During the financial year ended March 31, 2022, the Board of Directors met six times to review strategic, operational and financial performance of the company. The details of the board's meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Listing Regulations, 2015.

7. Directors:

Your Directors are pleased to inform that Mr. Anurag Dalmia, Non-Executive Vice Chairman of the Board and Mr. Raman Chopra, CFO & Executive Director (Finance) of the Company are directors retiring by rotation and being eligible, offer themselves for re-appointment. We would like to further inform that based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on January 27, 2022, has re-appointed Mrs. Vijaylaxmi Joshi (Retd.IAS) for a second term of five consecutive years with effect from April 20, 2022 and for a term up to April 19, 2027 subject to the approval of the shareholders. Also, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in their meeting held on April 30, 2022, has re-appointed Mr. R. S. Jalan as Managing Director of the Company for a period of five years with effect from June 7, 2022, subject to the approval of the shareholders. The Board recommends their appointments at the ensuing Annual General Meeting.

Your Directors would like to confirm that the Company has received declaration from all the Independent Directors confirming their independence as well as confirmation that "he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties

with an objective independent judgement and without any external influence". Accordingly requirement of Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) & Regulation 25 (8) of the Listing Regulations are duly complied with. Pursuant to the circular relating to the "enforcement of SEBI Order regarding appointment of directors by listed companies" dated June 20, 2018, any director of the Company, is not debarred from holding the office of director pursuant to any SEBI order.

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

The Independent Directors of the Company have confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs ('IICA') in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules 2014. Out of five Independent Directors, two Independent Directors (i.e. Dr. Manoj Vaish & Mrs. Vijaylaxmi Joshi) are exempt from the requirement to undertake the online proficiency self-assessment test conducted by IICA and three Independent Directors [i.e. Justice (Retd.) Ravindra Singh, Mr. Arun Kumar Jain and Dr. Lavanya Rastogi] have successfully passed the online proficiency self-assessment test conducted by IICA well within the stipulated time period.

8. Lead Independent Director:

The Board of Directors in their meeting held on July 29, 2021 had appointed Dr. Manoj Vaish, Independent Director and Chairman of Audit & Compliance Committee as the Lead Independent Director of the Company with effect from July 29, 2021. The role and responsibilities of the Lead Independent Director are given in the Corporate Governance Report forming part of the Annual Report.

9. Procedure for Nomination and Appointment of Directors

Details regarding procedure for nomination and appointment of Directors including the list of core skills expertise and competencies of the Board of Directors are given in the Corporate Governance Report forming part of the Annual Report.

10. Key Managerial Personnel:

Pursuant to Section 203 read with Section 2(51) of the Companies Act, 2013, the Key Managerial Personnel of the Company are Mr. R S Jalan, Managing Director, Mr. Raman Chopra, CFO & Executive Director (Finance) and Mr. Bhuwleshwar Mishra, Sr. GM – Sustainability & Company Secretary. During the year, there has been no change in the Key Managerial Personnel.

11. Familiarization program for Independent Directors:

All new Independent Directors ('IDs') inducted on the Board go through a structured orientation program. Executive Directors and Company Secretary makes presentations giving an overview of operations, to familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on Company's product, corporate structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, role responsibilities, code of conduct of IDs, risk management strategy and sustainability measures etc. Visits to Plant and locations where company does its CSR activities are organized on the request of the IDs with an objective to enable them to understand the business better. During the financial year, the Company had provided online learning platform "Skillsoft" to all the Independent Directors and recommend to complete course in ESG, Risk Management, Stakeholders engagement, Climate changes, Diversity Equity and Inclusion (DEI), CSR, Cyber Security etc. Details of the same are given in Corporate Governance section of the Annual Report.

12. Board Evaluation

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued on January 5, 2017 read with relevant provisions of the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of independent directors and the Board as a whole. The Board evaluated the effectiveness of its functioning, that of the Committees and of individual directors, after taking feedback from the directors and committee members. The performance of the independent directors was evaluated by the entire Board except the person being evaluated, in their meeting held on January 27, 2022.



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A separate meeting of Independent Directors was held on January 25, 2022, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

The exercise of performance evaluation was carried out electronically through a secure application. This resulted in saving paper, reducing the cycle time to make documents available to the Board/Committee Members and in increasing confidentiality and accuracy. The criteria for performance evaluation are broadly based on the Guidance Note issued by SEBI on Board Evaluation which included aspects such as structure and composition of Committees, effectiveness of Committee Meetings etc.

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

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

13. Nomination and Remuneration Policy

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

Company. The Company's Nomination and Remuneration Policy and Practices have been formulated and maintained to meet the following objectives:

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

The Nomination and Remuneration Policy is available on website www.ghcl.co.in of the company.

14. Managerial Remuneration & Particulars of employees:

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

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

15. Secretarial Audit Report

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

GHCL has adopted a practice of ongoing Secretarial Audit throughout financial year and placed its periodic Secretarial Audit Report before Audit & Compliance Committee and Board. This has helped us in early detection of area of improvement and strengthening out level of compliance reporting.

In line with the requirement of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Board of Directors of the Company had appointed Dr. S Chandrasekaran, representing Chandrasekaran & Associates, Practicing Company Secretaries, New Delhi, to conduct Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2022 are annexed with the Board's report and formed as part of the Annual Report. This report is unqualified and self-explanatory and does not call for any further comments.

16. Secretarial Standards

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs of India.

17. Listing of the Equity Shares

The equity shares of your Company are listed at BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai (NSE). The annual listing fees for the year 2021-22 have been paid to all these Stock Exchanges.

18. Web address for annual return and other policies / documents

In terms of Section 92(3) of the Companies Act, 2013 read with Rule 12 (1) of Companies (Management and Administration) Rules, 2014 and Section 134(3)(a) of the Companies Act, 2013, the Annual Return is put up on the Company's website www.ghcl.co.in. and can be accessed at <https://www.ghcl.co.in/performance-reports>. In addition, other policies / document of the Company are placed on the Company's website www.ghcl.co.in as per the statutory requirement.

19. Corporate Social Responsibility (CSR)

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

The Company has in place a CSR Policy which provides guidelines to conduct its CSR activities. The CSR Policy and other necessary details related to CSR activities are available on the website of the Company www.ghcl.co.in. During the year, the Company spent Rs. 9.85 Crs. against statutory minimum of Rs. 9.79 Crs. (i.e. 2.00% of the average net profits of last three financial years) on CSR activities. Your Company had deposited Rs. 0.77 Crs. (to meet the requirement for unspent CSR amount for FY 2020-21) in a separate bank account opened in compliance of Section 135 of the Companies Act, 2013 and the same has been spent during FY 2021-22, for the planned CSR activities. Accordingly, the Company spent total Rs. 10.62 Crs. on CSR activities (i.e. Rs. 9.85 Crs. for FY 2021-22 and Rs. 0.77 Crs. against unspent CSR amount for FY 2020-21) against CSR budget of Rs. 10.39 Cr.

The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 is annexed to this Report as Annexure III.

Your company under its CSR initiatives covers Agriculture & Animal Husbandry, Healthcare, Education & Vocational Training, Women Empowerment and other miscellaneous projects on need basis that are important to maintain social licence to operate the business. These projects are covered under Schedule VII of the Companies Act, 2013.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rules thereto, a Corporate Social Responsibility (CSR) Committee of the Board had been constituted to monitor CSR related activities. As on March 31, 2022 CSR Committee is comprising of Mr. Anurag Dalmia as the Chairman of the Committee and Mrs. Vijaylaxmi Joshi, Mr. R S Jalan, Mr. Raman Chopra and Mr. Neelabh Dalmia as members of the Committee. Subsequent to the financial year ended March 31, 2022, the Board of Directors in their



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meeting held on April 30, 2022, had reconstituted various committees and Justice (Retd.) Ravindra Singh is appointed as a member of the CSR Committee. Mr. Bhuvneshwar Mishra, Sr. GM – Sustainability & Company Secretary is the secretary of the CSR committee. During the financial year, CSR Committee met two times and all the members of the Committee were present in all the meeting.

20. Business Responsibility and Sustainability Report (BRSR)

In recent times, adapting to and mitigating climate change impact, inclusive growth and transitioning to a sustainable economy have emerged as major issues globally. There is an increased focus of investors and other stakeholders seeking businesses to be responsible and sustainable towards the environment and society. Thus, reporting of company's performance on sustainability related factors has become as vital as reporting on financial and operational performance.

The Securities and Exchange Board of India ('SEBI') in terms of amendment to Regulation 34(2)(f) of Listing Regulations, 2015 read with National Guidelines on Responsible Business Conduct (NGRBC) issued by Ministry of Corporate Affairs Government of India on March 13, 2019, requires top one thousand listed companies to prepare and present Business Responsibility and Sustainability Report (BRSR) in place of erstwhile Business Responsibility Report (BRR) to its stakeholders in the prescribed format, based on internationally accepted reporting frameworks such as GRI, SASB, TCFD, Integrated Reporting etc.

In terms of the aforesaid amendment, with effect from the financial year 2022-2023, filing of BRSR shall be mandatory for the top 1000 listed companies (by market capitalization) and shall replace the existing BRR. However, filing of BRSR is voluntary for the financial year 2021-22. As on March 31, 2022, GHCL Limited is mentioned on 463rd position at NSE and on 479th position at BSE, on the basis of capitalization.

The BRSR seeks disclosures from listed entities on their performance against the nine principles of the NGBRC and reporting under each principle is divided into essential and leadership indicators. The essential indicators are required to be reported on a mandatory basis while the reporting of leadership indicators is on a voluntary basis. GHCL on voluntary basis adopted BRSR for the financial year 2021-22 for reporting its economic, social, environmental and

governance performance. This is the first year of reporting under BRSR format, hence data are not comparable.

Further, in the interest of its stakeholders, your company, on voluntary basis adopted the Integrated Reporting (IR) framework of the International Integrated Reporting Council to report on all the six capital that your company uses to create long term stakeholder value.

Your company's Integrated Report has been assessed and E&Y has provided the required assurance. Your company also provided the requisite mapping of principles between the Integrated Report, and the Business Responsibility and Sustainability Report (BRSR) as prescribed by SEBI. The same is available on Company website www.ghcl.co.in and is annexed herewith as an integral part of this report and also forms part of this Annual Report.

21. Composition of Audit & Compliance Committee

Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 18 of the Listing Regulations. The primary objective of the audit committee is to monitor and provide effective supervision of the Management's financial reporting process, with the highest levels of transparency, integrity and quality of financial reporting.

In order to strengthen the governance norms and compliance system of the Company, the Board of Directors in their meeting held on July 29, 2021, had extended the scope of the Committee and renamed it to "Audit & Compliance Committee".

The Committee met five times during the year, the details of which are given in the Corporate Governance Report. As on March 31, 2022, the committee comprises of Dr. Manoj Vaish as Chairman of the Committee and Mrs. Vijaylaxmi Joshi (Retd.IAS), Mr. Arun Kumar Jain (Retd.IRS) and Justice (Retd.) Ravindra Singh as members of the Committee, and all are Independent Directors and experts in finance, accounts, strategy, tax, law and general administration. Subsequent to the financial year ended March 31, 2022, the Board of Directors in their meeting held on April 30, 2022, had reconstituted various committees and Justice (Retd.) Ravindra Singh is no longer a member of the Audit & Compliance Committee; however he remains as a permanent invitee to the Committee.

22. Composition of Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been constituted as per section 178 (5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations. The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of dividend etc. As on March 31, 2022, the Stakeholders Relationship committee consists of Executive and Non-Executive directors comprising of Mr. Arun Kumar Jain (Ex-IRS) as Chairman of the Committee and Justice (Retd.) Ravindra Singh, Mr. R S Jalan, Mr. Raman Chopra and Mr. Neelabh Dalmia as members of the Committee. Subsequent to the financial year ended March 31, 2022, the Board of Directors in their meeting held on April 30, 2022, had reconstituted various committees, and Justice (Retd.) Ravindra Singh is appointed as Chairman of the Stakeholders Relationship Committee in place of Mr. Arun Kumar Jain and Mr. Arun Kumar Jain remains a member of the Committee.

Details of the Committee are given in the Corporate Governance Report. Company has disclosed its 'Investor Grievance Redressal Policy' on website of the Company www.ghcl.co.in

23. Composition of Nomination and Remuneration Committee

Nomination and Remuneration Committee of the Board has been constituted as per Section 178 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with Regulation 19 of the Listing Regulations. The Nomination and Remuneration Committee shall determine qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, Key Managerial Personnel and other employees. As on March 31, 2022, the Nomination and Remuneration Committee consists of four Non-Executive directors comprising of Mrs. Vijaylaxmi, as Chairperson of the Committee, Mr. Sanjay Dalmia, Justice (Retd.) Ravindra Singh and Dr. Manoj Vaish as members of the Committee. This is in the ratio of 3 : 1 (three Independent Directors and one Promoter's nominee) and headed by Independent Director. Subsequent to the financial year ended March 31, 2022, the Board of Directors in their meeting held on April 30, 2022, had reconstituted various committees including Nomination and Remuneration committee and to ensure good governance, Mr. Sanjay

Dalmia voluntarily opted out from membership of the Nomination & Remuneration Committee. The Committee details are given in the Corporate Governance Report.

24. Vigil Mechanism / Whistle Blower Policy

As a conscious and vigilant organization, GHCL Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In its endeavour to provide its employee a secure and fearless working environment, GHCL Limited has established the "Whistle Blower Policy". The Board of Directors in its meeting held on May 28, 2014, had approved the Whistle Blower Policy, which is effective from October 1, 2014 & the same has been duly amended from time to time. Mr. Arun Kumar Jain (IRS), Independent Director of the Company is Ombudsperson.

The purpose of the policy is to create a fearless environment for the directors and employees to report any instance of unethical behaviour, actual or suspected fraud or violation of GHCL's code of conduct or Ethics Policy to the Ombudsperson. Details regarding Whistle Blower Policy are also stated in the Corporate Governance Report. The Whistle Blower Policy is posted on the website of the Company www.ghcl.co.in. In order to strengthen the system and to facilitate seamless reporting, your company had launched online platform (separate tab under website of the Company) for reporting any grievances under vigil mechanism. Pursuant to the requirement of the Schedule V of the Listing Regulations, we would like to affirm that no personnel has been denied access to the Audit & Compliance Committee of the Company. There are no complaints reported during the year under Vigil mechanism.

25. Related Party Transactions

There are no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons, which may have a potential conflict with the interest of the Company at large. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable to the Company. All transactions with related parties were reviewed and approved by the Audit and Compliance Committee. Prior omnibus approval of the Audit & Compliance Committee is obtained for related party transactions which are of



Board's Report

repetitive nature and entered in the ordinary course of business and on an arm's length basis. A statement giving details of all related party transactions is placed before the Audit & Compliance Committee and the Board of Directors on a quarterly basis. The statement is supported by a Certificate from the CFO. All Related Party Transactions are placed before the Audit & Compliance Committee and also before the Board.

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

26. Particulars of Loans, Guarantees or Investments

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

27. Risk & Sustainability Committee

Risk Management Committee has been constituted as per the requirement of Regulation 21 of the Listing Regulations. In order to strengthening Company's position in governance, risk management, sustainability and compliance (GRC) and also for the developing framework for risk management and stakeholders' value creation on sustainable basis, the Board of Directors in their meeting held on July 29, 2021, had extended the scope of the Committee and renamed it to "Risk & Sustainability Committee". In said meeting, the Board had also reconstituted the Risk & Sustainability Committee, after nominating Mr. Anurag Dalmia as a member of the Committee with effect from July 29, 2021.

The Risk Management Committee consists of five Executive and Non-Executive directors comprising of Mr. Arun Kumar Jain, as Chairman of the Committee and Mr. Anurag Dalmia, Mr. R S Jalan, Mr. Raman Chopra and Mr. Neelabh Dalmia, as members of the Committee. The details of Committee and other particulars are also set out in the Corporate Governance Report forming part of the Board's Report. The policy on Risk Management as approved by the Board is uploaded on the Company's website www.ghcl.co.in.

Your company believes that several factors such as advancements in technology, prevalent geo-political environment and stringent regulatory and environmental requirements have consequential impacts across the value

chain of a business. These impacts are likely to continue and intensify over time and for a business to be sustainable, it needs to adapt to the environment by managing risks and opportunities in a systematic manner.

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

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

28. Conservation of Energy, Technology absorption, Foreign Exchange Earning and outgo

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

29. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, and as per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, a policy for prevention of sexual harassment had been made and Internal Complaints Committee had been set up at all major locations of the Company. This policy allows employees to report sexual harassment at the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines. To build awareness in this regard, the Company

has been conducting various programme on a continuous basis. There are no complaints reported during the year under POSH.

30. Statutory Auditors

Your directors would like to inform that in the 38th AGM held on June 19, 2021, M/s S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Reg. No. 301003E / E300005), was re-appointed as statutory auditors of the Company for a period of five consecutive years i.e. from the conclusion 38th AGM till the conclusion of 43rd AGM.

M/s S. R. Batliboi & Co. LLP has audited the books of accounts of the Company for the financial year ended March 31, 2022 and has issued the Auditors' Report thereon. There are no qualifications or reservations on adverse remarks or disclaimers in the said report. Further, there are no frauds has been reported by the Auditors to the Audit & Compliance Committee or the Board under Section 143(12) of the Companies Act, 2013.

31. Auditor's Report

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors and/or Secretarial Auditors of the Company in their report for the financial year ended March 31, 2022. Hence, they do not call for any further explanation or comment u/s 134 (3) (f) of the Companies Act, 2013.

32. Cost Auditors

In terms of Section 148 of the Companies Act, 2013, the Company maintains cost records as per the requirement and a Cost Accountant conducts audit of said cost records. In this connection, the Board of Directors of the Company has on the recommendation of the Audit & Compliance Committee, approved the appointment of M/s R J Goel & Company, Cost Accountants, New Delhi as Cost Auditors of the Company for all its divisions (i.e. Soda Ash & Yarn) for the financial year ending March 31, 2023.

Further, the Cost Audit Report for the financial year ended March 31, 2022 as provided by M/s R J Goel, Cost Auditor does not have any qualification or adverse remarks which require any clarification/ explanation.

33. Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the company, work

performed by the internal, statutory, secretarial and cost auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and reviews performed by the management and relevant Board Committees, including the Audit & Compliance Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2021-22. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit and loss of the Company for the financial year ended March 31, 2022;
- c. the proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts for the financial year ended March 31, 2022 have been prepared by them on a going concern basis;
- e. proper Internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

34. General Disclosures

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



Board's Report

- (i) Details relating to deposits covered under Chapter V of the Act.
- (ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees' Stock Options Schemes referred to in this Report.
- (iv) The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- (v) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the going concern status and Company's operations in future.
- (vi) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

35. Acknowledgement

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

The Board would like to express its sincere thanks to the Government of India, the State Governments, statutory authorities and other government agencies for their support and look forward to their continued support in the future.

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

Date: April 30, 2022
Place: New Delhi

Sanjay Dalmia
Chairman
DIN: 00206992

Annexure-I

Sl. No.	Particulars	GHCL ESOS 2015 – Grant 3	GHCL ESOS 2015 – Grant 5	GHCL ESOS 2015 – Grant 6	GHCL ESOS 2015 – Grant 7	GHCL ESOS 2015 – Grant 8
		(Date of grant – October 24, 2017)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)
1	Total no. of options in force (as on April 1, 2021)	7,500	5,50,000	20,000	30,000	60,000
2	Options granted during the year	0	0	0	0	0
3	Options vested during the year	0	3,15,000	5000	7500	10000
4	Options exercised during the year	0	3,15,000	5000	7500	10000
5	The total number of shares arising as result of exercise of option	0	3,15,000	5000	7500	10000
6	Options lapsed during the year	0	25,000	0	0	0
7	The exercise price	Rs. 170 per share	Rs. 150 per share	Rs. 150 per share	Rs. 150 per share	Rs. 150 per share
8	Variation of terms of option	No variation	No variation	No variation	No variation	No variation
9	Money realised by exercise of options (Rs. In Crore)	0	4.725	0.075	0.1125	0.15
10	Total number of options in force	7,500	2,10,000	15,000	22,500	50,000
11	Employee wise details of options granted to:					
	(i) Key Managerial Personnel	Nil	Nil	Nil	Nil	Nil
	(ii) Any other employee who receives a grant of options in any one year of option amounting to 5% or more of options granted during that year	Nil	Nil	Nil	Nil	Nil
	(iii) Employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Nil	Nil	Nil	Nil	Nil
12	Pricing formula	The exercise price may vary for each Grant. Exercise price will be determined by the Committee at the time of each grant, in conformity with the 'Guidance Note on Accounting for employee share-based Payments' or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time. Committee may determine exercise price which may be at discount to the market value but shall not be less than the face value of shares.				



Sl. No.	Particulars	GHCL ESOS 2015 – Grant 3	GHCL ESOS 2015 – Grant 5	GHCL ESOS 2015 – Grant 6	GHCL ESOS 2015 – Grant 7	GHCL ESOS 2015 – Grant 8
		(Date of grant – October 24, 2017)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)	(Date of grant – April 25, 2018)
13	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard AS-20.			0.20		
14	Difference between the employees compensation cost based intrinsic value of the stock and the fair value of the year and its impact on profits and EPS of the Company	0.09	3.62	0.28	0.41	0.96
15	a) Weighted average exercise price of options	Rs. 170.00	Rs. 150.00	Rs. 150.00	Rs. 150.00	Rs. 150.00
	b) Weighted average fair value of options	Rs. 113.86	Rs. 172.58	Rs. 183.63	Rs. 183.03	Rs. 192.36
16	Method and significant assumptions used to estimate the fair values of options	Black – Scholes model	Black – Scholes model	Black – Scholes model	Black – Scholes model	Black – Scholes model
	(i) Risk free interest rate	6.762%	7.65%	7.65%	7.65%	7.65%
	(ii) Expected life	2 years (for 50% vesting) & 3 years (for balance 50% vesting)	2 years (for 1/3rd vesting), 3 years (for 1/3rd vesting) and 4 years (for balance 1/3rd vesting)	3 years (for 1/3rd vesting), 4 years (for 1/3rd vesting) and 5 years (for balance 1/3rd vesting)	3 years (for 1/3rd vesting), 4 years (for 1/3rd vesting) and 5 years (for balance 1/3rd vesting)	4 years (for 1/3rd vesting), 5 years (for 1/3rd vesting) and 6 years (for balance 1/3rd vesting)
	(iii) Expected volatility	36.77%	39.51%	39.51%	39.51%	39.51%
	(iv) Expected dividend	NIL	NIL	NIL	NIL	NIL
	(v) Market price of the underlying share on grant date*	Rs. 251.05	Rs. 286.50	Rs. 286.50	Rs. 286.50	Rs. 286.50

* The closing price of the Company's share on the date previous to the grant on NSE, being Exchange which had higher trading.

Annexure-II

DISCLOSURE OF MANAGERIAL REMUNERATION

A Ratio of remuneration of each Director to the Median remuneration of the employees of the Company for the F Y 2021-22 as well as percentage increase in remuneration of each Director

Particulars	Ratio to Median Remuneration	% Change in remuneration over previous year
Non Executive Director		
Mr Sanjay Dalmia	62.38	99.15
Mr. Anurag Dalmia	52.38	96.99
Mr.Lavanya Rastogi	27.12	96.14
Mrs. Vijaylaxmi Joshi	29.79	89.81
Dr. Manoj Vaish	30.26	93.19
Mr. Arun Kumar Jain	28.99	91.21
Justice (Retd.) Ravindra Singh	29.26	92.97
Executive Directors		
Mr. R S Jalan	1012.32	147.62
Mr. Raman Chopra	583.56	145.97
Mr. Neelabh Dalmia	167.01	77.37

Percentage increase in remuneration of Mr. Bhuneshwar Mishra, Sr. GM Sustainability & Company Secretary is 23.18%

B Percentage increase in median remuneration in the FY 2021-22: (10.13%)

C Number of Permanent employees on the roll of the Company (including HT division) as on 31/03/2022 5117

Particulars	% Change in remuneration
Average percentile increase in Salary of employees other than managerial personnel	8.44%
Average percentile increase in remuneration of managerial personnel	168.64%

E Affirmation

It is affirmed that the remuneration paid to the directors, key managerial personnel and other employees are as per the Remuneration Policy of the Company.



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

List of Top Ten Employees and / or other employees who have been paid Rs. 8.5 Lacs or above per month during the year 2021-22

Sl. No.	Employee Name	Age	Designation	Gross Remuneration * (Rs) 21-22	Educational Qualification	Experience (Years)	Date of commencement of Employment	Previous employment and designation
1	R S Jalan	64	Managing Director	15,19,00,531	B Com, FCA	38	7-Jun-02	Sree Meenakshi Mills / Exec. Director
2	Raman Chopra	56	CFO & Executive Director - Finance	8,75,64,484	B Com, FCA	33	1-Oct-03	Dalmia Brothers Pvt Ltd / VP-Spl. Proj.
3	NEELABH DALMIA	38	EXECUTIVE DIRECTOR- TEXTILES	2,50,60,591	MBA	2.3	1-Feb-20	GHCL Ltd./Non - Executive Director
4	N N Radia	66	COO - Soda Ash	1,92,99,674	BE -Mechanical	39	16-Jan-86	Tata Chemicals Ltd. / Shift In Charge
5	M SIVABALASUBRAMANIAN	61	COO - Yarn	1,51,32,775	BE -Textiles	37	17-May-95	Loyal Textile Mills Ltd / Manager-QA
6	BISWARUP GOSWAMI	56	CHIEF HUMAN RESOURCE OFFICER	1,34,66,685	PG Diploma in Social Service- Personnel Management & IR, LLB	35	3-Feb-20	PI INDUSTRIES LIMITED/ SR. VP - HR
7	V Chandramouli	62	Sr. Vice President - Finance	92,50,296	B Com, CA	33	14-Dec-92	Mafatlal Ind. Ltd / Manager - F&A
8	Sunil Kumar Singh	52	Vice Predsident Marketing - Soda Ash	83,33,874	B Tech(Civil Engg), EMBA(Marketing)	29	24-Aug-92	GHCL Ltd
9	R BALAKRISHNAN	56	Sr. General Manager - Marketing & Sales	80,89,925	Diploma in Textile Technology	39	22-Mar-04	Nahar Export Ltd/ Vice President
10	Jayesh P Shah	62	Vice Predsident - IR	79,94,563	Master in Social Work (MSW)	37	24-Apr-12	Alembic Ltd/GM-HR

*The details in the above table are on accrual basis for better comparability with the KMP remuneration disclosures included in other sections of this Annual Report. Gross remuneration includes the Commission and / or fixed pay, variable pay, retiral benefits and the perquisite value of stock incentives exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961 as applicable. Accordingly, the value of stock incentives granted during the period is not included. The number of stock incentives granted in fiscal 2021 is included in the table above.

The aforementioned employees have / had permanent employment contracts with the Company

None of the Employees mentioned above are holding 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Joining during the year NIL

Separation during the year MrV Chandramouli retired on April 30, 2021

Annexure-III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

CSR Report for the financial year ended March 31, 2022

[Pursuant to Section 135 of the Companies Act, 2013]

1	A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.	GHCL's commitment to the development of weaker sections of society is continuing since more than two decades. GHCL through its "GHCL Foundation Trust" has upgraded its CSR activities to cover a larger section of the society and included to provide support to the downtrodden, needy and marginalized citizens and also to create social infrastructure for their sustenance. The CSR Policy is posted on the website of the Company. Any body may visit www.ghcl.co.in
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2 Composition of CSR Committee

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of Meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
i	Mr. Anurag Dalmia	Non-Executive -Vice Chairman	2	2
ii	Mrs. Vijaylaxmi Joshi	Independent Director	2	2
iii	Mr. R S Jalan	Managing Director	2	2
iv	Mr. Raman Chopra	CFO & Executive Director (Finance)	2	2
v	Mr. Neelabh Dalmia	Executive Director (Textiles)	2	2

3	Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	https://www.ghcl.co.in/code of conduct
4	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).	N.A.
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	N.A.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Cr.)	Amount required to be setoff for the financial year, if any (in Cr.)
i		0.00	0.00
		Total	0.00



Anexure-III

6	Average net profit of the company as per section 135(5).	489.24
7	(a) Two percent of average net profit of the company as per section 135(5)	9.79
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	0.00
	(c) Amount required to be set off for the financial year, if any	0.00
	(d) Total CSR obligation for the financial year (7a+7b-7c).	9.79

8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs. Cr.)	Amount Unspent(in Rs. Cr.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount (in Rs. Cr.)	Date of Transfer	Name of Fund	Amount	Date of Transfer
9.85			N.A.		

8 (b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the project	Project duration.	Amount allocated for the project (in Rs. Cr.)	Amount spent in the current financial year (in Rs. Cr.)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Cr.)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	CSR Registration number.	
1	Roof Rain Water Harvesting and Village Water Distribution System & Jal Jivan Mission	Water Resource Development Programme (Drinking water)	Yes	All manufacturing site of GHCL Ltd. in the state of Gujarat & Tamilnadu	(1) Sutrapada, Dist. Gir Somnath (2) Rajula, Dist. Amreli (3) Ghogha, Dist. Bhavnagar (4) Bhiad, Dist. Valsad (5) Madurai Dist.(6) Mandvi, Dist. Kutchh	Ongoing projects / Multi year	0.56	0.62	0.00	No	GHCL Foundation Trust - Sutrapada	CSRO0002359
2	Drip Irrigation, Sprinkler Irrigation, Training, Agriculture inputs & other various activities	Agro based livelihood	Do	Do	Do	3.78	3.85	0.00	No	Do	Do	Do
3	Vocational Training Centre	Skill based livelihood	Do	Do	Do	0.75	0.74	0.00	No	Do	Do	Do
4	Animal Treatment Camp and Artificial Insemination center, Fodder seeds Nutrition Feed	Animal Husbandry	Do	Do	Do	0.76	0.81	0.00	No	Do	Do	Do
5	Mobile Dispensary, Health camps, Vaccination and Eye & General Health camps.	Health	Do	Do	Do	1.29	0.99	0.00	No	Do	Do	Do
6	Site School near Mining area, Support To ICDS, Scholarship and financial support for higher studies	Education	Do	Do	Do	0.80	0.76	0.00	No	Do	Do	Do
7	Formation of Self Help Group (SHG) and Training Programme	Women Empowerment	Do	Do	Do	0.21	0.23	0.00	No	Do	Do	Do
8	Support to effected peoples of cyclone.Street lights.Eradication Hunger Peoples	Rural Development	Do	Do	Do	0.28	0.34	0.00	No	Do	Do	Do
9	Grocery Kits, Mask, Support to Govt Hospital.	Covid-19 Relief Fund	Do	Do	Do	1.19	1.24	0.00	No	Do	Do	Do
Total						9.62	9.58	0.00				



Annexure-III

8 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the project		Amount spent for the project (in Rs. Cr.)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
1									
2					N. A.				
3									
Total									

8 (d) Amount spent in Administrative Overheads	0.27
(e) Amount spent on Impact Assessment, if applicable	-
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	9.85

8 (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs. Cr.)
(i)	Two percent of average net profit of the company as per section 135(5)	9.79
(ii)	Total amount spent for the Financial Year	9.85
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.06
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	0

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs. Cr.)	Amount spent in the reporting Financial Year (in Rs. Cr.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs. Cr.)
				Name of Fund	Amount (in Rs. Cr.)	Date of Transfer	
1	2020-21	0.77	0.77				0.00
2	2019-20	N.A	N.A	N.A	N.A	N.A	N.A
3	2018-19	N.A	N.A	N.A	N.A	N.A	N.A
Total		0.77	0.77	0.00	0.00	0.00	0.00

9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs. Cr.)	Amount spent on the project in the reporting Financial Year (in Rs. Cr.)	Cumulative amount spent at the end of reporting Financial Year.(in Rs. Cr.)	Status of the project - Completed /Ongoing
1	FY31.03.2021_2	Drip Irrigation, Sprinkler Irrigation, Training and other various activities	2020-21	36 Month	4.07	0.25	4.07	Completed
2	FY31.03.2021_4	Animal Treatment Camp and Artificial Insemination center	2020-21	36 Month	0.79	0.09	0.79	Completed
3	FY31.03.2021_5	Mobile Dispensary, Health camps, Vaccination and Eye camps;	2020-21	36 Month	1.40	0.37	1.40	Completed
4	FY31.03.2021_6	Site School near Mining area, Uniform, Scholarship and financial support for higher studies	2020-21	36 Month	0.54	0.06	0.54	Completed
Total					6.80	0.77	6.80	

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).	NIL
	(a) Date of creation or acquisition of the capital asset(s).	NIL
	(b) Amount of CSR spent for creation or acquisition of capital asset.	NIL
	(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	NIL
	(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	NIL
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).	NA

For **GHCL Limited**

R S Jalan
Managing Director
DIN: 00121260

Anurag Dalmia
Chairman of CSR Committee
DIN: 00120710



Anexure-IV

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure Taken

- 1 Reduction of steam consumption in RBC plant by dosing small quantity of chemical instead of using 2.2 bar steam at Soda Ash Unit.
- 2 Only energy efficient motors, transformers, compressors and LED Lights are being purchased for new installation and replacement at all Units.
- 3 Improvement of insulation (silicate based) over hot equipment's/pipes to reduce heat loss to atmosphere at Soda Ash Unit.
- 4 Audit of condensate traps in steam line was done and rectifications carried based on report for reducing energy loss at Soda Ash Unit.
- 5 Improvisation in Power Factor to reduce the line losses and voltage at motor terminal to avail additional rebate from the electricity supply company at Home Textile Unit.
- 6 Energy conservation by providing timer based drain valve to air receiver in compressor instead of continuous open valve at Home Textile Unit.
- 7 Energy saving by arresting different air leakages in the compressed air system during energy audit at Home Textile Unit.
- 8 Coal saving by utilizing hot water return from Caustic recovery plant for process hot water requirements at Home Textile Unit.
- 9 Energy conservation by repair, improving thermic fluid heater system and steam line thermal insulation at Home Textile Unit.
- 10 Load rationalization on transformer to reduce energy losses at Home Textile Unit.
- 11 Installation and commissioning of Automatic Water Management system which conserves water upto 912 Lakh Litres per year at Madurai Yarn Unit.
- 12 Cost saving improvement activities like implementation of Variable Frequency drive(VFD), High energy efficient pump installation etc. which resulted in saving of 4700 Units per day at Madurai Yarn Unit.

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

- 1 Installation of variable frequency drives in pumps at Soda Ash Unit.
- 2 Conversion of old RO inefficient plant (150 m3/Hr) by energy efficient RO plant at Soda Ash Unit.
- 3 Installation of Energy efficient RO plant of 150 m3/Hr is under progress at Soda Ash Unit.
- 4 Condensing cum back pressure turbine TG -V (18.5) MW installation is under progress for better steam power balance at Soda Ash Unit.
- 5 Replacement of conventional lights by LED lights at all Units.
- 6 Energy Audit by external agency M/S TERI has been planned for entire plant at Soda Ash Unit.
- 7 Implementation of Relative Humidity (RH) based plant control and carry out improvement in Humidification plants at Madurai Yarn Unit.

B. POWER & FUEL CONSUMED

Particulars	Year ended March 31,2022	Year ended March 31,2021
1 Electricity		
(i) Purchased Units (crores kwh)	10.55	9.63
Total amount (Rs. crores)	82.27	70.01
Rate per Unit (Rs.)	7.80	7.27
(ii) Own Generation		
(a) Through DG		

Particulars	Year ended March 31,2022	Year ended March 31,2021
Units (crores kwh)	0.01	0.01
Units per litre of Diesel Oil	2.62	2.87
Cost per Unit (Rs.)	34.12	24.48
(b) Through GTG		
Units (crores kwh)	0.03	0.07
Units per SCM of Gas	4.81	5.45
Cost per Unit (Rs.)	11.55	7.21
(c) Through TG		
Units (crores kwh)	29.15	25.01
Cost per Unit (Rs.)	3.50	3.17
(b) Through Windmill		
Units (crores kwh)	4.71	4.16
Total amount (Rs. crores)	15.04	15.30
Rate per Unit (Rs.)	3.20	3.68
(c) Through Solar		
Units (crores kwh)	0.46	0.25
Total amount (Rs. crores)	0.88	0.65
Rate per Unit (Rs.)	1.91	2.57
2 Coal		
Quantity (MT)	2,78,148	2,56,433
Total Cost (Rs. crores)	314.98	193.15
Average Rate (Rs/MT)	11,324	7,532
3 Lignite		
Quantity (MT)	1,99,747	1,03,860
Total Cost (Rs. crores)	90.04	42.44
Average Rate (Rs/MT)	4,508	4,086
4 Petroleum Coke		
Quantity (MT)	1,09,777	1,08,599
Total Cost (Rs. crores)	158.23	81.04
Average Rate (Rs/MT)	14,414	7,462

Anexure-IV

5 Consumption per Unit of Production

	Production (MT)	Electricity (kwh/MT)	
		Year ended March 31, 2022	Year ended March 31, 2021
Soda Ash	1,089,882	270.08	277.59
Salt	18,308	33.45	35.61
Yarn	29,022	4.01	4.33
Cloth (Fabric '000 Meters)	39,710	0.95	1.00
Coal -Soda Ash (MT/MT)	1,089,882	0.23	0.25
Lignite - Soda Ash (MT/MT)	1,089,882	0.17	0.10
Petroleum Coke - Soda Ash (MT/MT)	1,089,882	0.10	0.12

C. TECHNOLOGY ABSORPTION

1 Research & Development

a) ALTERNATIVE ROUTE FOR MANUFACTURE OF SODIUM CARBONATE:

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

b) ALTERNATIVE BRINE PURIFICATION METHOD :

Project to develop process for purifying raw brine without use of soda ash is going on .

2 Future Action Plan

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

3 Technology -Absorption ,Adoption and Innovation

An improvement project is undertaken in co-ordination with overseas expert agency for improvement in carbonation tower efficiency by using pre-heater condensate.

Existing RBC plant productivity has been enhanced from 200 MT per day to 240 MT per day with the help of Overseas expert advice

4 Information Regarding Technology imported during last three year

Know how for 250 MT per day carbonation tower

D. FOREIGN EXCHANGE EARNING AND OUTGO

Particulars	31st March, 2022 (Rs. in Crores)	31st March, 2021 (Rs. in Crores)
Earnings	820.85	490.17
Outgo (Includes CIF value of imports)	1,119.10	507.52

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L24100GJ1983PLC006513
2. Name of the Listed Entity	GHCL Limited
3. Year of incorporation	14-10-1983
4. Registered office address	'GHCL House' Opp. Punjabi hall, Navrangpura, Ahmedabad- 380 009 (Gujarat)
5. Corporate address	'GHCL House' B-38, Institutional Area, Sector-1, Noida-201301 (Uttar Pradesh)
6. E-mail	secretarial@ghcl.co.in
7. Telephone	1204939900
8. Website	https://www.ghcl.co.in/
9. Financial year for which reporting is being done	2021-22
10. Name of the Stock Exchange(s) where shares are listed	NSE, BSE
11. Paid-up Capital	INR 95,35,07,860
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Bhuvneshwar Mishra, bmishra@ghcl.co.in, 0120-4939900/2535335
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	This report covers the period from 1st April 2021 to 31st March 2022. The report details the information of GHCL's sites that manufacture Soda Ash, Yarn, and Consumer Products Division. In addition to the aforementioned manufacturing facilities, the employee data also covers our marketing offices, corporate office and registered office. Further, the Corporate Social Responsibility data covers manufacturing facilities including Home Textiles division.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of the main activity	Description of business activity	% of the turnover of the entity
1.	Inorganic Chemicals	Manufacture of chemicals and chemicals products	75.64%
2.	Cotton Yarn/ Fabrics	Spinning and weaving	24.36%

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1.	Inorganic Chemicals	201	75.64%
2.	Cotton Yarn/ Fabrics	131/139	24.36%



Business Responsibility & Sustainability Reporting

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Particulars	Number of plants	Number of offices	Total
National	4	2	6
International	0	1	1

17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	22 States and 3 Union territories
International (No. of Countries)	19

b. What is the contribution of exports as a percentage of the total turnover of the entity?

7.02%

c. A brief on types of customers

GHCL caters to their customers through Chemicals, Yarn and Consumer Products. Details on the product portfolio for the respective segments is provided in the section 'GHCL Business' of the Annual Integrated Report FY 2021-22. Brief about our segments and customers are given below

Our chemicals segment and consumer products segment caters to both- industrial segment and individual customers. Our yarn segment caters only to the industrial customers which are mainly textile manufacturing companies.

IV. Employees

18. Details as at the end of the Financial Year:

a. Employees and workers (including differently-abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	715	656	92%	59	8%
2.	Other than Permanent (E)	29	27	93%	2	7%
3.	Total employees (D + E)	744	683	92%	61	8%
WORKERS						
4.	Permanent (F)	2,940	1,235	42%	1,705	58%
5.	Other than Permanent (G)	3,199	2,706	85%	493	15%
6.	Total workers (F + G)	6,139	3,941	64%	2,198	36%

b. Differently abled Employees and workers:

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	4	4	100%	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total workers (F + G)	4	4	100%	0	0

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	10	1	10%
Key Management Personnel*	3	0	0%

*Key Management Personnel stands for Managing Director, CFO and Company Secretary.

20. Turnover rate for permanent employees and workers

Particulars	FY 2021-22		
	Male	Female	Total
Permanent Employees	6.1%	10.2%	6.4%
Permanent Workers	13.1%	46.5%	32.5%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Grace Home Fashions LLC-USA	Subsidiary	100	No
2	Dan River Properties, USA	Subsidiary	100	No
3	GHCL Textiles Limited*	Subsidiary	100	No

* GHCL Textiles Limited is incorporated to facilitate Scheme of demerger of Yarn business. Once process of demerger gets completed this company will be listed.



Business Responsibility & Sustainability Reporting

VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: YES

(ii) Turnover (in Rs.) : 3778.36 Cr

(iii) Net worth (in Rs.) : 3090.25 Cr

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (If Yes, then provide web link for grievance redress policy)	FY 2021-22	
		Number of complaints filed during the year	Number of complaints pending resolution at the close of the year
Communities	Yes	22	Nil
Investors (other than shareholders)	Yes	Nil	Nil
Shareholders	Yes	8	Nil
Employees and workers	Yes	Nil	-
Customers	Yes	79	Nil
Value Chain Partners	Yes	19	Nil

Link to our investor grievance policy - <https://ghcl.co.in/wp-content/uploads/2022/04/GHCL-Investor-Grievance-Redressal-Policy.pdf>

24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
1	Sustainable product	Opportunity	Shifting towards sustainable products and packaging solutions	NA	Positive
2	Sustainable packaging	Opportunity	is likely to help in bringing cost savings and allow for more efficient use of natural resources.	NA	Positive
3	Process improvement & innovation	Opportunity	Innovative manufacturing processes are anticipated to benefit GHCL by increasing gross output, reducing time per unit, and maximising employee utilisation.	NA	Positive

S. No. identified	Material issue	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
4	Responsible value chain	Risk	Lack of E&S risk assessment by suppliers could result in unit closure, which would have an impact on our output.	Vendor/ supplier due diligence to have E&S indicators for evaluation along with periodic checks on E&S systems	Negative
5	Employee engagement	Opportunity	GHCL ensures an employee-friendly environment at the workplace. Employee engagement initiatives are likely to reduce attrition and increase productivity	NA	Positive
6	Learning and development	Opportunity	Our HR team fosters a culture of employee training in core business and cross-functional learning so that they can better understand our customers' requirements and recommend the best solutions for adoption.	NA	Positive
7	Health and safety	Risk	Injuries at manufacturing facilities have a negative impact on employee well-being and decrease company productivity.	<ul style="list-style-type: none"> • Process of regularly updating health and safety policies • Identify improvement areas periodic basis • Vision of Zero Accident and Zero Incident as part of our Sustainability Vision 2023 	Negative
8	Human rights and labour practices	Risk	Lack of attention toward human rights violations and labour relations may invite protests and strikes. External stakeholders are likely to raise concerns about these scenarios, which will reduce productivity.	GHCL provides a platform for its employees and workers to freely express their concerns. In addition, GHCL supports the unionisation of employees for the protection of labour rights.	Negative



Business Responsibility & Sustainability Reporting

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity
9	Corporate social responsibility	Risk and Opportunity	<p>Risk</p> <p>There is a growing importance for companies to enhance their focus on safeguarding communities.</p> <p>Opportunity</p> <p>Ensure compliance with the latest CSR Rules.</p> <p>Empower communities through welfare initiatives in areas of education, rehabilitation, skill development and providing healthcare.</p>	<p>GHCL understands the role of CSR and engages with the community to create a positive impact through various initiatives.</p> <p>Additionally, we regularly engage with the local communities to understand and address their issues.</p>	Positive: social license to operate and local community supports impacts an organisation positively
10	Energy and GHG emissions	Risk	<ul style="list-style-type: none"> The Changing regulatory landscape around energy and GHG emissions can impact the business and operational activities of GHCL in the short, medium, and long term. Physical impacts of climate change such as changing patterns of precipitation, temperature and acute weather events can also impact the operations negatively. 	<ul style="list-style-type: none"> Investment in upgrading existing technology to minimise our GHG footprint Internal carbon price to manage carbon risks and opportunities. Continued focus on understanding the broader implications of climate change on GHCL's operations and supply chain and exploring climate change mitigation and adaptation solutions. 	Negative
11	Water	Risk	Water withdrawn for industrial use, can have a particularly strong impact in areas with high water stress.	GHCL has set a target to reduce freshwater consumption and is working relentlessly towards it	Negative
12	Waste	Risk	Safe disposal of hazardous waste and adequate disposal/recycling of non-hazardous is the sole responsibility of an organisation. Failing to do the same may lead to legal repercussions and related fines/penalties	GHCL has set a target to reduce waste generation and is working relentlessly to reduce its environmental footprint.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	https://www.ghcl.co.in/brr-policies								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards adopted by your entity and mapped to each principle.	-	Global Organic Textile Standard (GOTS) ISO 9001: 2015	OHSAS 18001:2007 SA 8000	SA 8000 ISO 9001:2015 ISO 14001:2015	SA 8000 ISO 45001:2018	ISO 14001: 2015	-	SA 8000	ISO 9001:2015 HALAL certification ISO 22000: 2018 (A Food Safety Management System)
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	30% reduction in high-risk suppliers	Implementation of internal carbon pricing	Be among the Top 100 Great Places to Work Achieve single-digit attrition rate 25% representation of overall female employees and 10% in executive cadre	Increased employment of specially abled candidates by 50%		Zero environmental incidences 20% specific freshwater consumption reduction 10% specific energy consumption reduction Green building certification for Noida office 20% reduction in GHG emissions Implementation of Internal Carbon Pricing		Evolve into a trusted CSR brand.	



Business Responsibility & Sustainability Reporting

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.			<p>GHCL has been recognized as a "Great Place to Work" (GPTW) for the 6th consecutive year. In addition, for the last three years, we have ranking consistently in the top 100 companies' Great Place to Work - Trust Index Survey</p> <p>Our attrition rate is 6.46%, we have been maintaining single-digit attrition since FY 2020-21.</p> <p>We have over-achieved our target with 39% overall representation of female employees. In the executive cadre, we stand at 8.3% female representation.</p>			<p>We have overachieved our target with 24% reduction in specific water consumption.</p> <p>Our specific GHG emissions have increased by 13% mostly due to the expansion of Soda Ash division. However, we are consistently working to reduce the same in line with our target.</p> <p>Our specific energy consumption has increased by 15% mostly due to the expansion at the Soda Ash division. However, we are consistently working to reduce the same in line with our target.</p>			<p>GHCL Foundation Trust has taken a collaborative approach and believes in acting responsibly for the communities in the areas of our manufacturing facilities. In addition, we are undertaking CSR efforts in the Kutch area of Gujarat, where our Greenfield project is in the way.</p>

Governance, leadership, and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG -related challenges, targets, and achievements

We are focused on creating shared value within the business, for our customers, suppliers, employees, communities, and all other stakeholders. Our Core Values, Respect, Trust, Ownership and Integrated Teamwork, are fostering the fuel for realising our vision and mission i.e., to grow our business responsibly, with governance, sustainability and responsibly maximising stakeholders' value.

Measuring, managing, and reporting environmental impact is not only important for the planet and the communities in which we work, it is essential for the future growth of our business. We have taken action to mitigate climate change and increasingly adaptation is a priority. We are evaluating the climate-related risks from our business, with the aim of developing a decarbonization map.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	<p>DIN: 00121260 R. S. Jalan Managing Director</p>								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability-related issues? If yes, provide details	<p>Yes;</p> <p>The Board of Directors of the Company are responsible for risk oversight functions. The Risk & Sustainability Committee provide guidance for implementing the risk management policy across the organisation. The operational heads of each business units are primarily responsible for implementing the risk management policy of the company and achieving the stated objective of developing a risk intelligent culture that helps to improve the company's performance.</p> <p>Our Risk Management Committee has been constituted as per the requirement of Regulation 21 of the Listing Regulations. In order to strengthen Company's position in governance, risk management, sustainability, and compliance (GRC) and for the developing framework for risk management and stakeholders' value creation on sustainable basis, the Board of Directors in their meeting held on July 29, 2021, had extended the scope of the Committee, and renamed it to "Risk & Sustainability Committee".</p> <p>The Risk Management Committee consists of five members, including some Executive and Non-Executive directors. The committee comprises of Mr. Arun Kumar Jain (Chairman), Mr. Anurag Dalmia (Member), Mr. R S Jalan (Member), Mr. Raman Chopra (Member) and Mr. Neelabh Dalmia (Member). Furthermore, Mr. Bhuvneshwar Mishra is the secretary of the committee. The details of Committee and other particulars are mentioned in the Corporate Governance Report which is a part of the Board's Report. The policy on Risk Management as approved by the Board is uploaded on the Company's website - https://ghcl.co.in/corporate-governance-reports.</p> <p>The business responsibility performance of the company is assessed on a regular basis by the Managing Director, CFO& Executive Director (Finance) and, Sr. GM-Sustainability & Company Secretary along with respective business heads. Each business units' updates on various initiatives taken at their respective locations towards responsible business conduct which are reviewed during the operational review meeting on monthly basis.</p>								
10. Details of Review of NGRBCs by the Company:									
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee				Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)				
Performance against above policies and follow up action	<p>Yes, we conduct performance review against all the NGRBC principles. The details are mentioned below:</p> <ul style="list-style-type: none"> Operational Review (OR) meeting: Review the overall business risks under the guidance of Managing Director. Risk & Sustainability Committee: Review the performance of business risks against each indicator on periodic basis CSR Committee: Reviews the initiative taken on CSR Audit & Compliance Committee: Review the matter related to the compliance and internal control risks. Investor's grievance Committee: Review the matter related to the investor's grievances. Banking & Operations committee: Review the matter related to general authorisation for representing company before various forums and providing of authorisation for banking transactions. Nomination & Remuneration committee: Review the matter related to the talent acquisition, Employees Stock Options, Succession Planning and Board level appointment and nomination. <p>The action points on previous meetings are reviewed in the subsequent meetings and suitable clarifications are taken</p>				<ul style="list-style-type: none"> Operational Review meeting – monthly Risk & Sustainability – at least twice in a year CSR – at least twice in a year Audit & Compliance Committee – at least 4 times in a year Investors Grievance committee – every fortnightly Banking & Operations committee – need basis. Nomination & Remuneration Committee – at least once in a year and on need basis. 				



Business Responsibility & Sustainability Reporting

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Board of Directors and its various committees review the compliance requirements on quarterly basis. The details are given in corporate governance report in para 19 (Compliance Management System)								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	No An internal assessment of the workings of the BR policies has been conducted. In due course, the Company shall have an external assurance on the same as well.								

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

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	3	<p>[Principle - 1]</p> <ul style="list-style-type: none"> • Disclosure of Corporate Governance Report U/R 27 of the Listing Regulations. • Disclosure requirement w.r.t. Investors / Analysts meeting. • System Driven Disclosures under SEBI (Prohibition of Insider Trading) Regulation. • Updates on SEBI Takeover Regulations. • Updates on Non-convertible Debt Securities. <p>[Principle - 3]</p> <ul style="list-style-type: none"> • Updates on ESOP regulations <p>[Principle - 4]</p> <ul style="list-style-type: none"> • Disclosure of Corporate Governance Report U/R 27 of the Listing Regulations. <p>[Principle 1 and 4]</p> <ul style="list-style-type: none"> • Updates on simplified norms for processing investor's services & updating KYC of Shareholders. <p>[Principle 1 to 9]</p> <ul style="list-style-type: none"> • ESG reporting u/r 34 (2) (f) of the Listing Regulations <p>In addition to the above, functional management has also engaged the board on following topics ESG and Integrated Reporting, Business Updates, Export-Import Global Market Scenario, Forex Management, Role & Responsibility of Audit Committee, Related Party Transaction, Capex / Revenue Budget, Shareholding Pattern, Renewable Energy- Solar Project, Internal Auditor Report and Action Taken Report (ATR), Code of Conduct and Other Policies</p>	100%



Business Responsibility & Sustainability Reporting

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Key Managerial Personnel	12	All the topics mentioned above were explained to KMPs from time to time in their monthly meeting. Apart from the above, head of each division also placed other topics related to sustainable supply chain, vendor assessment, long term raw material supply contract, risk identification and management, CSR, green energy procurement and business development. [Principle 1 to 9]	100%
Employees other than BoD and KMPs	32	Environment, Social, Governance (ESG) Framework and ESG Metrics, risk management, board oversight, sustainability performance and ESG disclosure. ESG Indicators, Environmental Concerns and Trends, Social Concerns and Trends and Governance Concerns and Trends.	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year:

There were no penalties imposed on the company by the Stock Exchanges or SEBI or any statutory or regulatory authority on any matter during the reporting period. Similarly, no orders passed by Regulators or Courts which would adversely impact the company and its future operations. Further, there were no incidences of significant fines levied or non-compliance with respect to the regulations concerning aspects related to the environment, labour, health and safety impacts of products and services, marketing communications.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, our policy on Ethics, Transparency and Accountability covers anti-corruption and anti-bribery, which can be found at <https://ghcl.co.in/brr-policies>. Anti-corruption and anti-bribery policies are being developed and reviewed by our Board of Directors. Our organisation has a "zero tolerance" towards any form of bribery and corruption, and we pledge to act professionally, fairly, and with integrity in all of our business dealings and relationships, regardless of where we operate.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Nil

6. Details of complaints with regard to conflict of interest:

Nil. The company endeavors that issues related to conflict of interest shall be dealt with as per policy of the company and appropriate approval should be taken by the management and suitable disclosures shall be made in annual report.

7. Provide details of any corrective action taken or underway on issues related to fines/penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable. We would like to state that there were no fines/ penalties imposed by regulators w.r.t. corruption and conflict of interest.

Leadership Indicators**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

Total number of awareness programmes held	Topics/principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
18	<ul style="list-style-type: none"> • Sustainable Supply Chain • EHS Compliance • Labour & Human Rights • Labours working condition • GHCL Code of Conduct 	10%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. We have a well-defined process for redressal of situations related to conflict of interest which is mentioned in our Code of Conduct, and policy for Board and Senior Management. In addition, we have Grievance Redressal Policy which informs our shareholders about conflict management. During the year under review, we received and resolved eight cases of grievances or complaints from our shareholders.

As a practice, the company discourage related party transactions. Although, in exceptional circumstances, appropriate approval mechanism is in place to obtain approval of Board / Audit committee and shareholders, which may arise during the course of business activities. Further, interested director is prohibited in decision making process related to Related Party Transaction (RPT).

PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe**Essential Indicators****1. Percentage of R&D and capital expenditure (CAPEX) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and CAPEX investments made by the entity, respectively.**

	Amount	Percentage	Details of improvements in environmental and social impacts
Capex	INR 173 Crores	37%	<ol style="list-style-type: none"> 1. Infrastructure development: Shed and road revamping projects 2. Emission Reduction: Installation of the dedusting unit 3. Secondary RO plant to reduce freshwater dependency 4. Solar power plant in Yarn division

Note: No R&D initiatives have been taken during the year under review.



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2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. The GHCL supplier Code of Conduct is required to be signed by all suppliers and vendors who work with the company. In addition, we are now implementing a supply chain risk reduction programme to reduce the risk in our supply chain. As a part of the program, we are screening our suppliers on Environmental, Social and Governance (ESG) criteria and then engage with them to bring them to power with the expectations of GHCL.

b. If yes, what percentage of inputs were sourced sustainably?

During the reporting year, for Soda Ash approximately 50% to 55% of inputs materials are sourced sustainably. Similarly in Yarn we have sourced cotton approximately 15% of our requirement sustainably through Better Cotton Initiative (BCI).

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Our company strongly believes in waste minimisation and increasing waste utilization as a part of our drive for process efficiency and product stewardship.

(a) Plastics: Our Soda Ash division has covered various states under Plastic Waste Management (PWM) Programme. We are engaging with M/s. Shakti Plastics Industries for collection and safe disposal of plastic waste.

(b) E-waste: We practice on-site collection and segregation of waste, which is then transported and sold to authorized registered recyclers.

(c) Hazardous Wastes: Hazardous wastes generated from our facilities are efficiently disposed of to mitigate any negative impacts on the environment. All the hazardous waste is disposed of through authorised and registered dealers. We undertake a monthly Safety, Health and Environment (SHE) Performance Matrix and audit to track the performance of waste minimisation activities and audit the storage and segregation of waste on site. Our environmental strategy, policies, systematic waste segregation and treatment measures and waste disposal procedures are aligned in accordance with strict environmental regulatory guidelines.

(d) Other Waste: Our Yarn division re-uses 50% of waste cotton back into the operations. In addition, we are recycling fly ash waste generated from boilers to manufacture bricks and paver blocks.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable for GHCL. We focus on product end-of-life management that is both sustainable and cost-effective. We have a waste collection plan that is in line with the EPR action plan, with a thorough model for product package collection and disposal. We designed and submitted a Producer, Importer, and Brand Owner (PIBOs) action plan in accordance with our EPR liability because EPR Liability for Producers focuses on 100% of the plastic packaging supplied into the market. The Central Pollution Control Board has finally approved our PIBOs action plan.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for the manufacturing industry) or for its services (for the service industry)? If yes, provide details:

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
24117	Soda ash		Soda ash division	No	No

We have an standard operating procedures (SOP) which is applicable for all our plants. It covers the environmental aspects of GHCL activities, products, and services that it can control or influence, as these may offer the greatest opportunity to reduce resource use and minimize pollution or waste.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Limestone mining	Land use, dusting	Mines reclamation & afforestation
Raw material handling/ Storage	Air emission, Utilizations of energy/ natural resources	Compliance with statutory norms, Cost reduction project & EHS objective
Utility & Power Plant	Air emission, waste generation, Energy utilization, Natural resource utilization	Compliance with statutory norms & Cost reduction project
Packaging & bagging	Plastic waste generation	Utilization of bulkers

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material
Fines (coke, briquette & anthracite)*	41%

*Fines are reused in Soda Ash division, hence-total raw material of the respective unit is considered for calculation

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:

	FY 2021-22		
	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	2,677 MT through M/S Shakti plastics	-
E-waste	-	-	4.03 MT
Hazardous waste	-	-	16.99 MT
Other waste	-	-	1,26,720 MT



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5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastics (including packaging)	2,677 MT

*Plastic is reclaimed in Soda Ash division, hence-total raw material of the respective unit is considered for calculation

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	656	656	100%	656	100%	N.A.	N.A.	656	100%	51	8%
Female	59	59	100%	59	100%	59	100%	N.A.	N.A.	17	29%
Total	715	715	100%	715	100%	59	8%	656	92%	68	10%
Other than Permanent employees											
Male	27	21	172%	21	78%	N.A.	N.A.	0%	0	0	33%
Female	2	0	0	0	0	0	0	N.A.	N.A.	0	0
Total	29	21	72%	21	72%	0	0%	0	0%	9	31%

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1,235	1,235	100%	1,235	100%	N.A.	N.A.	0	0%	0	0%
Female	1,705	1,705	100%	1,705	100%	1,705	100%	N.A.	N.A.	14	1%
Total	2,940	2,940	100%	2,940	100%	1,705	58%	0%	0%	14	0.5%
Other than Permanent workers											
Male	2,706	2,706	100%	2,706	100%	N.A.	N.A.	0	0	0	0%
Female	493	493	100%	93	100%	69	14%	N.A.	N.A.	0	0%
Total	3,199	3,199	100%	3,199	100%	69	2%	0	0%	0	0%

2. Details of retirement benefits.

Benefits	FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/ N.A.)
Provident Fund	100% of the permanent employees are covered under Provident Fund	100% of the permanent workers are covered under Provident Fund	Yes
Gratuity	100% of the permanent employees are covered under Gratuity	100% of the permanent workers are covered under Gratuity	Yes
ESI	15%	81%	Yes

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Ramps are available at all of our locations to make it easier for those with disabilities to move around. Most of our offices include elevators and infrastructure for people with disabilities. Our Ahmedabad office, however, does not meet the requirements of the Rights of Persons with Disabilities Act, 2016, but we are working on making it more accessible to people with efferently able (दिव्याङ्ग)

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. In accordance with the rules of the Rights of Persons with Disabilities Act of 2016, our company has implemented a non-discrimination policy. We are committed to being an equal opportunity employer who provides a welcoming and discrimination-free environment for all of our employees. Our non-discrimination policy is available on our intranet and is accessible to all employees.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes.
Other than Permanent Workers	Yes. We have always believed in open and transparent communication. Employees are encouraged to share their concerns with their business heads, HR, or the members of the senior management through trade unions.
Permanent Employees	Yes. We have a Grievance Redressal Mechanism in place where
Other than Permanent Employees	in the grievances are received and redressed

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7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)
Employees			
Permanent	715	0	0%
Other than permanent	29	0	0%
Total	744	0	0%
Workmen *			
Permanent	2,940	1,037	35%
Other than permanent	3,199	180	6%
Total	6,139	1,217	20%

*At Soda Ash Division, 100% of permanent workmen are part of associations/trade unions. The contractual labour or 'other than permanent' workmen are not part of any union. At Yarn Division, 18% of permanent workmen are part of associations/trade unions. The contractual labour or 'other than permanent' workmen are not part of any union. At CPD Division, 100% of permanent and other than permanent workmen are part of associations/trade unions.

8. Details of training given to employees and workers:

Category	FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees					
Male	683	293	43%	447	65%
Female	61	0	0%	27	44%
Total	744	293	40%	474	63%
Workmen					
Male	3,941	3,100	79%	214	5%
Female	2,198	649	30%	2	0%
Total	6,139	3,749	61%	216	4%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2021-22		
	Total (A)	No. (B)	% (B / A)
Employees			
Male	656	460	70%
Female	59	23	39%
Total	715	483	68%
Workers			
Male	1,235	597	48%
Female	1,705	15	1%
Total	2,940	612	21%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? If yes, the coverage such system

Yes, we have implemented occupational health and safety management system. As a responsible organisation, we consider health and safety parameters as critical aspects of our progress and also have established a robust approach to manage safety risks to eliminate occupational hazards and workplace injuries for our employees and contractors working within our premises. Over the years, we have put great efforts on strengthening our safety management system at all locations on the basis of the globally recognised ISO 45001:2018. ISO 45001:2018, the new international certification standard in Occupational Health and Safety Management Systems (OHSMS), supports us in implementing a comprehensive approach to occupational health and safety and in improving upon an existing OHSMS. Our occupational health and safety management system encompasses more than health and safety program, it includes health and safety policies, systems, standards, and records, and involves incorporating health and safety activities and program into our business processes. In addition, to ensure an effective OHS management system, we have taken below mentioned steps:

- **Management leadership and commitment:** Our Senior Management provides the vision, establishes policy, sets goals, and provides resources to lead and support the implementation of OHS management programs and system.
- **Safe work procedures and written instructions:** The safe work procedures and practices ensure that everyone in GHCL knows their responsibilities and are performing their duties effectively.
- **Health and safety training and instruction:** We ensure that everyone in the workplace (from senior management to frontline workers) understand their responsibilities when it comes to implementing and maintaining a healthy and safe workplace.
- **Identifying hazards and managing risk:** We have systems in place which helps us in managing

the risk in the workplace. It includes identifying, assessing, and controlling the potential risks/hazards to ensure safety of our people

- **Investigation of incidents:** Our prompt incident investigations help us in identifying root causes of unsafe conditions. Our incident investigation team with the management identifies ways to prevent similar incidents from happening in the future. We ensure that all the employee follows the requirements for incident investigation documentation and reporting specified under occupational Health and Safety Regulation.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Our Safety Management System have set up requirements under Safety Policies for OHS improvements, SOPs, work instructions, daily record-keeping and reporting in place to ensure that daily routine operations are carried out in accordance with our HSE policy. We assist our employees and contractors in being aware to potential hazards by conducting task and workplace hazard identification and risk assessments, which helps to reduce risk. Our hazard identification and risk assessment guidance document provides employees a strategy to identifying, analysing, assessing, and evaluating various risks. It also entails evaluating new technologies to ensure that they are handled safely. We have also placed measures such 'HSE scorecard system' and a custom-made app reporting system 'G-SOS' for our employees that are currently in the system. We maintain a WhatsApp group exclusively for Near miss, Unsafe act & Unsafe Condition where regular updates are received and acted upon.

We ensure that identified near misses, unsafe acts, and unsafe conditions will be remedied within 21 hours of the incident or within a maximum of 7 days. We have also made it mandatory to wear safety belts when working at heights or with machines. Work permits are issued by an authorised person who ensures that the work is provided to a person who is familiar with the work environment and dangers involved in order to reduce risk for a job where some of the actions done are hazardous.



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c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes. We encourage our employees to report the work-related hazards to the shop floor shift in charge. As we have a small unit, the production manager is easily accessible at the shop floor for any safety related incidents.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes, all the employees and workers of our company are covered under the company's personal accident policy.

11. Details of safety related incidents:

Safety Incident Number	Category	FY 2021-22
Lost Time Injury Frequency Rate (LTIFR per one million-person hours worked)	Employees	0.30
	Workers	1.28
Total recordable work-related injuries	Employees	1
	Workers	17
No. of fatalities	Employees	0
	Workers	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0
	Workers	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

At GHCL, we believe that maintaining the safety of our employees, visitors, and the general public is critical to our long-term success. We maintain that a safe and healthy workplace is both a fundamental human right and a commercial necessity. We've implemented best-in-class safety standards and implemented a variety of measures to ensure that employees and workers are safe and healthy in the workplace. We have been working toward attaining 'Zero Harm,' and have established a goal of zero reportable injuries across all of our operations as part of our Sustainability Vision 2023. For our employees at GHCL, our goal of "Zero Harm" implies "Zero Accident and Zero Incident.". Some of the measures taken we have taken to ensure a safe and

healthy workplace includes fire mock drill trainings, fire safety system, creche, playing area, relax room, yoga room, 24x7 security, washroom. For differently abled employees, we have maintained parking space for car, widened doorways to allow a wheelchair to pass through easily and upgraded lift etc. In addition, through our sustainable supply chain initiatives, we are working with our value chain partners to ensure that health and safety risks are minimized for their employees and contract workers.

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22	
	Filed during the year	Pending resolution at the end of year
Working Conditions	Nil	Nil
Health & Safety	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% of our plants and offices were assessed internally for compliance to human rights and safety practices.
Forced/involuntary labour	
Health and safety practices	
Sexual harassment	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions:

GHCL has established a robust approach to identify, understand, control, and manage risk associated with hazards at workplace, including man-machine interaction, process safety and fire hazards. Improvement areas are identified on a regular basis and corrective efforts are made to prevent their recurrence in order to create a safe working environment and eliminate manual interventions. We have frequent training programmes on standard safety measures to be implemented, and knowledge of best practises is communicated across all plant locations. Employee

participation in incident reporting, safety observations, and near-miss reporting is a priority for us. The corrective steps performed during incident investigations are presented at quarterly meetings, and appropriate actions are taken to ensure their effective implementation.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers.

Yes, all employees and workers of GHCL are covered under Group Accident Policy. In addition, benefits like Mediclaim Policy and Group term insurance are also provided to employees

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Our admin department looks after the contractual employees and ensures that statutory dues are being deducted and deposited by the value chain partners every month. In addition, we have a robust system and compliance tacker tool which ensures effective management and reporting of the statutory dues of the value chain partners. Our admin department ensures that statutory dues such as PF, Gratuity etc. are deducted and deposited by the value chain partners every month.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers	No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment
Employees	Nil	NA
Workers	Nil	NA

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, we provide transition assistance programs for the retired employees. Interested retired employees are often hired as consultants on a fixed term employment on need basis.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Approximately 10% of value chain partners have been assessed.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Our people are at the heart of our business’s success, and their health and safety are of the utmost importance to us. During the reporting year, we provided capacity building to all of our civil contractors, instructing them on how to observe all relevant safety standards, such as wearing a safety belt. In addition, relevant workshops were conducted by the individual team members for workers who were injured while working. Following the injury, the sessions were held to determine the cause and take corrective measures to establish a more robust safety system.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

We acknowledge the importance of stakeholders in doing its business responsibly by creating a balance among the economic, social, and environmental objectives. We believe in the concept of inclusive growth, which is guided by our governance policies leading to enhanced transparency,

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responsiveness, and accountability in all our business dealings. The stakeholder engagement process is conducted by mapping out existing relations across our value chain. We analyse those stakeholders who can be impacted by our business operations and those who can impact our growth prospects. Our employees are one of our critical internal stakeholders. Hence, we strive for their welfare, wellness, health and create a conducive workplace. Our external stakeholders encompass customers, investors, government, regulatory bodies, knowledge partners, memberships, associations, etc. These stakeholders are managed through a stakeholder matrix that outlines how each stakeholder is engaged and the frequency and channels of engagement and communications. We are committed to providing quality products, safe operations and better social, environmental and health management practices across our business value chain

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	<ul style="list-style-type: none"> Annual General Meeting Quarterly earning calls and presentation Investor conferences Press releases and newsletters Regular disclosures to stock Exchange Updates on website of the Company 	Quarterly and Event based	<ul style="list-style-type: none"> Establishing long communication channel with our investor Providing updates in our key strategic decision and also updates our annual performances Taking feedback for improving our services
Suppliers	No	<ul style="list-style-type: none"> Suppliers / Vendors meet Suppliers' feedback and periodic site visits VENDX portal 	Monthly and need-based	<ul style="list-style-type: none"> Payment terms Growth of suppliers Fair and transparent dealing Loading/ unloading infrastructure Hygiene and sanitation infrastructure Safety system and performance
Employees	No	<ul style="list-style-type: none"> MD Speaks Town Hall Meeting Shop floor meeting GHCL TEA (Think, Experiment and Adopt) MILAP (Medium for interactive, Lateral and Actionable Partnership) DISHA meeting Engagement survey Monthly and quarterly publications and newsletter 	Quarterly and need-based	<ul style="list-style-type: none"> Providing updates on our quarterly financial performance Taking feedback for system improvement Exploring new ideas for business opportunity Develop a culture of learning organization Resolving grievance if any

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Community	No	<ul style="list-style-type: none"> Community meetings and visits Participatory rural appraisals including focus group discussion, awareness camps, exposure, and training visits for beneficiaries Interaction for local bodies 	Ongoing	<ul style="list-style-type: none"> Livelihood support Hygiene and sanitation facilities Healthcare facilities Education Local employment Infrastructure development Air and water pollution Resource optimization
Customers	No	<ul style="list-style-type: none"> Customer satisfaction surveys Direct customer relationship management satisfaction initiatives Regular customer / distributor notes 	Ongoing	<ul style="list-style-type: none"> Product quality Delivery Customer connect Credit period and transparent payment terms Packaging Health and safety aspects Innovation

Leadership Indicators

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

We conduct an extensive consultation with all concerned stakeholders and work towards finding better ways and means of value creation. Explicit and perceived stakeholder concerns are regularly reported to the executive committee for consideration, while the Company's policies and actions are shared as input for the stakeholders. The concerns identified during stakeholder engagements are viewed as both risks and opportunities for the Company. We identify strategies to mitigate the risks and capitalize on the opportunities that follow.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, stakeholder consultation is used to support the identification and management of environmental, and social topics. We engage with our stakeholders to uncover all the aspects of economic, environmental, and societal issues. We believe that stakeholder engagement leads to increased transparency, responsiveness, compliance, organisational learning, quality management, accountability, and sustainability. We have identified five key stakeholder groups who have high interest in Company as well as those who have high influence over the business. We engage with our stakeholders through our various modes of engagement to identify their key environment, social and governance concerns.

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3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

GHCL has been working towards upliftment of the communities around its plants in the areas of animal husbandry, agriculture, healthcare, and education. We connect with the marginalised and vulnerable elements of our society on a regular basis as a responsible corporate citizen. We used a variety of methods to identify vulnerable and marginalised stakeholders, including desktop research, targeted group discussions, and social need assessments. Our major engagement channels are with communities benefiting from our CSR interventions. We engage with them frequently through need assessment and other participatory methods to understand their needs and the impact that has been created after our interventions. We have also provided crucial Covid-19 assistance to our most vulnerable stakeholders, including communities and farmers.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	FY 2021-22		
	Total (A)	No. of employees / workers covered (B)	% (B / A)
Employees*			
Permanent	715	715	100%
Other than permanent	29	29	100%
Total	744	744	100%
Workmen			
Permanent	2,940	181	6%
Other than permanent	3,199	0	0%
Total	6,139	181	3%

*All our employees have signed the Code of Conduct which highlights the salient features of our human rights policies.

2. Details of minimum wages paid to employees and workers:

Category	FY 2021-22				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees					
Permanent					
Male	656	0	0	656	100%
Female	59	0	0	59	100%
Other than Permanent					
Male	27	0	0	27	100%
Female	2	0	0	2	100%
Workmen					
Permanent					
Male	1,235	0	0%	1,235	100%
Female	1,705	0	0%	1,704	100%
Other than Permanent					
Male	2,706	1,858	69%	848	31%
Female	493	67	14%	426	86%

3. Details of remuneration/salary/wages:

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category	Number	Median remuneration/salary/ wages of respective category
Board of Directors (BoD)	9	78,60,000	1	44,70,000
Key Managerial Personnel	3	4,56,14,484	Nil	Not applicable
Employees other than BoD and KMP	923	6,20,411	78	3,34,297
Workers	2,223	1,87,778	1,890	1,12,224

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, we have a grievance redressal committee that has been established to assist in the resolution of human rights impacts or issues that arise throughout the course of operations.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

GHCL ensures that human rights are strictly adhered to. We have constituted human rights policy and adherence to the policy is critical to us. Our POSH and Grievance Redressal Committee plays a major role to redress human rights related issues, if any. The details of working of both the committee are explained below:

POSH Committee

GHCL has zero tolerance towards sexual harassment at the workplace and upholds the responsibility to identify and prevent sexual harassment. We have adopted policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act. This policy is applicable to all the employees and workers in GHCL.

Grievance Redressal Committee

We have successfully implemented Executives Grievance Redressal Policy through GHCL Employee Management System (GEMS) platform and going ahead, we will be

digitalizing this whole policy. The motive of this policy is to ensure grievance are dealt in line with grievance redressal procedures. Under this policy, two level of committees are formed. If the response for the grievance/issue raised from first level of committee was not found satisfactory than the issue can be escalated to another level of committee with proper explanation. Further, final response must be communicated within 30 days to the complainant.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22	
	Filed during the year	Pending resolution at the end of year
Sexual Harassment	NIL	NIL
Discrimination at workplace	NIL	NIL
Child Labour	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL
Wages	NIL	NIL
Human Rights Issues	NIL	NIL

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

GHCL is committed to providing equal opportunities to all individuals and is intolerant towards discrimination and / or harassment based on race, sex, nationality, ethnicity, origin, religion, age, disability, sexual orientation etc. as protected



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by applicable laws. Our policies on Non-Discrimination, POSH, Whistle-blower & Grievance Redressal ensure that our employees are adhered to our commitment. Our Grievance Redressal Mechanism is available in GEMS which is accessible to all employees for posting grievances at any point of time. We also sensitise our employees on regular basis on the prevention of sexual harassment at the workplace through workshops, group meetings, online training modules and awareness programme which are held on a regular basis.

8. Do human rights requirements form part of your business agreements and contracts?

Yes, we have a strict guideline on human rights issues in all external contracts. Internal control procedures are also in place to ensure human rights compliance. All contracts are continually checked for adherence to rules.

Leadership Indicators

11. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

We modified our grievance redressal system and formed three new committees: the grievances redressal committee, the safety committee, and the VISAKA committee.

We also engage with our value chain partners on a regular basis through awareness seminars and assessments based on policy requirements. Furthermore, we have devised a special action plan based on any probable non-compliance with human rights policy criteria.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Compliance to the human rights policy is of utmost importance at GHCL. Going forward, we intend to do human rights due diligence on both our operations and our partners.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Our various locations have ramps for easy movement of differently abled people. Most of our offices include elevators and infrastructure for people with disabilities. Our Ahmedabad office, however, does not meet the

requirements of the Rights of Persons with Disabilities Act, 2016, but we are working on making it more accessible to people with disabilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Approximately 10% of value chain partners have been assessed.
Discrimination at workplace	
Child Labour	
Forced Labour/ Involuntary Labour	
Wages	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

We have mechanisms in place to access risks from our value chain partners. Currently, 10% of our value chain partners have been assessed.

PRINCIPLE 6 Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (GJ) and energy intensity:

Parameter	FY22
Total electricity consumption (A)	4,28,550 GJ
Total fuel consumption (B)	1,20,08,042 GJ
Energy consumption through other sources (C)	NIL
Total energy consumption (A+B+C)	1,24,36,592 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.0003
Energy intensity (GJ/MT of production)	10.28

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

Yes, independent assurance has been carried out by EY Associates LLP on the non-financial information in the above table.

- 2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No, we have not identified any sites/facilities as designated consumers under the PAT scheme of the Government of India

- 3. Provide details of the following disclosures related to water:**

Parameter	FY 2021-22
Water withdrawal by source (in kilolitres)	
(i) Surface water	23,31,091 kL
(ii) Groundwater	3,96,791 kL
(iii) Third party water	4,106 kL
(iv) Seawater / desalinated water	12,38,88,835 kL
(v) Others	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	12,66,20,823 kL
Total volume of water consumption (in kilolitres)	26,65,760 kL*
Water intensity per rupee of turnover (Water consumed / turnover)	0.00007
Water intensity (kL/MT of production)	2.20

*At our Soda Ash Division, seawater is drawn and used for cooling purposes and then discharged back into the sea. For this reason, it is not accounted as water consumed.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

Yes, independent assurance has been carried out by EY Associates LLP on the non-financial information in the above table and by S. R. Batliboi & Co. LLP on the financial information.

- 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

At present, none of our facility is Zero Liquid Discharge. We have installed wastewater purification systems at all our manufacturing locations and ensure that the quality of wastewater generated is within the permissible limits as prescribed by CPCB or the SPCBs. We fully understand the impacts of untreated wastewater on the environment and have thus, taken measures to minimize its impact on our surroundings. We have been consistently working on limiting our raw water withdrawal and have re-utilised treated wastewater for humidification and the development of green-belt areas.

- 5. Please provide details of air emissions (other than GHG emissions) by the entity:**

Parameter	Soda Ash	Yarn
NOx	16 µg/Nm ³	110 mg/Nm ³
SOx	11 µg/Nm ³	17 mg/Nm ³
Particulate matter (PM)	38 µg/Nm ³	75 mg/Nm ³

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

No, independent assurance has not been carried out on the above information.

- 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:**

Parameter	Unit	FY 2021-22
Total Scope 1 emissions	Metric tonnes of CO ₂ equivalent	11,62,150
Total Scope 2 emissions	Metric tonnes of CO ₂ equivalent	59,750
Total Scope 1 and Scope 2 emissions per rupee of turnover		0.0000016
Total Scope 1 and Scope 2 emission intensity	Metric tonnes of CO ₂ equivalent / MT of production	1.01



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Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

Yes, independent assurance has been carried out by EY Associates LLP on the non-financial information in the above table and by S. R. Batliboi & Co. LLP on the financial information.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, we are equally conscious of our carbon footprint and have taken steps to minimise CO₂ emissions by implementing cutting-edge technology, enhancing the efficiency of existing equipment, and installing energy-efficient lighting systems throughout all of our plants and sites. We also hold frequent awareness training to encourage our employees across all business units to adopt energy-saving techniques. In order to meet our Sustainability Vision 2023, we have been steadily increasing our renewable energy portfolio, using a combination of wind and solar power to provide a portion of our energy needs while lowering our carbon emissions. Our Consumer Products Division is one of our business segments, and solar energy meets a substantial portion of the energy requirement in salt pans. Our manufacturing processes are energy intensive and require essential amounts of natural resources. The continuous expansion of our businesses has also resulted in huge amounts of GHG emissions. Even as we continue to increase our production footprint, we continually monitor and manage emissions to reduce our carbon footprint. With a strong global commitment to limit global warming in accordance with the Paris Agreement, we understand the urgency and challenge of addressing the menace of climate change and have put in place an internal carbon price for relevant business operations. This method of pricing will aid in decarbonization by providing financial incentives to switch to low-carbon alternatives. We have taken a target to reduce our GHG emissions by 20% by 2023, keeping 2018 baseline.

8. Provide details related to waste management by the entity:

Parameter	FY 2021-22
Total Waste generated (in metric tonnes)	
Plastic waste (A)	110 MT
Bio-medical waste (C)	0.07 MT

Parameter	FY 2021-22
Construction and demolition waste (D)	-
Battery waste (E)	0.69 MT
Radioactive waste (F)	-
Other Hazardous waste. Please specify, if any. (G)	2.04 MT
Other Non-hazardous waste generated (H)	1,23,681 MT
Total (A+B + C + D + E + F + G + H)	1,23,790 MT

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste	
(i) Recycled	40,317 MT
(ii) Re-used	-
(iii) Other recovery operations	-
Total	-

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste	
(i) Incineration	-
(ii) Landfilling	-
(iii) Other disposal operations	-
Total	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?

Yes, The audit report on financial statements has been provided by independent auditors S. R. Batliboi & Co. LLP and assurance on non-financial statements in Integrated Annual Report by Ernst & Young Associates LLP.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes-

As a resource-intensive and diverse sector, we strive to incorporate material efficiency into our work processes, maximising the use of all raw materials while generating little waste. This strategy has ensured the proper and efficient use of by-products while also increasing our material efficiency rate. We envision the concept of creating income from trash at GHCL. Hazardous and non-hazardous wastes generated by our operations are

efficiently disposed of to minimise environmental impacts. Our environmental strategy, policies, waste segregation and treatment techniques, and waste disposal procedures all follow strict environmental regulatory criteria.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details:

Not applicable as there are no operations near the above-mentioned zones.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable. EIA is undertaken in the FY 2021-22

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

Yes, GHCL has been compliant with the applicable environment laws and regulations in India.

Leadership Indicators

1. Provide break-up of the total energy consumed (in GJ) from renewable and non-renewable sources:

Parameter	FY 2021-22
From renewable sources	
Total electricity consumption (A)	1,75,841 GJ
Total fuel consumption (B)	-
Energy consumption through other sources (C)	-
Total energy consumed from renewable sources (A+B+C)	1,75,841 GJ
From non-renewable sources	
Total electricity consumption (D)	2,52,710 GJ
Total fuel consumption (E)	1,20,08,042 GJ
Energy consumption through other sources (F)	-

Parameter	FY 2021-22
Total energy consumed from non-renewable sources (D+E+F)	1,22,60,752 GJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

Yes, independent assurance has been carried out by EY Associates LLP on the non-financial information in the above table.

2. Provide the following details related to water discharged:

Parameter	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)	
(i) To Surface water	-
(ii) To Groundwater	-
(iii) To Seawater	-
- No treatment	119,019,433 kL
- With treatment – please specify level of treatment	-
(iv) Sent to third parties	-
Total water discharged (in kilolitres)	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency

No, independent assurance has not been carried out on the above information.

3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information:

- (i) **Name of the area:** All the plants of GHCL are located in water stress areas
- (ii) **Nature of operations:** Major operations include soda ash and yarn production
- (iii) Water withdrawal, consumption, and discharge:



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Parameter	FY 2021-22
Water withdrawal by source (in kilolitres)	
(i) Surface water	23,31,091 kL
(ii) Groundwater	3,73,111 kL
(iii) Third party water	4,106 kL
(iv) Seawater / desalinated water	12,38,88,835 kL
Total volume of water withdrawal (in kilolitres)	12,65,97,143 kL
Total volume of water consumption (in kilolitres)	26,65,760 kL
Water intensity per rupee of turnover (Water consumed / turnover)	

Parameter	FY 2021-22
Water intensity (KL/MT of production)	2.20

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, independent assurance has been carried out by EY Associates LLP on the non-financial information in the above table and by S. R. Batliboi & Co. LLP on the financial information.

4. Please provide details of total Scope 3 emissions & its intensity:

We are engaged with an independent third party authority for decarbonisation strategy and calculating internal carbon price. After completion of the project, we are going to include scope 3 calculations in the report.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

Sr. No	Initiative undertaken	Details of the initiative	Outcome of the initiative
1	Replenishment of chemical grade limestone	We embarked on a project to replenish our chemical grade limestone reserves at captive mines which is diminishing with each passing year.	Through this project, we added 10 Million MT of Limestone reserves to our pool, enabling us to continue mining at a rate of 0.5 Million MT per annum for the next 10 years
2	Reduction in water withdrawal	In the Soda Ash division, technologies like reverse osmosis and nanotechnology have been used which resulted in the production of high-quality permeate from saltwater to meet the freshwater requirement.	This initiative is taken in line with our 2023 target of reducing 25% reduction in fresh -water consumption. This has led to a significant reduction in the intake of raw water.

* For more details, please refer to Natural Capital section of IR

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, we have a business continuity and disaster management plan in place. For all of our manufacturing plants and corporate offices, we have a disaster management plan in place. Our unit’s crisis management strategy includes organising and training small groups of workers to execute specialised services such as rescue, firefighting, and first aid, as well as ensuring that consumers have access to food and water. Our business continuity strategy addresses sensitive corporate data, operational information, infrastructure security, and personnel safety. It gives a quick overview of GHCL, its context, risk appetite, and the requirement for a business continuity strategy. The plan is targeted to- contain the incident, minimize casualties, and prevent further injuries, migratory measures, quick and streamlined relief and rescue operation without unnecessary delay, speed up restoration of normalcy and ensure each member of the emergency operation including response team and employees are aware of their role in emergency. With respect to business continuity, a detailed Business Impact Analysis (BIA) has been carried out considering various conventional threat vectors and cyber threats. This BIA identifies core business functions and critical business sites that are covered under the resiliency programme. Most of the business functions are supported through automation with the help of technology. Hence IT resiliency forms a critical component of Business Contingency Plan.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

There is no significant adverse impact to the environment, arising from the value chain of the entity. We are conscious of the environmental impacts across the value chain. Every supplier / vendor that GHCL engages with is obliged to sign and adhere to a code of conduct for suppliers. Along with quality requirements, this Code of Conduct covers the environmental, health, and safety norms that the supplier must follow.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Approximately 10% of our value chain partners have been assessed for environmental impacts.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Seven

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Alkali manufacturers Association of India	National
2	Indian Chemical Council	National
3	The All-India Glass Manufacturer’s Federation	National
4	Mills’ Association	State
5	Confederation of Indian Industry (CII)	National
6	PHD Chambers	National
7	Federation of Indian Chambers of Commerce and Industry (FICCI)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities:

No adverse orders have been issued to GHCL from regulatory authority.

Leadership Indicators

1. Details of public policy positions advocated by the entity

In the current financial year, we did not advocate any public policy positions.



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PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

We have engaged an independent consulting agency to carry out Social Impact assessment for our agriculture and animal husbandry project. The project is being spearheaded by GHCL's CSR team. It is scheduled to completion in FY 2023. However, if any negative social impact is identified in the social impact assessment report, we will take suitable measures to reduce it.

- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

Not Applicable. No displacement of people done through our operations and acquisitions.

- 3. Describe the mechanisms to receive and redress grievances of the community.**

At GHCL, we constantly engage with our communities through various modes like face-to-face meetings, letters, emails, etc. Same modes of communications are also used to communicate the information regarding any resolution of grievances or complaints (if any). In the given reporting year, we have received and resolved 22 grievances or complaints from Communities where we operate.

- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2021-22
Directly sourced from MSMEs/ small producers	34%
Sourced directly from within the district and neighbouring districts	24%

Leadership Indicators

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

GHCL has engaged an independent consulting agency for conducting Social Impact assessment for its agriculture and animal husbandry project initiatives taken by CSR, Report is yet to received, However, GHCL will take appropriate steps to mitigate any negative social impact identified in the social impact assessment report.

- 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

No CSR activities were undertaken in aspirational districts in FY 2021-22.

- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

No, we do not have a preferential procurement policy.

- (b) From which marginalized /vulnerable groups do you procure?**

It is not applicable as we do not have a preferential policy

- (c) What percentage of total procurement (by value) does it constitute?**

It is not applicable as we do not have a preferential policy

- 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not applicable**

- 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved: Not applicable**

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Agriculture	13,666	-
2	Animal husbandry	6,926	-
3	Fisherman livelihood	200	-
4	Education	2,982	-
5	Medical facilities	46,166	-
6	Water projects	1,635	-
7	Women empowerment	2,322	-

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**Essential Indicators****1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback -**

To ensure customer grievances are redressed promptly and effectively, the GHCL has put in place a grievance redressal mechanism and a team is in place which is responsible for managing customer grievances. During the year under review, we have received and resolved 79 grievances or complaints from our consumers:

We believe in providing a seamless experience to our customers. One of our customer grievance redressal process is mentioned below:

The Material are dispatched from GHCL premises and reaches customer location. Whenever there is a customer complaint received such as wet bags/logistics/quality of material, the marketing team, logistic team, and the quality team does the analysis of the complaints to identify the root cause. In the meantime, any one of the two new sales document types are created for the complaint case.

1. ZRCL - Complaint related to logistic
2. ZRCQ – Complain related to quality

After categorising the complaint in one of the above-mentioned categories, following steps are undertaken:

Step 1: Based on the complaint type received from the customer, the Marketing team selects the above order type and create a return sales order with the complaint quantity. The marketing team provides all complaint details in order for example: Nature of complaint details, Objective evidence etc.

Step 2: After the complaint details are provided, an email is sent to the to logistic/quality team with customer complaint form details for approval.

Step 3: In the next step, a new transaction is developed for approval where the logistic/quality team enters CAPA/RCA details.

Step 4: In the final step, the marketing creates return delivery and generate credit note to customer

The team teams from various verticals works closely with the management and provides regular feedback on process, policies, and customer related complaints. This leads to improvements and ensures complaints are reduced.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	0%



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3. Number of consumer complaints in respect of the following:

	FY 22	
	Received during the year	Pending resolution at end of year
Data privacy	Nil	Nil
Advertising	Nil	Nil
Cyber-security	Nil	Nil
Delivery of essential services	Nil	Nil
Restrictive Trade Practices	Nil	Nil
Unfair Trade Practices	Nil	Nil

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. –

We consider data privacy a critical aspect to ensure customer information safety. Our IT Security policy clearly outlines our approach to data privacy which is accessible to all internal stakeholders. In addition, we have not received any Consumer complaint in FY 2021-22 related to Data privacy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services-

There are no complaints received. However, we always ensure that the best quality products are delivered to our customers and make sure that feedback received from our stakeholders are considered in our business processes.

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed

Information relating to products and services can be accessed through our corporate website. In addition, we have mentioned few more channels/ platforms from which the information on goods can be accessed:

- Face to face communication** - Dealer and customer meets, direct interaction with the customer or distributor, participation in various events and exhibitions, participation in various national and international forums
- Broadcast & media communications-** Press release, interviews of senior officials both print and electronic
- Electronic communications-** Website, E Brochures, Product films, social media
- Internal Communications** - Internal newsletter, e-mailers, power point presentations, MD speaks, Town-halls, Intranet.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services-

GHCL is devoted to customer safety and takes steps to ensure that consumers are informed about using products safely and responsibly. We make sure that product labelling contains all of the necessary information about how to use things safely and responsibly. Furthermore, for the convenience of our customers, we publish the material safety data sheets on our website www.ghcl.co.in and give them upon request. We also create chemicals that comply with the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations, with an emphasis on environmental and societal protection.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

In the case of any unprecedented situation or any risk of disruption or discontinuation of production or services, all the relevant stakeholders are communicated appropriately and timely. Customers are informed either through email or over phone or both as per the request.

- 4. Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, GHCL displays product information on the product over and above what is mandated as per local laws. We always believe in being transparent with our customers by providing all the relevant details. We also have documents such as safety data sheets which is displayed on the website of our company with relevant information of our products.

We continuously conduct customer satisfaction surveys to seek feedback from our customers, more details on the customer satisfaction can be found in the integrate report customers section.

- 5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?**

Yes. The details of the survey can be found in the Integrated Report in the customer's section.

- 6. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact –**

No such incidence has been reported in the FY 2021-22

- b. Percentage of data breaches involving personally identifiable information of customer –**

No such incidence has been reported in the FY 2021-22



Management Discussion and Analysis 2022

DISCLAIMER:

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

MANAGEMENT DISCUSSION AND ANALYSIS

The management of GHCL Limited presents the analysis of division-wise performance of the Company for the financial year ending March 31, 2022 and its outlook for the future. This outlook is based on an analysis of the present economic landscape. It may vary due to the future economic and related developments, both in India and abroad.

REVIEW OF ECONOMY

Overview of Global Economy

The global economy entered 2022 in a weaker position than anticipated. The January 2022 edition of the International Monetary Fund’s ‘World Economic Outlook Update’ estimated the global economy to grow at 5.9% in 2021 and then moderate to 4.4% in 2022, largely reflecting forecast markdowns in the two largest economies, the United States and China. As the new variant of COVID-19 spread, countries started re-imposing movement restrictions and financial market turbulence was

observed by the end of 2021, threatening to derail the tentative economic recovery route. Even though the symptoms were milder, increasing transmissibility exacerbated labour shortages and put more strain on healthcare systems, leading to stricter and longer-lasting movement restrictions. Higher and more broad-based inflation than expected was observed due to rising energy prices and supply disruptions, particularly in the United States, several emerging markets and other developing nations. The global economic growth is thus expected to slow down to 3.8% in 2023. Although this is a 0.2%-point increase over the prior forecast, the improvement indicates a mechanical recovery once the current drags in economic growth subside by the second half of 2022. The forecast is condition to adverse health outcomes declining to low levels in most countries by the end of 2022, provided that global vaccination rates increase, and medicines become more effective. With the pandemic continuing to maintain its grip, a strong global health strategy is more important than ever. To limit the likelihood of the occurrence of deadlier and highly contagious COVID-19 variants, easier access to vaccines, tests, and treatments would remain critical. This would also involve the higher production of supplies, improved in-country delivery networks and an effective distribution network worldwide. Monetary policies of nations would also need to be framed in a way so as to curb inflation pressures, while economic policies will have to prioritise health and social spending while focusing support on the most impacted segments of the society. International cooperation will be essential to preserve access to liquidity and expedite orderly debt restructurings wherever necessary. Investment in climate policies also remains imperative to reduce the risk of catastrophic climate change.

Inflation is expected to remain elevated in the near term, averaging 3.9% in advanced economies and 5.9% in emerging market and developing economies in 2022, before subsiding in 2023. The rapid increase in fuel prices is also expected to moderate during FY 2022-23, which will help contain headline inflation. The future market studies also indicate that oil and natural gas prices will remain firm in 2022 before retreating in 2023 as supply-demand imbalances recede further.

Towards the end of the fiscal year, Russia’s special military operation against Ukraine resulted in a catastrophic loss as well as a huge destruction of physical infrastructures in Ukraine and led to the displacement of over one million people to the neighbouring nations. The economic repercussions of this military operation are bound to be severe and the outlook extremely unpredictable. Energy and commodity costs, especially coal, natural gas, wheat and other grains,

have risen sharply, adding to inflationary pressures caused by disruptions in the supply chain. The crisis has also caused an unexpected inflation in many nations that have already been reeling under high price pressures. To calibrate appropriate responses, monetary authorities will need to closely monitor the pass-through of rising overseas prices to contain domestic inflation. As the global economy recovers from the pandemic, complicated policy trade-offs will surface due to this crisis, significantly complicating the economic policy landscape. Countries with closer economic ties to Ukraine and Russia would be more vulnerable to shortages and supply interruptions and are bound to be adversely impacted by the mounting influx of refugees.

In 2022 and 2023, combining all the possible scenarios, global trade is anticipated to slow, in accordance with the overall growth trend. Supply chain issues are projected to fade later this year, assuming the pandemic eases over the course of 2022. The resulting global economic slowdown in goods consumption will also help to balance the finances.

Overview of Indian Economy

In its January 2021 update of 'World Economic Outlook', the International Monetary Fund (IMF) has projected India's growth at 9% for FY 2021-22 and 7.1% for FY 2022-23. India's prospects for 2023 are strengthened by predicted improvements in credit growth, and as a result, investment and domestic consumption building on better than anticipated performance of the financial sector.

The Economic Survey 2021-22, presented by the Union Minister for Finance and Corporate Affairs, highlighted that Indian economy is estimated to grow by 9.2% in real terms for FY 2021-22 subsequent to a contraction of 7.3% seen during FY 2020-21.

As per the estimates of India Brand Equity Foundation (IBEF), India's GDP is projected to grow by 8-8.5% in real terms during FY 2022-23. The coming year is also expected to see an upsurge in private sector investments, with the financial system in strong shape to assist the economy's recovery. This projection is also in line with the real GDP growth rate projections from The World Bank and Asian Development Bank of 8.7% and 7.5%, respectively.

During FY 2021-22, agriculture and allied businesses rose by 3.9%, industry by 11.8%, and the services sector by 8.2%. The proportion of GDP spent on social services (health, education, and other) by the Centre and States jumped from 6.2% in FY

2014-15 to 8.6% in FY 2021-22. During this period, consumption expanded by 7.0%, Gross Fixed Capital Formation (GFCF) by 15%, exports by 16.5%, and imports by 29.4%. As per the macroeconomic stability indicators, the Indian economy appears to be well-poised to tackle the challenges of 2022-23.

The Gross Tax Revenue registered a growth of over 50% during the period April to November 2021 and has showcased a relatively stronger performance when compared to the pre-pandemic levels of 2019-2020. During April-November 2021, Capex has grown by 13.5% (YoY) with a strong focus on infrastructure-intensive sectors. With enhanced borrowings on account of COVID-19, the Central Government debt has gone up significantly compared to FY 2019-20. However, it is expected to follow a declining trajectory as the Indian economy shows positive signs of recovery.

For FY 2021-22, Standard & Poor's credit rating for India stood at BBB(-) with a stable outlook, Moody's credit rating stood at Baa3 with a stable outlook, Fitch's credit rating was reported at BBB(-) with a negative outlook, whereas DBRS's credit rating for India stood at BBB (low) with a stable outlook.

During the current fiscal year, India's merchandise exports and imports soared, surpassing the pre-COVID levels. Despite weak tourism revenues, net services have seen a significant increase, with both receipts and payments exceeding pre-pandemic levels. Net capital flows increased to US\$ 65.6 billion in the first half of FY 2021-22, reflecting continued inflow of foreign investment, a resurgence in net external commercial borrowings, increased banking capital, and further special drawing rights (SDR) allocation. India's external debt increased to US\$ 593.1 billion at the end of September 2021, from US\$ 556.8 billion a year earlier, due to increased commercial borrowings and greater SDR allocation by IMF. During the first half of FY 2021-22, foreign exchange reserves exceeded US\$ 600 billion, reaching US\$ 617.65 billion in March 2022.

The Indian economy is expected to experience negative consequence as a result of the global economic fallout from the Russia - Ukraine situation. The sudden increase in global oil prices has resulted in a major trade shock with macroeconomic consequences. With growing inflation, limited fiscal space, and the risk of rising global interest rates amid high public and corporate debt, the crisis intensifies the already difficult trade-offs prevalent in Asia. It is expected that for FY 2022-23, a combination of substantial foreign exchange reserves, continued foreign direct investment, and expanding export revenues will offer an adequate cushion against anticipated



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global liquidity contraction. In addition, the Indian government's unique response comprising of safety nets to soften the impact on vulnerable sections of society and the business sector, a major increase in capital investment to promote growth, and demand and supply-side reforms would continue to ensure sustained long-term growth.

INORGANIC CHEMICALS (SODA ASH) GLOBAL SODA ASH INDUSTRY

DEMAND-SUPPLY SCENARIO

DEMAND

The total Global Soda Ash capacity in 2021 was estimated to be around 71 million MT and demand in 2021 is around 63.5 million MT as per latest estimates of IHS Markit, with operating rates remained around 90%. An 8% increase in overall global demand was witnessed in 2021 (63.5 MMT) against the COVID-19 hit period of 2020 (58.7 MMT) and by 2% compared to 2019 (61.9 MMT)

Soda Ash markets are expected to remain strong in 2022 and a growth estimate of 4% is expected compared to 2021. Even though high energy costs and less capacity available will be an unfavorable factor the margins are forecasted to improve in 2022 with operating rates at record high levels.

Though the impact of the pandemic seems to be broadly over, global operating rates may now be impacted by steep rise in energy and supply chain prices (further aggravated by the Russia-Ukraine situation) as global inflation is looming over the Soda Ash manufacturers.

SUPPLY

China remains the largest Soda Ash producer in the world with production totaling 29.1 million MT in 2021 (up 5.4% Y/Y compared to 2020). US remained the largest Soda Ash exporter in the world followed by Turkey and then China.

China continues to be the largest Soda Ash producer in the world, having a nameplate capacity of around 31 Million TPA, which is 43% of the global capacity. Soda Ash production is higher than previous year by 5.4%. As per IHS Chemical report, China's operating rates were around 93% in 2021, reporting a production of around 29.1 million MT. Domestic consumptions was around 28.6 million MT (up 7.5% against last year), with 0.76 million MT being exported, a sharp drop of 45% in total export was reported in 2021. Glass sector was the largest Soda Ash

consuming sector at 53% of the total demand. With various environment related restrictions on manufacturers and good demand from solar glass sector, China may become a net importer of Soda Ash in 2022.

US Demand has remained stable in 2021 with tight supply and robust demand from Mexico & South America. Production in 2021 is estimated at around 11.5 million MT, an increase of 16% compared to 2020. With capacity of 13.25 million MT operating rates are estimated at 87% in 2021. Exports grew 24% compared to 2020. With South East Asia (32%) being the top export destination followed by South America (27%) and then North America region (25% - Canada + Mexico).

EU - Soda Ash market in Europe is disrupted by high Natural Gas prices and carbon surcharge. The average operating rate in 2021 was at 85%. Production of Soda Ash saw a slight drop but the domestic demand increased by 4% compared to 2020. Imports grew by 28% and Exports grew by 41%. Automobile production fell by 5% in 2021, a good recovery in automobile production is expected in 2022. Imports of Soda Ash are being delayed and inventory levels are drying up, 2022 is expected to remain extremely tight on supply of Soda Ash.

Announced capacity expansions of about 2.25 Million MT combined for Solvay & Genesis are now delayed & expected only by end of 2024.

INDUSTRY OUTLOOK

Global

The world estimated 2021 distribution of soda ash by end use is as under:

Glass	51%
Detergent and Soap formulations	13%
Chemical	18%
Alumina /Metals and mining	5%
Others (Environmental protection/ Effluent treatment etc.)	13%

An increase of 8% in demand of Soda Ash compared to 2020 levels is estimated with major demand driver being the Glass sector.

INDIAN SCENARIO

Indian economy and production showed a good growth recovery compared to 2020. With Soda Ash production increased about 15% compared to 2020 levels on the backdrop

of good demand across all sectors and also as imports fell by 11% YoY, however due to good demand from overseas customers Soda Ash industry saw exports growing by around 44%, though on a small base.

Indian GDP witnessed around 9% growth in 2021, with Industrial growth and economic recovery, the Soda Ash industry also saw a good demand from all segments.

The Indian Soda Ash market constitutes of two varieties – Light grade (majorly used in detergent and other chemical industries) & Dense grade (majorly used in glass industry), with an equal share.

Total installed capacity of Soda Ash in India is 4.3 million tons, with an estimated production of about 3.58 million tons in 2021-22. The total size of the Indian Soda Ash market is about 4.15 million tons and currently almost 16% of the Indian demand is being met by imports. Almost all the major industry players are located in the state of Gujarat due to the closeness and ready availability of the main raw materials namely Limestone and Salt.

Sourcing of these key raw materials like Limestone & Salt are posing a major challenge to the industry, we are forced to rely on imports of Limestone as no fresh Limestone mines are being allotted by the Govt. of Gujarat. Salt production in Gujarat which was hit by Cyclone has hugely impacted Salt availability and consequently prices.

GHCL SODA ASH BUSINESS

GHCL Limited is a leading producer of Soda Ash in India and the Soda Ash business contributes about 75.64% of total standalone revenue of the Company.

GHCL shares highly successful client relationships and is the preferred supplier to all major soda ash consumers like Hindustan Unilever Limited, P&G, Aditya Birla- Grasim Industry, Patanjali Ayurveda Limited, Fena Group, HNG Group, Gujarat Guardian Limited, Borosil Renewable Limited, Piramal Glass Limited, ST. Gobain & Philips to name a few.

The current operating capacity of GHCL is 1.10 million MT of Soda Ash per annum. We are now focusing on various growth initiatives, such as a new Greenfield Soda Ash project of 0.5 million MT, augmenting backward integration of raw material for enhanced control on cost, focus on reducing carbon footprint through proposed 6.5 MW of renewable energy project, inducting AI (Artificial Intelligence) & IoT (Internet of Things) 4.0 at plant level for manufacturing excellence which can enable immense efficiencies, exploring product basket expansion

for synergistic and value added bulk chemicals, and doubling the Sodium Bicarbonate production capacity. Focus is also on increasing our customer serviceability levels.

OPPORTUNITY AND CONCERNS

The revival of economy post the pandemic and growth in demand of Soda Ash is clearly visible, with more markets opening up and lower import volumes, the Soda Ash markets are expected to remain healthy in 2022.

Post pandemic the revival of dyes, intermediates and specialty chemical industry has shown a tremendous growth, the requirement of Soda Ash from these industries is good and is expected to continue throughout the year. Detergent sector is stable, though it has not fully reached pre-pandemic levels.

With many new announcements of capacity addition in solar glass and various government PLI schemes and Anti-Dumping Duty (ADD) on import of Float Glass will boost the glass sector.

However, high energy and raw material prices and rising fuel prices is a great cause of concern. The impact of Russia-Ukraine situation with rising inflation and global economic turmoil will also have an impact on the Indian market and will eventually affect the spending habit of consumers and may result in drop some demand destruction. Imports of Soda Ash to India are expected to be on a lower side in 2022 and this will lead to more tightness in the market.

CONSUMER PRODUCTS BUSINESS:

The consumer product business was acquired in the year 1999 and has its salt harvesting works at Vedaranyam, Tamil Nadu and refinery at Chennai, Tamil Nadu for its edible salt manufacturing. Our industrial salt commands a premium in caustic soda industries and our edible salt are available in 'i-FLO' and 'SAPAN' brands in the retail market.

The edible salt has a range of varieties like i-FLO Free Flow Salt, Crystal Salt and the premium Triple Refined Salt. i-FLO Triple Refined Salt is manufactured in the state-of-art facility at Thiruporur, near Chennai. In order to remain compliant with the food safety norms and produce standardized quality of products, the manufacturing facility is accredited with "Halal Certification" and "ISO 22000:2018" for food safety and Quality Management System.

A major slice of business for consumer product division owes to its sales of Industrial grade salt. Salt production saw a major downfall during last three years due to unseasonal rains as the



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salt production entirely depends on climatic conditions. The salt production was delayed because of the extended monsoon, lowering production substantially over the same period of previous year.

CONSUMER BEHAVIOUR TRENDS:

A consumer behaviour trend in the use for salt in daily life was indeed a notable trend during these COVID times. Increase in demand was seen for crystal salt for its use as a hygienic agent and its medical benefits was reported in southern parts of India. As hygiene and cleanliness take precedence in consumer's mind our division is taking great precautions in product handling by disinfecting the manufacturing centers and training team on safe food handling practices. Consumers will now be more careful in understanding the food labels like never before. Ingredients used and claims made by products will be scrutinized before they make a choice to buy it. GHCL Consumer Products Division is taking utmost care and is meticulously working towards proving the end user the best quality and user experience.

TEXTILES – OUTLOOK & GROWTH

As like last year, the start of FY 2021-22 was also hit hard with worldwide lockdowns with the pandemic spread was very fast across continents. Majority of the retail stores were closed and only essentials were open. During second quarter onwards the scenario start changed and all the major markets like USA, UK, Europe, South America, Asia etc., opened up with good brisk. This resulted into a strong growth in demand for textiles products, specifically Clothing & Apparels and home textiles as majority of the offices worked from home. Africa and Australia has been much slower where vaccinating the population is presiding over opening up the economy. A spurted demand has been created in clothing and apparels including home textiles business which can be attributed to the negative sentiments towards China including the restriction of buying products from the Xinjiang province in China. The high demand for ELS cotton (Pima, Giza, etc.) resulted in the cotton price going up to more than 150+ US cents/lb from about 100 US cents/lb in just 3-4 months creating a big strain on the cost for manufactures of made-ups and garments. Indian cotton prices also moved up significantly and the price touched at par with other import cottons. Looking at the current scenario worldwide it still looks that the work from home culture may continue in the coming financial year and hence the demand for clothing and apparels shall be strong.

GHCL - TEXTILES

GHCL yarn manufacturing facilities has 1.85 Lakh ring spindles, 3320 rotors, 5760 TFO spindles and 5 Airjet Spinning (480 positions) based at Paravai in Madurai District and at Manaparai in Tiruchirapalli District in the state of Tamil Nadu.

Our mission on sustainability reaches new heights with our "Earthology" collection - Eco Cotton, Eco Corn Cotton and Eden Dyes. These new sustainable ranges offer exciting new concepts of decomposable CVC fabrics - vegetable dyes and products made from renewable resources. We presented our (patent pending), new fit story called Fab-Fit Luxe for the perfect fit on every bed. Fab-Fit Luxe, the true sense of innovation, offers everyday benefits to the end consumer.

Traceability being a strong "pillar of practice" at GHCL, has led us to develop 'TRUE Trace' platform based on QR code technology that has been fully implemented and audited by third party accreditations. 'TRUE TRACE' platform offers a B2B & B2C level of confidence for special cottons (viz. Egyptian and Supima cotton,) on its authenticity and source traceability. Weavestry - the "best of all sheets" is made with a balanced hybrid weave and selected cotton fibres that are carefully woven and processed to perform at their best. The range offers products that can withstand up to 240 washes giving it a life of about 10 years.

GHCL's yarn spinning division is producing value added yarn Viz. GIZA, SUPIMA, Australian, CmiA Yarn for both domestic and international market. Many specialized products are producing against tailor-made application (specialized yarn) which will help to popularize our brand name through customer communication which includes our True Trace technology. Our product basket increased to multi fold penetrating to new market for different applications to maintain the sustainability. The yarn division is using sustainable cotton to the extent of 50% during the current year and it is bench marking to use around 90% sustainable cotton over a period. During the first quarter, Covid-19 has disrupted the demand and supply chain across the country and globe and yarn division is not an exception to it. Due to sudden spurt in demand the yarn division performed much better than expected from second quarter onward and achieved record profit margin. Sudden surge in yarn demand and continuous uptrend in yarn price helped spinning industry to return back to growth. Increase in consumption of apparel in kids, casual wear, hospitality sector and reshuffling of global market share of Textile industry brings huge opportunity in highly value added product like Supima, Giza, contamination free and organic both in coarser counts for knitting and finer counts in weaving.

GHCL Yarn Division has reduced the receivable and stock of finished goods significantly and highly penetrated into the value added and premium segments. Export of goods sizably increased from 5% level to 15% level and it will further grow in the coming financial year.

STRENGTH, OPPORTUNITIES, THREATS AND RISK MITIGANTS:

We are undertaking various growth initiatives for expansion of the Spinning facility, such as installation of 40k spindles to be completed during the FY23, plan to further add another 40k spindles to be completed in FY24, focus on green energy with 20 MW of solar energy implemented and additional 10 MW under implementation. With this, total renewable energy (solar & wind) would be 57 MW at the end of FY23 catering to 75% of the energy needs. We are also focused on product basket expansion and value-added segment growth, customer realignment and operating excellence and emphasis on sustainability and innovation as the core planks.

At GHCL, our strengths revolve around our penchant for innovation and consistent product development with the aim of creating a clear differentiation from competition, our strong passion for sustainability and the circular economy, our thought leadership in creating intellectual property and our ability to collaborate with multiple agencies to realise our four pillar strategy. The fact that retailers continue to explore risk mitigation options pertaining to their country of origin sourcing strategies, is an obvious opportunity for us, especially when it comes to China, with regard to the uncertainty pertaining to trade policies including the negativity related to the Xinjiang cotton region & the current pandemic, and to Pakistan when it comes to unfavourable geo-political conditions. Foreign exchange risks are a reality in this business, but with the robust mechanics of our treasury department, we are able to take proactive measures to mitigate or minimize potential risks.

Adopting principles like cash conservation, supply chain resilience and innovation' will help businesses in treading a new path in this uncertain environment.

COMPANY PERFORMANCE - PERFORMANCE HIGHLIGHTS - CONTINUE OPERATIONS

- Revenue for the financial year ended 31st March 2022 is Rs 3789.17 Crore as against Rs. 2498.23 Crore for the previous Financial Year ended 31st March 2021.

- Profit before financial expenses and depreciation for the financial year ended 31st March 2022 is Rs. 992.29 Crore as compared to Rs. 604.05 Crore for the previous Financial Year ended 31st March 2021.
- PBT (Profit Before Tax) for the financial year ended 31st March, 2022 is at Rs. 786.97 Crore against Rs. 418.33 Crore for the previous Financial Year ended 31st March 2021.

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

As per the Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefor have been provided in note no. 48 (8) (refer page no. 306 of Annual Report).

INTERNAL CONTROLS AND RISK MANAGEMENT

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

The Company conducts its business with integrity, high standards of ethical behavior and in compliance with all applicable laws and regulations that govern its business. To supplement the internal control mechanism, the Company has appointed external independent internal audit agencies to carry out concurrent internal audit at all its locations for all the business segments. Audit & Compliance Committee of the Board of Directors reviews the internal control systems on a regular basis to improve their effectiveness besides verifying statutory compliances. The Audit & Compliance Committee meets periodically to discuss findings of the internal auditors along with the remedial actions (i.e. Action Taken Report) that have been recorded or have been taken by the management to address weaknesses of the system. The statutory audits are conducted by globally recognized 'Big 4' audit agencies to ensure that the company's practices are in line with global



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best practices. A compliance management tool had also been adopted to ensure timely compliance with legal, financial, environmental, labour, governance, safety and other relevant regulations.

At GHCL, Risk Management and Internal Audit functions complement each other to form an elaborate risk management system that evaluates the efficacy of the framework relating to risk identification and mitigation. The Company strives to adopt a de-risking strategy in its operations while making growth investments. This involves setting up and monitoring risks on a regular basis. GHCL has Risk & Sustainability Committee in line with the requirement of Regulation 21 of the Listing Regulations. The Company applies Risk Management in a well-defined, integrated framework, which promotes awareness of risks and an understanding of the Company's risk tolerances. The management monitors the internal control system, designed to identify, assess, monitor and manage risks, associated with the Company. Each risk is provided with different number of control measures depending upon its potential impact and probability of occurrence. The risk management framework incorporates both financial and non-financial risks, as explained in the section on "Risks and Opportunities" on page no. 18 of the report.

HUMAN CAPITAL MANAGEMENT

Human Capital Management has always been a key focus area for GHCL Limited, which is evident from the fact that Employees

are one of our key stakeholders. It is our firm belief that nurturing and strengthening the human resource or human capital is of utmost importance. Therefore, the HR function plays a critical role in creating a unique organizational structure and corporate identity for the Company through various initiatives, incentives and learning and development programmes. Good human resource is vital for the success of any business, therefore GHCL regularly revisits its policies and practices to ensure that they comply with the values of the Company and can be benchmarked against the leaders in the industry. As on March 31, 2022, number of people employed are 6880 including other than permanent employees and workers. For more details on Human Capital Management at GHCL, refer to 'Human Capital' section on page no. 46 of the report.

CSR Initiatives

GHCL Limited, since beginning, has been determined to focus on the holistic development, including the growth of society as a whole, particularly in the region of its operations. This is done with the aim to establish social license to operate and maintain a harmonious relationship with local stakeholders. For last two years, more focus has been given on expanding the CSR footprint in our operational areas along with meeting the expectations of the people. In doing so, our NGO partners, through GHCL Foundation, play a pivotal role in strategically planning and systematically executing our CSR initiatives. For more details on Corporate Social Responsibility at GHCL Limited, refer to 'Social & Relationship Capital' section on page no. 54 of the report.

Corporate Governance

For the Financial Year ended March 31, 2022

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

1. Company's Philosophy on Code of Corporate Governance

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

Your Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth. Over the years, your Company has institutionalised some of the best practices of corporate working and behaviour in its processes and addressed the governance issues transparently and effectively. Although your Company had to constantly evolve to survive in a competitive economy, there are values - intrinsic to its corporate culture - that it has preserved and will carry forward with it into the future.

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

In order to strengthen corporate governance practices, company had adopted a code of conduct for Board of Directors and senior management personnel of the Company, Policy on Board Diversity, Policy for determination of materiality, Policy on succession plan for appointment to the Board and Senior management, Whistle Blower Policy, Risk Management Policy, Policy on preservation of documents and Archival Policy, Policy for determining Material Subsidiary, BRR Policies, Investor's Grievance Redressal Policy, Data Privacy Policy, Code of Conduct for Suppliers etc. of the Company. These policies are available on the website of the Company. The Company's corporate governance philosophy has been further strengthened through the code of practices and procedures for fair

disclosures of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by insiders pursuant to SEBI (Prohibition of Insiders Trading) Regulations, 2015. Further, to strengthen governance, the Board has appointed independent director as a chairman of Audit & Compliance Committee, Risk & Sustainability Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee. The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

2. Board of Directors

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

2.1 Role & Responsibilities:

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

- (i) To play an oversight role with an objective to ensure that companies have systems in place to effectively manage key risks, including the potential for reputational harm and legal liability associated with adverse social and environmental impacts.
- (ii) To establish and reinforce an overarching set of expectations with regard to the short- and long-term management of social and environmental risks.
- (iii) To make strategies on CSR and developing framework for its implantation.
- (iv) To ensure that the executive management has complied with the applicable statutory compliances related to CSR and other applicable laws.



Corporate Governance

For the Financial Year ended March 31, 2022

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

2.2 Board's Composition:

The Composition of the Board as on March 31, 2022 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2022			
Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter Directors	Mr. Sanjay Dalmia – Non Executive Chairman	3	30.00%
	Mr. Anurag Dalmia – Non Executive Vice – Chairman		
	Mr. Neelabh Dalmia – Executive Director (Textiles)		
Independent Directors	Mrs. Vijaylaxmi Joshi (Retd.IAS)	5	50.00%
	Dr. Manoj Vaish		
	Justice (Retd.) Ravindra Singh		
	Mr. Arun Kumar Jain (Retd.IRS)		
	Dr. Lavanya Rastogi		
Managing Director / Executive Director	Mr. R S Jalan – Managing Director	2	20.00%
	Mr. Raman Chopra – CFO & Executive Director (Finance)		
TOTAL NO. OF DIRECTORS		10	100%

The Board of GHCL Limited is having an optimum combination of executive and non-executive directors and the Board consists of 10 Directors, 7 of whom are Non - Executive Directors including one woman independent director. The Chairman of the Company is a Non -Executive Director and promoter of the Company and hence the requirement that at least one – half of the Board shall consist of Independent Directors is complied with as the Company has 5 Independent Directors. Hence, the composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations. All the Non-Executive Directors, including Independent Directors, play a critical role in imparting balance to the Board processes by bringing independent judgement in issues of strategy, performance, resource allocation, compliance of code of conduct and standards of the Company's conduct etc. All of the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

2.3. Board Procedure:

The Board of Directors meets periodically to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, budget, the annual financial plan, significant contracts and capital investment along with strategic decisions like Restructuring of Business, Debt and Human Resources etc. Wherever appropriate, the Board delegates its authority to Committees of Directors like Banking & Operations Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Audit & Compliance Committee, CSR Committee and Risk & Sustainability Committee. Information is provided to the Board in advance of every meeting and the Chairman

ensures that all Directors are properly briefed on the matters being discussed. However, in certain emergency situation and /or to maintain the price sensitivity of the transaction, Board meeting was also convened on shorter notice after complying necessary statutory requirements. The Board reviews compliance reports of applicable laws in the Board meetings and also deliberates the compliance of code of conduct for Board Members and Senior Management.

The Board sets annual performance objectives, oversees the actions and results of the management, evaluates its own performance, performance of its Committees and individual Directors on an annual basis and monitors the effectiveness of the Company's governance practices for enhancing the stakeholders' value.

The Company has well-established framework for the Meetings of the Board and its Committees which ensures to systematise the decision making process at the Meetings in an informed and efficient manner. With an objective to ensure maximum presence of our Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda and explanatory notes are circulated to the Directors at least seven days before the meeting except where Meetings have been convened at a shorter notice to transact urgent business in certain emergency situation and /or to maintain the price sensitivity of the transaction. Wherever it is not practicable to attach any document to the agenda the same is tabled/presented before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item on the agenda is permitted after obtaining permission of the Chairman of the meeting and with the concurrence of all the Independent Directors. Video Conferencing facilities are provided to enable Directors who are unable to attend the meetings in person, to participate in the meeting via Video Conferencing. During the year, all the Board Meetings and majority of the Committee Meetings were held through Video Conferencing facility, keeping in view of the threat of COVID spread.

2.4. Information placed before the Board

The Board of Directors being the apex body constituted by the shareholders and is responsible for strategic supervision, and overseeing the Management performance and governance of the Company on behalf of our stakeholders.

The Board of Directors has access to all relevant information which are essential for their decision making and management is committed to provide all such information to the board from time to time. The Board with an intent to take informed decision, has a power to seek any information from the functional management. The Board functions are driven by the principles of Corporate Governance Philosophy and Board is strive to work in the best interests of the Company and its stakeholders. The matters required to be placed before the Board, inter-alia, include:

Strategic matters	Operational matters	Finance matters	Sustainability Governance and compliance matters
Reviewing and guiding the corporate strategy;	Annual operating plans and capital budgets;	Quarterly/Annual consolidated and standalone results and financial statements of the Company;	Materially important show cause, demand, prosecution notices and penalty notices, if any;
Corporate re-structuring activities including merger/demerger;	Regular business/function updates	Transactions that involve substantial payment towards goodwill, brand equity or intellectual property, if any	Fatal or serious accidents, dangerous occurrences, material effluent or pollution problems, if any;
Details of any acquisition, joint venture or collaboration agreement;	Appointment and remuneration of directors, key managerial personnel and senior management;	Any material default in financial obligations to or by the Company or substantial non-payment for goods sold by the Company;	Any issue which involves possible public or product liability claims of substantial nature;
Sale of investment, subsidiaries or assets which are material in nature.	Significant labour problems and their proposed solutions;	Quarterly details of foreign exchange exposures and treasury management;	Corporate Social Responsibility related matters;
Talent Identification & Succession Planning	Appointment of internal auditors, secretarial auditor and cost auditors.	Related Party Transactions and Subsidiary funding.	Quarterly compliance certificate which includes non-compliances, if any, of regulatory, statutory nature or listing requirements and shareholder's service;



Corporate Governance

For the Financial Year ended March 31, 2022

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Strategic matters	Operational matters	Finance matters	Sustainability Governance and compliance matters
Road map for business growth and diversification;	Any significant development on the human resources/ industrial relations front;	Credit Rating.	Overseeing sustainability initiatives of the Company;
Risk identification and its mitigation plan.	Engagement of experts for improving the business process and understanding the role of technology in process improvement.	Business Financing	Appointment of auditors;
Projects related to Renewable energy and Sustainability.		Hedging and treasury management	Minutes of meetings of the Board and its committees, resolutions passed by circulation and board minutes & summary of unlisted subsidiary companies; Significant transactions or arrangements by subsidiary companies Statutory disclosures received from the directors; Performance evaluation of the Board, its committees and each director

2.5. Post meeting follow up system

The Governance processes of Company include an effective post-meeting follow-up, review and reporting process for action taken / pending on decisions of the Board and the Committees of the Company. Company Secretary communicates decision of the Board to respective business units / departments and ensures its effective implementation.

During the financial year ended March 31, 2022, six Board Meetings were held on April 28, 2021, July 29, 2021, October 28, 2021, December 6, 2021, January 27, 2022 and February 16, 2022 through Video Conferencing (VC) or Other Audio Visual Means (OAVM). The gap between any two Meetings is not more than 120 days, ensuring compliance with the requirement of Regulation 17 of the Listing Regulations and the Companies Act 2013. All the directors were present in all the Board Meetings and Annual General Meeting held during the year.

The attendance of Directors at the Board Meeting held during the financial year ended March 31, 2022 is given herein below:

Sl. No.	NAME	DATE OF BOARD MEETING & ATTENDANCE						AGM ATTENDANCE (JUNE 19, 2021)
		April 28, 2021	JULY 29, 2021	OCTOBER 28, 2021	DECEMBER 6, 2021	JANUARY 27, 2022	FEBRUARY 16, 2022	
1	Mr. Sanjay Dalmia	☑	☑	☑	☑	☑	☑	☑
2	Mr. Anurag Dalmia	☑	☑	☑	☑	☑	☑	☑
3	Mrs. Vijaylaxmi Joshi, (Retd.IAS)	☑	☑	☑	☑	☑	☑	☑
4	Dr. Manoj Vaish	☑	☑	☑	☑	☑	☑	☑
5	Justice (Retd.) Ravindra Singh	☑	☑	☑	☑	☑	☑	☑
6	Mr. Arun Kumar Jain, (Retd.IRS)	☑	☑	☑	☑	☑	☑	☑
7	Dr. Lavanya Rastogi	☑	☑	☑	☑	☑	☑	☑

Sl. No.	NAME	DATE OF BOARD MEETING & ATTENDANCE						AGM ATTENDANCE (JUNE 19, 2021)
		April 28, 2021	JULY 29, 2021	OCTOBER 28, 2021	DECEMBER 6, 2021	JANUARY 27, 2022	FEBRUARY 16, 2022	
8	Mr. R. S. Jalan	☑	☑	☑	☑	☑	☑	☑
9	Mr. Raman Chopra	☑	☑	☑	☑	☑	☑	☑
10	Mr. Neelabh Dalmia	☑	☑	☑	☑	☑	☑	☑

Note:

- Mr. Anurag Dalmia and Mr. Raman Chopra, are directors retiring by rotation and they are eligible for re-appointment. Necessary information for the above directors as required under Regulation 36 (3) of the Listing Regulations have been provided under the notice of the AGM.

None of the Directors of GHCL is a Director (including alternate director, if any) in more than 10 Public Limited Companies or Director in more than 7 equity Listed Companies or acts as an Independent Director in more than 7 equity Listed Companies or 3 equity Listed Companies in case he / she serves as a Whole – time Director / Managing Director. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 (1) of the Listing Regulations across all the listed Companies in which he/she is a Director. The necessary disclosure, regarding Directorship, Committee positions and shares held by them, have been made by the Directors who are on the Board of the Company as on March 31, 2022 and the same is reproduced herein below:

Sl. No.	Name of the Director	Director Identification Number (DIN)	No. of Directorship in other Indian Public Limited Companies*	No. of committee positions held as Chairman in other Public Companies**	No. of Committee positions held as Member in other Public Companies**	No. of Equity Shares of GHCL Limited held by the Director
1	Mr. Sanjay Dalmia	00206992	-	-	-	-
2	Mr. Anurag Dalmia	00120710	-	-	-	110000 in Individual Account and 572774 in HUF Account
3	Dr. Manoj Vaish	01744049	-	-	-	-
4	Justice (Retd.) Ravindra Singh	08344852	-	-	-	-
5	Mr. Arun Kumar Jain	07563704	2	-	2	-
6	Dr. Lavanya Rastogi	01744049	-	-	-	-
7	Mrs. Vijaylaxmi Joshi	00032055	2	-	2	-
8	Mr. R S Jalan	00121260	1	-	-	400000 in Individual account and 100 in HUF
9	Mr. Raman Chopra	00954190	2	-	-	150000
10	Mr. Neelabh Dalmia	00121760	1	-	-	104500

Note: *For the purpose of considering the limit of the number of directorship and chairman/member of committees, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded which is in line with the requirement of relevant conditions of Regulation 26 of the Listing Regulations. Name of the listed companies (including the categories of directorship) in which any of the above directors is director, have been given under the Director's profile.

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



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During the financial year ended March 31, 2022, the Company has not entered into any material transactions with its Non-Executive Directors except such related party transactions which are reported in annual report and in the ordinary course of business. The Company has also received declaration from Independent Directors confirming their independence as well as confirmation that "he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence". Accordingly, requirement of Section 149(6) of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1) (b) & 25 (8) of the Listing Regulations are duly complied with.

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

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

During the year, the Board of Directors accepted all the recommendations of the Committees of the Board, which were statutory in nature and required to be recommended

by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10 (j) of schedule V of the SEBI Listing Regulations.

2.6 Independent Directors' Meeting

In line with the requirement of Section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of your Company meet without the presence of the Non-Independent Directors or any other Management Personnel except the Company Secretary.

These Meetings are conducted to enable the Independent Directors to, inter-alia, discuss matters pertaining to:

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

During the year two meetings of Independent Directors were held and all the Independent Directors attended the meeting. Dr. Manoj Vaish, the Lead Independent Director chaired the meetings and set the process for the meetings. The Company Secretary attended the meeting to assist the Independent Directors for conducting the meeting. The attendance of Independent Directors meeting held during the financial year ended March 31, 2022 is given herein below:

	Name of the Independent Directors				
	Dr. Manoj Vaish	Mrs. Vijaylaxmi Joshi	Justice Ravindra Singh	Mr. Arun Kumar Jain	Dr. Lavanya Rastogi
Date of the Meeting					
December 6, 2021	☑	☑	☑	☑	☑
January 27, 2022	☑	☑	☑	☑	☑

2.7 Directors seeking Appointment/ Re-appointment

Mr. Anurag Dalmia and Mr. Raman Chopra, are directors liable to retire by rotation and being eligible for re-appointment at the ensuing Annual General Meeting of your Company, and they have offered themselves for re-appointment.

Based on the recommendation of Nomination & Remuneration Committee and subject to approval of the Shareholders of the Company, the Board of Directors in their meeting held on January 27, 2022, considered and approved re-appointment of Mrs. Vijaylaxmi Joshi as an Independent Director of the Company for a second term of five consecutive years with effect from April 20, 2022 and for a term up to April 19, 2027.

Subsequent to the year end, based on the recommendation of Nomination & Remuneration Committee and subject to approval of the Shareholders of the Company, the Board of Directors in their meeting held on April 30, 2022, considered and approved re-appointment of Mr. Ravi Shanker Jalan as a Managing Director of the Company for a term of five consecutive years with effect from June 7, 2022 and for a term up to June 6, 2027.

Relevant details of the directors seeking appointment / re-appointment as required under Regulation 36(3) of the Listing Regulations read with applicable provisions of the Companies Act, 2013 and relevant Secretarial Standards (SS - 2) are given in the Notice & Corporate Governance report of the Company.

2.8. Familiarisation Programme for Independent Directors and Training of Board members

GHCL has structured practice of ensuring all new non-executive directors (including independent directors) go through the familiarisation program and understand the company's core values, vision and mission statement and the company's philosophy of doing its business. The Chairman, Managing Directors, Executive directors (Finance) & CFO, Head Sustainability and Company Secretary and functional management provide an overview of operations, and familiarize the new non-executive directors on matters related to our values and commitments.

At GHCL we ensure that our non-executive directors are introduced to the organization structure, services, Group structure and subsidiaries, constitution, Board procedures,

matters reserved for the Board, major risks and risk management strategy, compliance mechanism, CSR themes and area of activities including but not limited to periodic compliance reporting under Listing Regulations, SEBI (SAST) Regulations, SEBI (Insider Trading) Regulations and grievance redressal mechanism. The details of the familiarization program are available on the Company's website: <https://ghcl.co.in/wp-content/uploads/2022/06/Familiarisation-Programme-for-Independent-Directors-2021-22.pdf> programme for Independent Directors.

We do facilitated separate meetings of the audit committee with the internal auditor to discuss internal audit reports and action taken report. At such meetings, the executive directors and other members of the senior management share points of view and leadership thoughts on relevant issues.

We also facilitate the continual educational requirements of our directors and provided online learning platform Skillsoft to them. Further, on an ongoing basis and as a part of Board and Committee agenda, we make presentation on various business and statutory matters such as company's performance, industry and regulatory updates, forex strategy, export and import potential, business growth prospects, impact of global pricing pressure on fuel, supply chain, and raw materials availability. Mr. Bhuwadeshwar Mishra, Sr. GM Sustainability & Company Secretary regularly updates the board on latest changes in regulatory provisions, governance, Risk management, CSR and Sustainability. During the financial year all the meetings of Board of Directors, Audit & Compliance Committee, Risks & Sustainability Committee, CSR Committee, Stakeholders Grievance Redressal Committee and Nomination & Remuneration Committee were held on line and all the directors / members of the committee attended the same.

2.9. Key Skills, Expertise and Competencies of the Board of Directors

The Board of the Company is highly structured to ensure a high degree of diversity by age, education/qualifications, professional background, sector expertise, special skills and geography. The Board of Directors have, based on the recommendations of the Nomination & Remuneration Committee, identified the following core skills/expertise/competencies as required in the context of the businesses and sectors of the Company for its effective functioning and the same is mapped against each of the Directors:



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Key Skills Expertise and Competencies of the Board of Directors		
Sl. No.	Skills/ Expertise/ Competencies	Particulars
1.	Leadership, Strategic Thinking and General Management.	<p>Leadership: Leadership is a process of social influence, which maximises the efforts of others, towards the achievement of a goal.</p> <p>Strategic Thinking: Strategic thinking, involves the generation and application of unique business insights and opportunities intended to create competitive advantage for organization. It can be done individually, as well as collaboratively among key people who can positively alter an organization's future.</p> <p>General Management: refers to the overall know-how of business management, talent management and development, workplace health & safety.</p>
2.	Public Policy and Public Advocacy	<p>Public policy is an institutionalized proposal to solve relevant and real-world problems, guided by a conception and implemented by programs as a course of action created and/or enacted, typically by a government or non-profit organisation, in response to social issues.</p> <p>Policy advocacy is defined as active, covert, or inadvertent support of a particular policy or class of policies. Advocacy can include a variety of activities including, lobbying, litigation, public education, and forming relationships with parties of interest.</p>
3.	Governance, EHS, Sustainability and CSR	<p>Governance: Relates to "how" an organization makes decisions, how it operates to achieve its objectives and how stakeholders have their say in the processes.</p> <p>Environment (E), health (H) and safety (S): EHS is an acronym for the set that studies and implements the practical aspects of protecting the environment and maintaining health and safety at occupation. In simple terms it is what organizations must do to make sure that their activities do not cause harm to anyone.</p> <p>Sustainability: The term Sustainability refer to the outcome achieved by balancing the social, environmental and economic impacts of business. It is the process that ensures that business goals are pursued without compromising any of the three elements.</p> <p>CSR: Corporate Social Responsibility (CSR) means and includes but is not limited to (i) Projects or programs relating to activities specified in Schedule VII of the Indian Companies Act 2013; or (ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company, subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.</p>
4.	Finance & Accounts and Capital market	<p>Finance & Accounts: Finance & Accounts skills refers to the proficiency in financial management, financial reporting process, budgeting, treasury operations, audit, capital allocation.</p> <p>Capital Market: Capital market consists of primary markets and secondary markets. Primary markets deal with trade of new issues of stocks and other securities, whereas secondary market deals with the exchange of existing or previously-issued securities. Another important division in the capital market is made on the basis of the nature of security traded, i.e. stock market and bond market.</p>

Key Skills Expertise and Competencies of the Board of Directors		
Sl. No.	Skills/ Expertise/ Competencies	Particulars
5.	Information Technology, Cyber security, Data protection and Digitisation	<p>Information technology (IT) is the use of computers to create, process, store, retrieve, and exchange all kinds of electronic data and information.</p> <p>Cyber Security: Cyber security is the application of technologies, processes and controls to protect systems, networks, programs, devices and data from cyber attacks. It aims to reduce the risk of cyber attacks and protect against the unauthorised exploitation of systems, networks and technologies.</p> <p>Data Protection: Data protection is the process of safeguarding important data from corruption, compromise or loss and providing the capability to restore the data to a functional state should something happen to render the data inaccessible or unusable.</p> <p>Digitisation: This is the process of converting information into a digital (i.e. computer-readable) format. Digitization is of crucial importance to data processing, storage and transmission, because it “allows information of all kinds in all formats to be carried with the same efficiency and also intermingled.</p>

The mapping of Skills with the directors:

NAME	Skills				
	Leadership, Strategic Thinking and General Management.	Public Policy and Public Advocacy	Governance, EHS, Sustainability and CSR	Finance & Accounts and Capital market	Information Technology, Cyber security, Data protection and Digitisation
Mr. Sanjay Dalmia	☑	☑	☑	☑	☑
Mr. Anurag Dalmia	☑	☑	☑	☑	☑
Dr. Manoj Vaish	☑	☑	☑	☑	☑
Mrs. Vijaylaxmi Joshi	☑	☑	☑	☑	☑
Justice (Retd.) Ravindra Singh	☑	☑	☑	☑	☑
Mr. Arun Kumar Jain	☑	☑	☑	☑	☑
Dr. Lavanya Rastogi	☑	☑	☑	☑	☑
Mr. R S Jalan	☑	☑	☑	☑	☑
Mr. Raman Chopra	☑	☑	☑	☑	☑
Mr. Neelabh Dalmia	☑	☑	☑	☑	☑

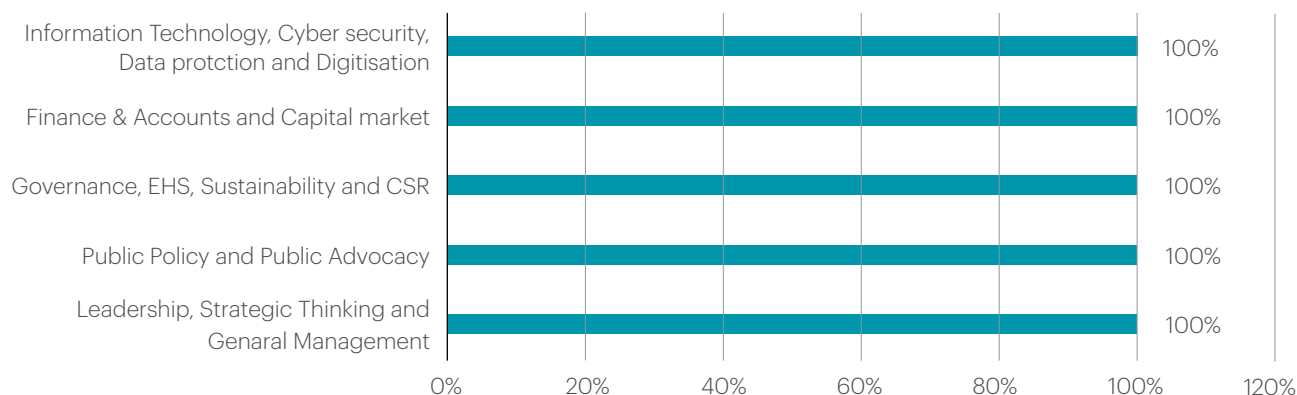
Corporate Governance

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Board's skill distribution in % (percentage)

Board Skill distribution



2.10. Resignation of Independent Directors.

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure.

2.11. Lead Independent Director

The Board of Directors of your Company in their meeting held on July 29, 2021, had nominated Dr. Manoj Vaish, an Independent Director and also the Chairman of Audit & Compliance Committee, as a Lead Independent Director (LID). The tenure of Lead Independent Director has been fixed for a period of 3 years period from the date of nomination or till the date of retirement, whichever is earlier.

As a Lead Independent Director, Dr. Manoj Vaish has been entrusted, inter alia, with the following roles and responsibilities:

(a) Role of Lead Independent Director:

1. To preside over meetings of Independent Directors.
2. To become facilitator for consensus building.
3. To preside over the meeting of the Board and Shareholders where Chairman and Vice Chairman are not present or are interested parties.
4. To act as a facilitator for stakeholders' voice to reach to the Board.
5. To provide guidance to the secretarial functions for ensuring and implementing good governance practices and compliance of statutory requirements.

6. To serve as spokesperson for the company if so asked by the Board and perform such other functions as may be delegated by the Board.

(b) Nomination Criteria & Tenure of LID:

1. The LID should be Independent director at the time of appointment and throughout their position.
2. This is essential to ensure LID exercise its duties efficiently and effectively and free from any vested interest.
3. The Internal appointee from among the existing independent directors, who has in-depth knowledge and understanding of the company and board dynamics that is usually gained by prior service on the board.
4. The LID must have the ability to exercise independent views as also to assume additional responsibilities.
5. LID is expected to have strong interpersonal skills to serve as an intermediary for the other directors and all stakeholders.
6. LID should be in a position to become more knowledgeable about the company, its performance, its markets and its stakeholders.
7. Nomination of LID shall be on rotation basis. The tenure of LID is fixed for a period of three years from the date of nomination or till the date of retirement, whichever is earlier.

2.12. Directors' Profile

The brief profile of the Directors of the Company in line with the requirement of Listing Regulations and the Companies Act, 2013 is given herein below:



Mr. Sanjay Dalmia

DOB - March 17, 1944

Non-executive Chairman (Promoter)

He is Non-executive Chairman (Promoter) of the Company. He is a Non-executive Director of the Company since inception of the Company. Mr. Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He has a vast knowledge and experience in field of entrepreneurship, leadership and business strategy etc. He is Promoter of the Company and under his guidance, the Company has achieved a new heights in terms of excellent growth in business and profitability, return on the equity shares and serving the interests of all the stakeholders. Mr. Dalmia also guides the Board members for creating a balance between the economic, environmental and social objectives of the Company. Mr. Sanjay Dalmia was also a member of Nomination & Remuneration Committee of the Company till April 30, 2022 and thereafter voluntarily opted out from membership of said Committee for good governance and ensuring committee to be independent. Mr. Dalmia is neither a member of more than 10 Committees nor a Chairperson of more than 5 Committees.



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Mr. Anurag Dalmia

DOB - May 11, 1956

Non-executive Director (Promoter)

He is a Non-executive Director (Promoter) of the Company. Mr. Dalmia is an eminent Industrialist and is also representing PHD Chambers of Commerce and Industry. In the past, Mr. Anurag Dalmia had also represented Confederation of Indian Textile Industry. He is Chairman of the CSR Committee and also a member of the Risk & Sustainability Committee of the Company. He has a vast knowledge and experience in field of entrepreneurship, leadership and business strategy. Mr. Dalmia is neither a member of more than 10 Committees nor a Chairperson of more than 5 Committees.



Mrs. Vijaylaxmi Joshi (Retd. IAS)

DOB – August 1, 1958

a Non-Executive Independent Director of the Company

Mrs Vijaylaxmi Joshi is a Non-Executive Independent Director of the Company since April 20, 2017. She is a 1980 batch IAS officer of the Gujarat cadre and she had served in various posts in the State and in the Centre including Joint and Additional Secretary in the Commerce Ministry; Secretary in the Ministry of Panchayati Raj. She had also been appointed as an Officer on Special Duty in the Ministry of Drinking Water and Sanitation. Lastly, she was head of the Swachh Bharat Abhiyan, the Clean India programme. Under State level, she had also been deputed as Managing Director of Government Company such as Gujarat Mineral Development Corporation Ltd. At present, Mrs. Joshi is a Director on the Board of Adani Enterprises Limited and Saraf Foods Limited. She is also a member of the Audit Committee of Adani Enterprises Limited. She is a chairperson of the Nomination & Remuneration Committee and also a member of the Audit & Compliance Committee and CSR Committee. Mrs. Joshi is neither a member of more than 10 Committees nor a Chairperson of more than 5 Committees. She does not hold any shares in the Company.



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Dr. Manoj Vaish

DOB – May 24, 1961

Non-Executive Independent Director

Dr. Manoj Vaish is a Non-Executive Independent Director of the Company since April 1, 2019. Board of Directors of the Company in their meeting held on July 29, 2021 had appointed him a Lead Independent Director of the Company. Dr. Vaish is B.Com. (Hon.) from S.R.C.C. and M.B.A. (Major-Finance) from F.M.S., Delhi University and holds PhD degree. He was awarded Dr. J. C. Ghosh Gold Medal for his MBA Examination. Dr. Vaish is having very rich experience in the area of finance, forex and securities market and had served various organisations including BSE, Dun & Bradstreet, Deutsche Bank, NSDL Database Management Ltd. etc. He is also having good exposure of Financial Educations & Training, Sales & Marketing, Risk Management, Credit Ratings and e-governance etc. At present, Mr. Vaish is a Director on the Board of Mirae Asset Trustee Company Private Limited. He is Chairman of the Audit & Compliance Committee and also a member of the Nomination & Remuneration Committee.

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



Justice (Retd.) Ravindra Singh

DOB – July 2, 1953

Non-Executive Independent Director

Justice (Retd.) Ravindra Singh a Non-Executive Independent Director of the Company since April 1, 2019. He is B.Sc. and LL. B. He was an Advocate in Allahabad and elevated as judge of Allahabad High Court in 2004 and retired on July 1, 2015. He was designated as Senior Advocate by Supreme Court of India on August 31, 2016. Justice (Retd.) Ravindra Singh is having very rich legal experience and an icon in the legal arena. As on March 31, 2022, Justice (Retd.) Ravindra Singh was a member of the Audit & Compliance Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Company. Subsequent to the year end, the Board of Directors in their meeting held on April 30, 2022, had reconstituted various committees and appointed Justice (Retd.) Ravindra Singh as member of the CSR Committee in place of Audit & Compliance Committee of the Board. In said meeting, the Board also appointed Justice (Retd.) Ravindra Singh as Chairman of Stakeholders Relationship Committee.

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



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Mr. Arun Kumar Jain (Retd. IRS)

DOB – January 4, 1956

Non-Executive Independent Director

He is a Non-Executive Independent Director of the Company since April 1, 2019. Mr. Jain is a retired Indian Revenue Service (IRS) and he had served in various posts under Department of Revenue including Chairman of Central Board of Direct Taxes. He is having a vast knowledge and experience in the field of taxation. Mr Arun Kumar Jain was a Chairman of the Stakeholders Relationship Committee till April 30, 2022. Mr. Jain is also a Chairman of Risk & Sustainability Committee. He is also a member of the Audit and Compliance Committee of the Company. Mr. Jain is also the Ombudsperson to administer and effectively implement the “Whistle Blower Policy” of the Company.

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



Dr. Lavanya Rastogi

DOB – March 8, 1981

Non-Executive Independent Director

Dr. Lavanya Rastogi a Non-Executive Independent Director of the Company since November 24, 2014. A distinguished alumnus of Harvard Business School, Lavanya is a thought leader in the field of entrepreneurship, leadership and global economy. Currently he is CEO of LV Futures Group - a diversified group with investments in areas of IT, Digital Media, Sports, Real Estate, Education & Health Care, headquartered in USA. In 2009, Academy for Global Business Advancement (AGBA) awarded him the "Distinguished Young Entrepreneur Award". He has been an active face in many trade association and industry chambers including NASSCOM, North Carolina Technology Association (NCTA), FICCI, Austin Technology Council (ATC), Entrepreneurs' Organization (EO), India American Chamber of Commerce (IACCGH), World Affairs Council of Houston, etc. He does not hold any shares in the Company. Dr. Lavanya is neither a member of more than 10 Committees nor a Chairperson of more than 5 Committees.



Corporate Governance

For the Financial Year ended March 31, 2022

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



Mr. R S Jalan

DOB - October 10, 1957

Managing Director

Mr. R S Jalan is a Managing Director of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Corporate Finance and Textiles business. Mr. R S Jalan has more than three decades of Industrial experience. Mr. Jalan is an expert in the area of business strategy, M&A, supply chain management, Governance, Sustainability, Forex and treasury management, Risk management, Stakeholders engagement, CSR, business development, digitization and cyber security etc. He is a member of Stakeholders Relationship Committee, Banking & Operations Committee, CSR Committee and Risk & Sustainability Committee of the Company. Mr. Jalan is neither a member of more than 10 Committees nor a Chairperson of more than 5 Committees.



Mr. Raman Chopra

DOB – November 25, 1965

CFO & Executive Director

Mr. Raman Chopra is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having wide experience in Corporate Finance and Textiles and is in charge of Finance, accounts, taxation, IT, commercial, green filed project, sustainability, corporate governance, and risk management. Mr. Chopra has more than three decades of Industrial experience. Before elevated to Executive Director (Finance) with effect from April 1, 2008, he was CFO of the Company from October 30, 2007. Mr. Chopra had credentials of successfully establishing the Home Textile plant at Vapi. He is a member CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee and Risk Management Committee of the Company. Mr. Chopra is neither a member of more than 10 Committees nor a Chairperson of more than 5 Committees.



Corporate Governance

For the Financial Year ended March 31, 2022

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



Mr. Neelabh Dalmia

DOB – August 16, 1983

Whole Time Director designated as Executive Director

Mr. Neelabh Dalmia is a Whole Time Director designated as Executive Director (Textiles) of the Company. He holds a Master of Business Administration (MBA) and a Bachelor's of Science in Business Administration majoring in Finance & Entrepreneurship from the Kelley School of Business at Indiana University, USA. He has been leading and strategically guiding the company's overall growth sustainably.

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

Mr. Neelabh Dalmia is a member of Stakeholders Relationship Committee, CSR Committee, Risk & Sustainability Committee and Banking and Operations Committee of the Company.

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

Mr. Neelabh Dalmia is a Co-Chairman of the International Affairs Committee for ASEAN East Asia & Oceania of the PHD Chamber of Commerce and Industry (PHDCCI). PHDCCI is a leading Industry Chamber of India ever since its inception in 1905 and has been an active participant in the India growth Story through its Advocacy Role for the Policy Makers and Regulators of the Country. Mr. Neelabh Dalmia is neither a member of more than 10 Committees nor a Chairperson of more than 5 Committees.

3. Committees of the Board

(i) Audit & Compliance Committee

The Board of Directors had constituted the Audit Committee as early as in 2000 and Board of Directors in their meeting held on July 29, 2021 renamed Audit Committee as "Audit & Compliance Committee" and also extended its scope of work. As on March 31, 2022, there were four independent directors having expertise in financial and accounting areas, as members of the Committee. Audit & Compliance Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 read with Regulation 18 of the Listing Regulations. Mr. Bhuvneshwar Mishra, Secretary of the Company acts as Secretary to the Committee. The Audit & Compliance Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit & Compliance Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors.

Terms of Reference:

The role of the Audit & Compliance Committee shall include the following:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee and also approval for payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;
 - Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in the draft audit report.
- d. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- f. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- g. Approval or any subsequent modification of transactions of the company with related parties;
- h. Scrutiny of inter-corporate loans and investments;
- i. Valuation of undertakings or assets of the company, wherever it is necessary;
- j. Evaluation of internal financial controls and risk management systems;



Corporate Governance

For the Financial Year ended March 31, 2022

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

- k. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.
- l. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- m. Discussion with internal auditors any significant findings and follow up there on.
- n. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- o. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- p. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- q. To review the functioning of the Whistle Blower mechanism;
- r. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate.
- s. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- t. Recommending to the Board, the appointment / reappointment of the Cost Auditors and Secretarial Auditor.
- u. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- v. Review the adequacy of the compliance monitoring system
- w. Assists the Board in relation to the company's compliance and its value system
- x. Engage in the process evaluating, developing, recommending and implementing strategy, policy, procedures, processes, code of conduct, standards in respect of compliance and its value system.
- y. Any other activities as per the requirement of Regulation 18 of the Listing Regulations and applicable provisions of the Companies Act, 2013.

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

During the financial year ended March 31, 2022, the Audit & Compliance Committee of the Board met five times and the gap between any two meetings of the Audit Committee is not more than 120 days, ensuring compliance with the requirement of Regulation 18 of the Listing Regulations and the Companies Act 2013.

The adequate quorums were present at every Audit & Compliance Committee Meeting. The Composition of Audit & Compliance Committee and attendance of members at the meetings are given herein below:

Category	Name of the Audit & Compliance Committee members			
	Dr. Manoj Vaish – Chairman	Mrs. Vijaylaxmi Joshi	Justice (Retd.) Ravindra Singh ²	Mr. Arun Kumar Jain (Ex-IRS)
	Non-Executive -Independent Director (Expertise in Finance, account, forex, tax and securities market)	Non-Executive-Independent Director - (Ex – IAS) (Expertise in administration, finance & taxation)	Non-Executive -Independent Director (Expertise in legal, finance, treasury administration)	Independent Director (Expertise in Finance, accounts, taxation & CSR)
Date of the Meeting				
April 28, 2021	☑	☑	☑	☑
July 29, 2021	☑	☑	☑	☑
October 28, 2021	☑	☑	☑	☑
December 6, 2021	☑	☑	☑	☑
January 27, 2022	☑	☑	☑	☑
Whether attended	☑	☑	☑	☑
Last AGM (Yes/No)				

Note:

1. *Managing Director, CFO & Executive Director (Finance), Executive Director (Textiles), Statutory Auditors, Internal Auditors and concerned employees for Internal Audit/ accounts were invitees to the Audit & Compliance Committee Meetings whenever required.*
2. *Subsequent to the financial year ended March 31, 2022, the Board of Directors in their meeting held on April 30, 2022, had reconstituted various committees and Justice (Retd.) Ravindra Singh is not a member of the Audit & Compliance Committee; however he shall be a permanent invitee to the Committee.*

The Company has complied with the requirements of Regulation 18 of the Listing Regulations as regards composition of the Audit & Compliance Committee. Dr. Manoj Vaish, Chairman of the Audit & Compliance Committee is an expert in Finance and Accounting including forex and securities market. He was present in the 38th Annual General Meeting held on June 19, 2021 to answer the queries of shareholders.

As required under Regulation 18 (3) read with para B of Part C of Schedule II of the Listing Regulations, the Audit & Compliance Committee had reviewed the following information:

- Management Discussion and Analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management, if any.

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



Corporate Governance

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

Statutory Auditor's or its affiliates Engagement Disclosure

During the year, M/s S. R. Batliboi & Co. LLP, Chartered Accountants, the statutory Auditor of GHCL Limited, were requested to support various projects for the Company through its affiliates Ernst & Young (EY). It is important that the independent role of statutory auditors in reporting to shareholders is not compromised, but it is equally important that the Company is not deprived of valuable expertise where it is needed.

The Audit & Compliance Committee keeps under review the independence and objectivity of the statutory auditors and the effectiveness of the audit process. On occasions, the nature of non-audit advice may make it more timely and cost effective to select M/s S. R. Batliboi & Co. LLP and its affiliates EY, who already have a good understanding of the Company. M/s S. R. Batliboi & Co. LLP, Chartered Accountants and its affiliates may also be appointed for consultancy work, but only after rigorous checks, including competitive tender, to confirm they are the best provider. Where non-audit work is performed by M/s S. R. Batliboi & Co. LLP and its affiliates, ensure robust processes to prevent auditor objectivity and independence from being compromised. All non-audit work performed by EY, is put to the Audit & Compliance Committee for consideration and approval, regardless of size. M/s S. R. Batliboi & Co. LLP, is also subject to professional standards which safeguard the integrity of the auditing role performed on behalf of shareholders.

As per Code of Ethics of ICAI, it is stated that the compliance with the fundamental principles may potentially be threatened by a broad range of circumstances as mentioned below:

Self-interest threats: This may occur as a result of the financial or other interests of a professional accountant or of a relative

Self-review threats: This may occur when a previous judgment needs to be re- evaluated by the professional accountant responsible for that judgment;

Advocacy threats: This may occur when a professional accountant promotes a position or opinion to the point that subsequent objectivity may be compromised;

Familiarity threats: This may occur when, because of a relationship, a professional accountant becomes too sympathetic to the interests of others; and

Intimidation threats: This may occur when a professional accountant may be deterred from acting objectively by threats, actual or perceived.

The audit & compliance committee while approving any proposal for non-audit services, evaluates the above threats with objectivity and also seek independent opinion from the subject expert as and when requires.

(ii) Nomination & Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Nomination & Remuneration Committee of the Company was constituted as early as in 1995. Nomination & Remuneration Committee of the Board is constituted as per Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2022, Nomination & Remuneration Committee comprises of four non-executive directors including three Independent Directors and also the Chairperson of this Committee is an Independent Director. Mr. Bhuvneshwar Mishra, Secretary of the Company acts as Secretary to the Committee.

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

1. To identify persons who are qualified:
 - (a) to become directors; and
 - (b) who may be appointed in senior management in accordance with the criteria laid down by the company. "Senior Management" shall mean officers / personnel who are members of its core management team excluding Board of Directors and normally this shall comprise of all members of management one level below the CEO/MD/ Whole Time Director and shall specifically include Company Secretary and Chief Financial Officer. [Reg 16(1)(d)]
2. To recommend to the Board the appointment and removal of person identified under point (1) above
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
4. On every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
5. To devise a policy on diversity of Board of Directors.
 6. To formulate the criteria for evaluation of performance of Independent Directors and Board of Directors.
 7. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
 8. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
 9. Any other activities as per the requirement of Regulation 19 of the Listing Regulations and the Companies Act, 2013.

The Nomination and Remuneration Committee sets the overall policy on remuneration and the other terms of employment of Executive Directors of the Company as well as the sitting fee and commission to the Non- Executive Directors within the overall ceiling fixed by members of the Company and recommends the same for the approval of the Board. The Committee recommends remuneration

package of Executive Directors to the Board by reference to individual performance, experience and market conditions with a view to provide a remuneration package which is appropriate for the responsibilities involved. In reviewing the overall remuneration of the Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

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

During the financial year ended March 31, 2022, the Nomination and Remuneration Committee met three times on April 28, 2021, July 15, 2021 and January 27, 2022. The Nomination and Remuneration Committee of the Board comprises of Non-Executive Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE NOMINATION & REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2022

Category of Director	Name of the Nomination & Remuneration Committee Members			
	Mrs. Vijaylaxmi Joshi – Chairperson of the Committee	Mr. Sanjay Dalmia ¹	Dr. Manoj Vaish	Justice (Retd.) Ravindra Singh
	Non -Executive - Independent Director (Retd.IAS)	Non- Executive Director (Industrialist)	Non -Executive - Independent Director (Expertise in Finance, forex and securities market)	Non-Executive -Independent Director (Expertise in legal)
Date of the Meeting				
April 28, 2021	☑	☑	☑	☑
July 15, 2021	☑	☑	☑	☑
January 27, 2022	☑	☑	☑	☑
Whether attended Last AGM (Yes/ No)	☑	☑	☑	☑

1. Subsequent to the financial year ended March 31, 2022, the Board of Directors in their meeting held on April 30, 2022, had reconstituted various committees and Mr. Sanjay Dalmia voluntarily opted out from membership of the Nomination & Remuneration Committee at the time of reconstitution of the Committee by the Board on the ground of good governance.



Corporate Governance

For the Financial Year ended March 31, 2022

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

Remuneration Policy:

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

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

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

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

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

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

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

During the financial year 2021-22, the Company paid sitting fees of Rs. 40,000 per meeting to the Non-Executive Directors for attending each meeting of the Board, Audit & Compliance Committee, Nomination and Remuneration Committee, CSR Committee, Risk & Sustainability Committee and Independent Directors meeting.

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

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

Details of remuneration, commission and sitting fee paid/payable to the Directors of the Company for the financial year ended March 31, 2022 are given below:

Non-Whole time Directors

(in Rupees)

Name	Sitting Fees	Commission
Mr. Sanjay Dalmia	3,60,000	90,00,000
Mr. Anurag Dalmia	3,60,000	75,00,000
Mrs. Vijaylaxmi Joshi, (Ex-IAS)	7,20,000	37,50,000
Dr. Manoj Vaish	6,40,000	39,00,000
Justice (Retd.) Ravindra Singh	6,40,000	37,50,000
Mr. Arun Kumar Jain, (Ex-IRS)	6,00,000	37,50,000
Dr. Lavanya Rastogi	3,20,000	37,50,000
TOTAL	36,40,000	3,54,00,000

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

(in Rupees)

Managing Director / Whole Time Directors			
	Salary and other perquisites	Commission	Total
Mr. R S Jalan, Managing Director	4,11,40,131	11,08,00,000	15,19,40,131
Mr. Raman Chopra, CFO & Executive Director (Finance)	2,24,04,084	6,52,00,000	8,76,04,084
Mr. Neelabh Dalmia, Executive Director (Textiles)	1,52,35,591	1,00,00,000	2,52,35,591
Total	7,87,79,806	18,60,00,000	26,47,79,806

- The agreement with the Whole Time Directors is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving six calendar months prior notice in writing to the other party.
- Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund, LTA paid and premium on Gratuity Policy.
- In addition to the above, Managing Director & Whole Time Director are also entitled for Employees Stock Options as per the Scheme of the Company. However, Mr. Neelabh Dalmia, being promoter director, is not entitled for Employees Stock Options.



Corporate Governance

For the Financial Year ended March 31, 2022

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

Performance Evaluation:

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

The performance of the independent directors was evaluated by the entire Board except the person being evaluated in their meeting held on January 27, 2022. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members.

A separate meeting of Independent Directors was held on January 27, 2022 to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

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

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

Procedure for Nomination and Appointment of Directors

Nomination and Remuneration Committee (NRC) of the Company is responsible for developing competency requirements for the Board based on the industry requirement and long term strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company including its strategies towards growth plan, environment protection, business operations, financial condition and compliance requirements, diversification etc.

The NRC conducts a gap analysis to refresh the Board based on need basis particularly at the time of Director's appointment or re-appointment. The Committee is also responsible for reviewing the profiles of potential candidates vis-a-vis the required core competencies, expertise, business acumen etc. prior to making recommendations of their nomination to the Board. At the time of appointment specific requirements for the position including expert knowledge and other relevant points, which are expected from the appointee, are communicated to the appointee.

The list of core skills expertise and competencies of the Board of Directors as are required in the context of the businesses and sectors applicable to the Company are identified by the NRC. The Company has also mapped each of the skills expertise and competencies against the names of the Board Members possessing the same.

(iii) Stakeholders Relationship Committee:

In line with the requirement of Section 178(6) of the Companies Act, 2013 and Regulation 20(4) read with para B of Part D of the Schedule II of the Listing Regulations, the Stakeholders Relationship Committee shall be responsible for following activities:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA).

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

The Board had constituted the Stakeholders Relationship Committee, which meets the requirement of Section 178(5) of the Companies Act, 2013 read with Regulation 20(2) & (2A) of the Listing Regulations. The Committee look into various aspects of the interest of the shareholders. The committee expedite the process of redressal of complaints like non-transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. The committee regularly viewed the status of the complaints filed online at SEBI Complaints Redressal System (SCORES) and /or complaints received through Stock Exchanges and action taken report (ATR) thereon. The meeting of the committee is held on periodic basis and with the intent to expedite the shareholder services / complaints as received to the RTA and directly to the Company. Due to reduction of physical shareholding, the cases related to share transfer, issue of duplicate share certificate, transmission / name deletion cases shall be reduced. Hence number of meetings of the Stakeholders Relationship Committee are expected to be reduced. However, for the financial year 2021-22, total thirty one meetings of the Stakeholders Relationship Committee were held.

The composition of Stakeholders Relationship Committee as on March 31, 2022 is as under:

(in Rupees)

Sl. No.	Name of Directors	Status
1	Mr. Arun Kumar Jain – Independent Director	Chairman
2	Justice (Retd.) Ravindra Singh – Independent Director	Member
3	Mr. R S Jalan – Managing Director	Member
4	Mr. Raman Chopra – CFO & Executive Director (Finance)	Member
5	Mr. Neelabh Dalmia – Executive Director (Textiles)	Member

1. *Subsequent to the financial year ended March 31, 2022, the Board of Directors in their meeting held on April 30, 2022, had reconstituted various committees and Justice (Retd.) Ravindra Singh is appointed as Chairman of the Stakeholders Relationship Committee in place of Mr. Arun Kumar Jain and Mr. Arun Kumar Jain remains a member of the Committee.*

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



Corporate Governance

For the Financial Year ended March 31, 2022

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

Status of total complaints received (including two complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2022:

Sl. No.	Type of Complaints	No. of Complaints pending as on March 31, 2021	Total No. of Complaints received during the financial year ended March 31, 2022	Total No. of Complaints resolved during the financial year ended March 31, 2022	No. of Complaints pending as on March 31, 2022
1	Non-receipt of dividend	0	1	1	0
2	Share transfer including Demat request	0	7	7	0
3	Non receipt of Annual Report	0	0	0	0
	Total	0	8	8	0

Note: In addition to the above, there might be some complaints pending at court or at the end of shareholders due to non-submission of the information desired by RTA.

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

Mr. Bhuneshwar Mishra, Sr. GM – Sustainability & Company Secretary of the Company is the Secretary to the Committee and also the Compliance Officer of the Company.

(iv) Banking and Operations Committee

The Board had constituted the Banking and Operations Committee to expedite the day to day functioning and exercise of delegated powers of the Board. This Committee meets as per the requirement of business, to expedite all matters relating to operations and granting authority for various functional requirements such as issue of Power of Attorney, arranging / negotiating of term loans, working capital loan, short term loan, dealings with Central / State Governments including their agents and various statutory / judicial / regulatory / local / commercial / excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company in line with the delegated authority of Board of Directors from time to time. During the financial year 2021-22, total 21 Meetings of Banking & Operations Committee were held.

The composition of the Banking and Operations Committee as on March 31, 2022 is as under:

(in Rupees)

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

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

The Board of Directors had voluntarily constituted the Corporate Social Responsibility (CSR) Committee in their meeting held on January 28, 2013. Subsequently it was made mandatory, pursuant to Section 135 of the Companies Act, 2013. This Committee was constituted to strengthen and monitor CSR policy of the Company. Further, CSR Committee of the Board meets the criteria prescribed by Section 135 of the Companies Act, 2013, which states that every CSR Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an Independent Director.

Mr. Bhuvneshwar Mishra, Secretary of the Company acts as Secretary to the Committee.

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

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

All CSR activities of GHCL Limited are carried out by a dedicated team engaged in our GHCL Foundation Trust and progress are monitored by the top management every month. The CSR activities are carried out throughout the year. The CSR thematic programs are Agriculture & Animal Husbandry, Healthcare, Education & Vocational Training Women Empowerment etc.

During the financial year ended March 31, 2022, the CSR Committee met twice on April 24, 2021 and October 25, 2021. The CSR Committee of the Board comprises of following five Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2022

Category of Director	Name of the CSR Committee Members				
	Mr. Anurag Dalmia – Chairman of the Committee	Mrs. Vijaylaxmi Joshi (Retd. IAS)	Mr. Neelabh Dalmia	Mr. R S Jalan	Mr. Raman Chopra
	Non-Executive Director	Independent Director	Executive Director (Textiles)	Managing Director	CFO & Executive Director (Finance)
Date of the Meeting					
April 24, 2021	☑	☑	☑	☑	☑
October 25, 2021	☑	☑	☑	☑	☑

1. Subsequent to the financial year ended March 31, 2022, the Board of Directors in their meeting held on April 30, 2022, had reconstituted various committees and appointed Justice (Retd.) Ravindra Singh as a member of the CSR Committee.



Corporate Governance

For the Financial Year ended March 31, 2022

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

(vi) Risk & Sustainability Committee

Risk Management Committee has been constituted as per the requirement of Regulation 21 of the Listing Regulations. In order to strengthening Company's position in governance, risk management, sustainability and compliance (GRC) and also for the developing framework for risk management and stakeholders' value creation on sustainable basis, the Board of Directors in their meeting held on July 29, 2021, had extended the scope of the Committee and renamed it to "Risk & Sustainability Committee". In said meeting, the Board had also reconstituted the Risk & Sustainability Committee, after nominating Mr. Anurag Dalmia as a member of the Committee with effect from July 29, 2021.

The Company satisfies the requirement of Regulation 21 of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors. Mr. Bhuwadeshwar Mishra, Secretary of the Company acts as Secretary to the Committee.

The Company is having well defined Risk Management Policy and Risk Management Framework. Risk Management Policy of the Company has been posted on the website of the Company.

The scope of work and /or term of reference of the Risk & Sustainability Committee are as under:

- (1) To formulate a detailed risk management policy which shall include:
 - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
 - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
 - c. Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) To review of appointment, removal and terms of remuneration of the Chief Risk Officer (if any) in line with the SEBI LODR regulations.
- (7) Advise sustainable strategy and policy on climate change, health, safety and environment, social and community matters;
- (8) Ensure appropriateness of the Sustainability management systems and frameworks.
- (9) Ensure effectiveness of the company's external reporting of sustainability performance and its participation in external benchmarking indices.
- (10) Ensure that a safe and healthy working environment is a primary objective and is fundamental to the Company's business operations;
- (11) Keep upto date with Environmental, Social and Governance (ESG) best practices and thought leadership.
- (12) Responsible for the oversight of diversity & inclusion (D&I) matters, people and community engagement and monitoring of corporate culture in support of the company's purpose and values, reporting to the Board on such matters as appropriate.
- (13) Balance non-financial targets and commitments with the sustainability strategy with the delivery of financial value for shareholders and other stakeholders.
- (14) Monitor and review changes in the company's reputation and its stakeholders expectations on sustainability and ensure the Board is kept appropriately informed;
- (15) Bring best practice thinking and ongoing awareness of global developments in sustainability.

(16) Any other activities as per the requirement of the Listing Regulations and /or the Companies Act, 2013 and other applicable provisions or suggested norms, if any.

During the financial year ended March 31, 2022, the Risk & Sustainability Committee met twice on July 14, 2021 and January 10, 2022. The Risk & sustainability Committee of the Board comprises of following five Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT RISK & SUSTAINABILITY COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2022

Category of Director	Name of the Risk Management Committee Members				
	Mr. Arun Kumar Jain (Retd.IRS)	Mr. Anurag Dalmia*	Mr. R S Jalan	Mr. Raman Chopra	Mr. Neelabh Dalmia
	Independent Director	Non-Executive Director-Vice Chairman	Managing Director	CFO & Executive Director (Finance)	Executive Director (Textiles)
Date of the Meeting					
July 14, 2021	☑	N.A.	☑	☑	☑
January 10, 2022	☑	☑	☑	☑	☑

Note: The Board of Directors in their meeting held on July 29, 2021 had appointed Mr. Anurag Dalmia, Vice Chairman of the Company as a member of the Risk & Sustainability Committee

Risk Management Framework

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

4. General Body Meeting:

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

Financial Year	Date	Time	Venue / Mode
2020-21	June 19, 2021	10.00 A.M.	Through Video Conferencing (VC) or Other Audio Visual Means (OVAM)
2019-20	July 6, 2020	9.30 A.M.	Through Video Conferencing (VC) or Other Audio Visual Means (OVAM)
2018-19	May 30, 2019	9.30 A.M.	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006

(b) Special Resolutions:

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

AGM	Date of AGM	Information regarding Special Resolutions
38th AGM	June 19, 2021	(a) Approval for re-appointment of Mr. Sanjay Dalmia, Chairman as a Director of the Company, liable to retire by rotation (in line with the requirement of Regulation 17 (1A) of the Listing Regulations). (b) Approval for conversion of loan into equity shares in case company is in default of terms of loan agreement.
37th AGM	July 6, 2020	No Special Resolution
36th AGM	May 30, 2019	No Special Resolution



Corporate Governance

For the Financial Year ended March 31, 2022

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

(c) Extraordinary General Meeting (EGM) & NCLT convened Meeting

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2021-22, 2020-21 and 2019-20.

However, in line with direction of Hon'ble NCLT, separate meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Company were held on April 8, 2021 and adjourned meeting of Secured Creditors on July 8, 2021 through VC/OAVM, for the purpose of approving the Scheme of Arrangement in the nature of Demerger of Textiles Business Undertaking of GHCL Limited to GHCL Textiles Limited.

(d) Postal Ballot

One Special Resolution was passed during the year through postal ballot for transfer of Home Textiles Business of the company by way of slump sale on a 'going concern' basis to Indo Count Industries Limited ("ICIL"). Necessary provisions relating to postal ballot have been complied with.

- (e) Total six resolutions were passed in the 38th Annual General Meeting. Two were Special Resolutions and other four were Ordinary Resolutions and all the six resolutions were passed with the requisite majority by combined result of the Remote e-voting and e-voting during the meeting of the shareholders.

5. Means of communication:

Sl. No.	Particulars		Quarter - I	Quarter - II	Quarter - III	Quarter - IV	Financial Year ended March 31, 2022 (Audited)	
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 30, 2021	October 29, 2021	January 28, 2022	May 1, 2022	May 1, 2022	
		The Hindu - Business Line	July 30, 2021	October 29, 2021	January 28, 2022	May 1, 2022	May 1, 2022	
2	Vernacular Newspapers in which quarterly results were published / to be published	Jai Hind (Gujarati)	July 30, 2021	October 29, 2021	January 28, 2022	May 1, 2022	May 1, 2022	
3	Website Address of the Company on which financial results are posted		www.ghcl.co.in					

4 Website Address of the Stock Exchange(s) on which financial results are posted.						
Name of Stock Exchange(s)	Website Address	Date of Filing of Results				
National Stock Exchange of India Limited (NSE)	www.nseindia.com	July 29, 2021	October 28, 2021	January 27, 2022	April 30, 2022	April 30, 2022
BSE Limited (BSE)	www.bseindia.com	July 29, 2021	October 28, 2021	January 27, 2022	April 30, 2022	April 30, 2022

5 Presentation made to institutional investors or to the analysts

During the year under review, conference call and /or Investors meeting were facilitated on April 29, 2021, July 29, 2021, October 28, 2021 and January 27, 2022, to discuss the financials and / or other business update of the Company, with the investors / analysts.

Copy of the presentation, transcripts and audio recordings, regarding said Investors' conference / meetings held with the management were filed with the Stock Exchanges and the same were also uploaded with the website of the Company.

6. General shareholder's Information:

GENERAL SHAREHOLDER INFORMATION				
Sl. No.	Particulars	Details		
1	Annual General Meeting	Thursday, June 30, 2022	10.00 AM	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) read with applicable circulars.
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2022)		By 2nd week of August 2022	
	Financial Reporting for - Quarter - II (ending September 30, 2022)		By 2nd week of November 2022	
	Financial Reporting for - Quarter - III (ending December 31, 2022)		By 2nd week of February 2023	
	Financial Reporting for - Quarter - IV (ending March 31, 2023)		By 4th week of May 2023	
	Financial Year of the Company is for a period of 12 months commencing from 1st April and ending on 31st March.			
3	Record Date / Cut-off Date	Thursday, June 23, 2022		
4	Dividend Payment Date	Dividend of Rs. 15 per share i.e. 150% on the paid up equity capital, (comprises of regular Dividend of Rs.10 per share and Special Dividend of Rs. 5 per share) will be paid on or after Monday, July 4, 2022, if approved by the members in the ensuing Annual General Meeting		



Corporate Governance

For the Financial Year ended March 31, 2022

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

GENERAL SHAREHOLDER INFORMATION							
Sl. No.	Particulars	Details					
5	Listing on Stock Exchanges	Name & Address of Stock Exchanges BSE Limited, (BSE) Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	Stock Code 500171	ISIN WITH NSDL & CDSL INE 539 A01019			
		National Stock Exchange of India Limited, (NSE) "Ex-change Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019			
6	Listing fees:	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2022					
7	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited, C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083. Tel No: +91 22 49186270 Fax: +912249186060 (Email : rnt.helpdesk@linkintime.co.in)					
8	Outstanding GDRs / ADRs / Warrants or any convertible instruments: Not applicable						
9	Commodity price risk or foreign exchange risk and hedging activities: As per the SEBI Circular dated November 15, 2018 read with Clauses 9(n) & 9(g) of Part C to Schedule V of the Listing Regulation, disclosure regarding exposure of the Company to various commodities for the financial year ended on March 31, 2022, is as under:						
	a. Total exposure of the Company to commodities in INR: 928.68 Cr.						
	b. Exposure of the Company to various commodities:						
Commodity Name	Exposure in INR Cr.	Exposure in Quantity terms (in MT)	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Cotton	586.65	30306	Nil	Nil	Nil	Nil	Nil
Coal	342.03	244436	Nil	Nil	32%	Nil	32%

GENERAL SHAREHOLDER INFORMATION		
Sl. No.	Particulars	Details
c.	Commodity risks faced by the listed entity during the year and how they have been managed	<p>Senior management monitors commodity price risk and foreign exchange risk and based on the expert advice taken necessary step for its coverage / hedging as given below:</p> <p>For Cotton: Company has a very robust and well proven policies of cotton sourcing. Most of the cotton procurement is done at the beginning of the season which starts from October onwards every year and covers almost 70-80% of its yearly requirement during October – March period where the quality of the cotton is the best and prices are generally on the lower side. The Company has adequate working capital arrangements in place to adhere to the above policy of cotton procurement every year.</p> <p>Limestone: Due to volatility in the international market, sea freights are on increasing trends. However, annual quantity have been fixed for 3 years (2022-24)</p> <p>Coal & other carbon products: Due to the current geopolitical situation, energy products prices have been increased drastically especially Thermal Coal, Met Coke and anthracite Coal which have been used significantly in our Soda Ash plant.</p> <p>Chemicals (Ammonia, Sodium Hydrosulphide etc.): Prices increased as main feedstock price increased many times due to global volatility.</p> <p>The Company's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.</p>
	Foreign Exchange risk & Hedging Activities by the Company for the FY 2021-22:	
	Company has institutionalized arrangements for Monthly Operational Review / Quarterly review of the Forex Exposures of Import / Export / FTCL by the top management. The Exchange Risk on the above exposures is mitigated / managed by way of Hedging as explained below:	
	Export Exposures	<p>The Company takes forward cover as follows:</p> <p>(a) 90% for the 1st to 3rd month receivables</p> <p>(b) 85% for the 4th to 6th month receivables and</p> <p>(c) 50% for the 7th to 12th month receivables of its export of Home Textiles Division on a continuous basis. Overall, the export covered around 60% of annual sales.</p> <p>Balance export proceeds are converted on the prevailing exchange rate.</p> <p>PCFC is availed for the export from Soda Ash and Yarn division on a regular basis.</p>
	Import Exposures - Raw materials	GHCL follows the strategy for Hedging the Import Exposures. The Company takes the Forward Cover for the payables due in next 2 Months on a regular basis.
	Import Exposures – Capital Goods	The company takes 100% Forward cover for the Capital goods import payments after the receipt of import documents and submission of acceptance to the bank.
	FTCL / FCNRB Exposures	As a policy, the Company takes forward cover for the repayment of FTCL / FCNRB repayable in next 2 Months.



Corporate Governance

For the Financial Year ended March 31, 2022

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

GENERAL SHAREHOLDER INFORMATION		
Sl. No.	Particulars	Details
10	Address for Correspondence	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or annual report or any other query relating to shares be addressed to Link Intime India Private Limited, C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083. Tel No : +91 22 49186270 Fax: +91 22 49186060 (Email : rnt.helpdesk@linkintime.co.in) For General Correspondence: GHCL Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-39324100, Fax: 079-26423623 (Email : secretarial@ghcl.co.in)
11	Dematerialization of Shares and Liquidity:	97.73% of the Company's total equity shares representing 9,31,82,348 equity shares were held in dematerialized form as on March 31, 2022. Total paid-up capital of the Company as on March 31, 2022, is 9,53,50,786 equity shares of Rs. 10 each. The trading in the Company's shares is permitted only in dematerialized form with effect from October 28, 2000 as per notification issued by SEBI.
12	As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/ re-appointment are given in Notice to the ensuing Annual General Meeting.	

7. Corporate Benefits to Shareholders

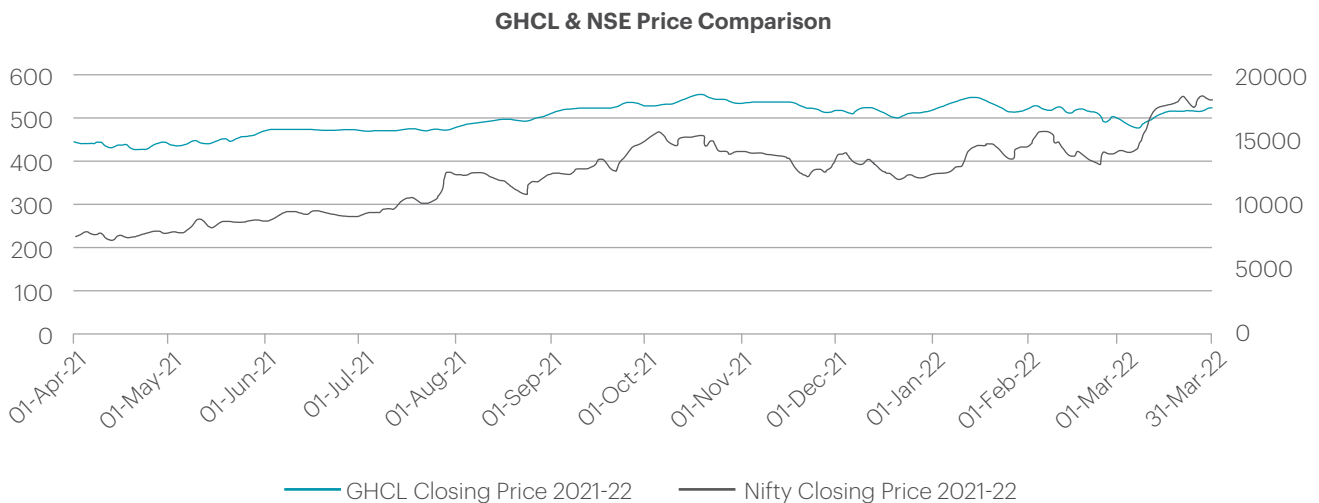
Financial Year	Dividend declared for last 10 years	
	Dividend	Dividend (Rs. per Share)
2011-12	20.00%	2.00
2012-13	20.00%	2.00
2013-14	20.00%	2.00
2014-15	22.00%	2.20
2015-16	35.00%	3.50
2016-17	50.00%	5.00*
2017-18	50.00%	5.00
2018-19	50.00%	5.00
2019-20	30.00%	3.00**
2020-21	55.00%	5.50

*Interim dividend @ Rs.1.50 per share & Final dividend @ Rs. 3.50 per share.
**Interim Dividend @ Rs. 3.00 per share.
Equity share of paid up value of Rs. 10 per share.

8. Month-wise stock market data (BSE & NSE) relating to equity shares of the company for the financial year ended March 31, 2022

Month of the financial year 2021-22	MARKET PRICE DATA					
	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
	High	Low		High	Low	
April 2021	249.70	215.35	462097	249.95	215.05	5449787
May 2021	275.00	234.25	1014792	274.95	234.10	8741180
June 2021	296.50	255.20	920738	296.55	255.20	6426309
July 2021	397.70	268.30	1248940	398.00	268.45	16749117
August 2021	401.75	310.00	1006752	401.60	310.00	8752266
September 2021	455.45	360.00	1294669	455.50	360.70	17557913
October 2021	483.10	406.30	617671	483.00	405.00	7728297
November 2021	438.00	359.60	324228	438.20	359.65	3101236
December 2021	432.00	349.00	277085	434.90	348.50	4270269
January 2022	459.90	374.65	606047	459.90	375.00	7419013
February 2022	488.00	385.45	578086	488.40	385.00	6173326
March 2022	577.95	400.30	9,96,104	578.25	408.30	12661492

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





Corporate Governance

For the Financial Year ended March 31, 2022

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

10. Shareholders Reference

Unclaimed Dividend

Pursuant to Section 124 of the Companies Act, 2013 read with provisions of Investors Education & protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, already transferred by the Company in favour of Investor Education and Protection Fund (IEPF). The unclaimed dividend for the financial year 2013-14 have also been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie with the Company in respect of the unclaimed dividend and shares transferred to IEPF for the financial year 2013-14. The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF. The

Company had also uploaded the details of such shareholders including the shares and unclaimed dividends transferred to IEPF on the website of the Company at www.ghcl.co.in.

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

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

Financial Year	Date of Meeting	Due for Transfer to IEPF
2014-15	23-07-2015	July 2022
2015-16	19-07-2016	July 2023
2016-17 (Interim Dividend)	31-01-2017	January 2024
2016-17 (Final Dividend)	29-06-2017	June 2024
2017-18	31-05-2018	May 2025
2018-19	30-05-2019	May 2026
2019-20 (Interim Dividend)	15-03-2020	March 2027
2020-21	19-06-2021	June 2028

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2022

No. of Shares held of Rs. 10 each between		No. of shareholders	% of total shareholders	No. of shares	% of total shares
From	To				
1	500	63746	90.50%	7147915	7.50%
501	1000	3477	4.94%	2833357	2.98%
1001	2000	1510	2.14%	2342459	2.46%
2001	3000	487	0.69%	1243303	1.30%
3001	4000	236	0.34%	848897	0.89%
4001	5000	240	0.34%	1133942	1.19%
5001	10000	311	0.44%	2305488	2.41%
10001	Above	431	0.61%	77495425	81.27%
		70438	100.00%	95350786	100.00

SHAREHOLDING PATTERN AS ON 31ST MARCH 2022

Category	No. of shareholders	% of shareholding
A Promoters & Promoters Group Holding		
1 Promoters		
Indian Promoters	12674910	13.29%
Foreign Promoters	5507900	5.78%
2 Others	0	0.00%
Sub-Total	18182810	19.07%
B Non-promoters Holding		
3 Institutional Investors		
Mutual Funds	14450142	15.15
Banks, Financial Institutions	7004	0.007%
Insurance Companies (including LIC ASM Non Par)	3565848	3.74%
Foreign Portfolio Investors (including FIIs)	14702681	15.42%
Alternate Investment Funds	169186	0.18%
Sub-Total	32894861	34.50%
4 Non-institutional Investors		
Bodies Corporate	15937810	16.71%
NBFC registered with RBI	1250	0.001%
Indian public (Individuals & HUF)	23324269	24.46%
NRIs & Foreign Companies	1543206	1.62%
Government Companies (i.e. IEPF)	1023113	1.07%
Other Directors & relatives	575100	0.60%
Others (Trusts ,Clearing Members, Body Corp-Ltd Liability Partner-ship and Central & State Government)	1868367	1.96%
Sub-Total	44273115	46.43%
Grand Total	95350786	100.00%



Corporate Governance

For the Financial Year ended March 31, 2022

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

Plant Locations:

Inorganic Chemical Division:	No. of Complaints pending as on March 31, 2021
Soda Ash Plant:	Village: Sutrapada Near Veraval, Distt.: Gir Somnath, Gujarat - 362275
Salt works:	Port Albert Victor, Via Dungar, Distt.: Amreli, Gujarat - 364555
Lignite Mines:	713/B, Deri Road, Near Diamond Chowk, Krishnanagar, Bhavnagar, Gujarat - 364001
Limestone Mines:	GHCL Limited, Sutrapada, Distt.: Gir Somnath, Gujarat (Mines in Har-nasa, Nakhda, Bhimdeo, Dhamanva & Gabha)
Consumer Products Division - Salt Works & Refinery:	(a) Kadinal Vayal, Vedaranyam, Distt. Nagapattanam, Tamil Nadu - 614707 (b) Nemeli Road, Thiruporur, Distt.: Kancheepuram, Tamilnadu - 603110
Textile Division:	
Plant - Yarn Division:	(a) Paravai, Samayanallur P.O, Distt.: Madurai, Tamil Nadu - 625402 (b) Thiagesar Alai P.O, Manaparai, Distt.: Trichy, Tamil Nadu - 621312
*Plant - Home Textile Division:	S. No. 191 & 192, Mahala Falia, Village - Bhilad, Distt.: Valsad, Vapi, Gujarat - 396191
Wind Energy Division	(a) Muppandal, Village: Irukkandurai, Post: Sankaneri, Taluk: Radhapuram, Distt.: Tirunelveli, Tamil Nadu (b) Village: Chinnaputhur, Taluk: Dharapuram, Distt.: Erode, Tamil Nadu (c) Village: Kayathar, Distt.: Tuticorin, Tamilnadu.

**Effective from April 2, 2022, HT Business of the Company situated in Bhilad (Vapi), Gujarat, has been formally transferred (Slump Sale) to Indo Count Industries Limited and ownership of GHCL Limited has been ceased.*

11. List of all Credit Ratings (along with revisions) obtained by the Company during the financial year ended March 31, 2022:

The complete details on Credit Ratings obtained by the Company during the financial year ended March 31, 2022, are placed in the Board's Report under finance section.

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

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

13. Disclosures:

13.1 Disclosure on materially significant related party transactions

No transactions of a material nature have been entered into by the Company with its promoters, Directors, or the management or relatives etc. that may have

potential conflict of interest of the Company. However, the management furnishes the details of related party transactions on quarterly basis before the Audit Committee / Board of Directors meetings, which are in conformity with the Ind-AS. The particulars of transactions between the Company and the related parties for the year ended March 31, 2022, are disclosed in the notes to the accounts in this Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

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

The company has an excellent track record of statutory compliances and committed for excellence in governance, compliance and protection of stakeholders interest. GHCL Limited has complied with all the requirement of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on the matter related to capital markets, during

the current year (i.e. 2021-22). However, during the financial year 2019-20, Company had paid fine of Rs. 10,000/- each to BSE Limited and National Stock Exchange of India Ltd. under Standard Operating Procedure (SOP) on account of a technical non-compliance of Regulation 29 of the Listing Regulations. Detailed notes had already been given in the previous annual report.

Further, in line with the undertaking submitted to NSE, while seeking their No objection on the proposed demerger of spinning division of the Company and as advised by NSE, we would like to inform about a pending case (not related to GHCL) against Golden Tobacco Limited, a promoter entity and some of its past directors (including Mr. Anurag Dalmia), which was filed by SFIO and is pending with the Tis Hazari Court in Delhi. The matter is sub-judice.

13.3 Vigil mechanism / Whistle Blower Policy

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

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

The purpose of the policy is to create a fearless environment for the directors, employees and other stakeholders to report any instance of unethical behaviour, actual or suspected fraud or violation of GHCL's code of conduct or Ethics Policy to the Managing Director (Mr. R S Jalan), Ombudsperson (Mr. Arun Kumar Jain, independent director of the company), Whistle Officer (Mr. Bhuneshwar Mishra – Compliance Officer) or Whistle Committee.

The details of person with whom complaints can be filed:

Mr. Arun Kumar Jain

Independent Director and Ombudsman for Whistle Blower Policy

Email: akjaincit@gmail.com

Mobile No: 9428511559

Address: B-802, Prateek Stylome, Sector - 45, Noida – 201301

Mr. R S Jalan

Managing Director – GHCL Limited

Email: rsjalan@ghcl.co.in

Mr. Bhuneshwar Mishra Sr. GM - Sustainability & Company Secretary

Email: bmishra@ghcl.co.in

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

In order to strengthen the existing reporting system under Vigil mechanism, the Company had successfully launched online reporting system to report any kind of Whistle Blower related issues in the prescribed format. Pursuant to the requirement of the Schedule V of the Listing Regulations, we would like to affirm that no personnel has been denied access to the Audit & Compliance Committee of the Company.

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

13.4 Disclosures regarding web link of the Company

Policy for determining material subsidiaries and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website (URL: <https://www.ghcl.co.in/code-of-conduct>).

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

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



Corporate Governance

For the Financial Year ended March 31, 2022

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

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

- (a) **Non-Executive Chairman's Office:** A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his / her duties. The Company is having non-executive Chairman. The Company does not incur expenses for maintaining Chairman's office.
- (b) **Shareholders' Rights:** As the half-yearly (including quarterly) financial performance are published in the newspapers and are also posted on the Company's website. The Company also used to report significant events to the stock exchanges from time to time. With effect from publication of quarterly results of June 2021, the Company through its mass email service, has sent its quarterly results and statement of MD as well as statement of CFO to its shareholders holding 10 share and more.
- (c) **Audit Qualifications:** During the period under review, there is no audit qualifications in the Company's financial statements. GHCL continues to adopt best practices to ensure a regime of unqualified financial statements.
- (d) **Reporting of Internal Auditor:** The Company is having independent Internal Auditors (separate from the employees) for all the division. The Internal Auditors used to send their reports to the CFO / person authorised for this purpose and in turn the reports were circulated to the members of the Audit & Compliance Committee for their perusal.

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

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

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

The Company has obtained a certificate from M/s Chandrasekaran Associates, Company Secretaries

(Secretarial Auditor of the Company), regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority. This certificate is annexed to this Report.

13.8 Total fees for all services paid by GHCL Limited and its subsidiaries, on a consolidated basis, to S. R. Batliboi & Co. LLP and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended March 31, 2022, is as follows:

	Amount (INR in Crore)
Fees to S.R. Batliboi & Co. LLP : Audit fees	1.32
Other services:	0.33
Fees for other related services paid to S.R. Batliboi & Associates firms and to entities of the network of which the statutory auditor is a part	0.28
Out of Pocket Expenses	0.02
Total Fees	1.95

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

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

13.10 The disclosure about Directors and Officers (D & O) Liability Insurance in line with the requirement of Regulation 25 (10) of the SEBI (LODR) Regulations, 2015.

As per the provisions of the Companies Act and in compliance with Regulation 25 (10) of the Listing Regulations, the Company has taken a Directors and Officers (D & O) Liability Insurance on behalf of all Directors including Independent Directors, Officers, Managers and Employees of the Company for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company.

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

In compliance with the SEBI regulation on prevention of Insider Trading, the Company had placed a comprehensive code of conduct for its promoters, directors, designated employees of the Company and their immediate relatives. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. Subsequently, the Company has its code in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015.

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

The Company has also adopted Policy on Enquiry in case of leak or suspected leak of UPSI and Policy for Determination of Legitimate Purposes. The Code of Corporate Disclosure Practices along with the Policy for Determination of Legitimate Purposes is also available on the website of the Company.

15. Code of Conduct:

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

16. CEO/CFO Certification

The Managing Director and Chief Financial Officer of the Company have jointly given annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. Further,

the quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations were jointly certified and issued by the Managing Director and Chief Financial Officer of the Company.

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

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

18. Share Capital & Reconciliation of Share Capital Audit

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

19. Compliance Management System

At GHCL Limited, compliance has always been an integral part of our functioning and continues to remain one of the top priorities. We believe that Company's actions are reflected by its ideologies and doing business legally and ethically is a part of the Company's day-to-day working.

The Company has in place an online Compliance Management System which monitors compliance with all laws which are applicable to the Company. The Board periodically reviews the compliance reports of all the laws applicable to the Company. The status of statutory compliance with respect to BRSR principle are given below:



Corporate Governance

For the Financial Year ended March 31, 2022

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

Principle	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
List of Laws	Integrity, Ethics, Transparency & Accountability	Safe and Sustainable goods & services	Well-being of Employees	Respect for and responsiveness to all stakeholders	Respect and promote Human Rights	Respect, Protect and restore the Environment	Responsible and Transparent Policy Advocacy	Promote inclusion growth and equitable development	Provide Value to consumer responsibly
Factories Act, 1948	√	√	√		√		√		
Companies Act, 2013	√			√			√	√	
Trade Mark Act, 1999		√					√		√
Patents Act, 1970							√	√	
Designs Act, 2000		√					√		√
Competition Act, 2002	√						√	√	√
Prevention of Money Laundering Act, 2002	√								
Right to Information Act, 2005	√		√	√			√		
Industrial Disputes Act, 1947	√		√		√		√		
Trade Union Act, 1956			√	√	√		√		
Equal Remuneration Act, 1976	√		√		√				
Persons with Disabilities (Equal Opportunities, Protection of Rights and Full Participation) Act, 1995	√		√		√		√	√	
Juvenile Justice (Care and Protection of Children) Act, 2000			√		√		√		
Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013	√	√		√	√	√	√	√	
The Protection of Women against Sexual Harassment at Work Place Bill, 2010	√			√					
Environment (Protection) Act, 1986	√	√		√		√	√		

Principle	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
List of Laws	Integrity, Ethics, Transparency & Accountability	Safe and Sustainable goods & services	Well-being of Employees	Respect for and responsiveness to all stakeholders	Respect and promote Human Rights	Respect, Protect and restore the Environment	Responsible and Transparent Policy Advocacy	Promote inclusion growth and equitable development	Provide Value to consumer responsibly
Public Liability Insurance Act, 1991	√		√			√		√	√
Biological Diversity Act, 2002						√		√	
Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016		√				√			√
E-waste (Management) Rules, 2016			√		√		√		√
Workmen's Compensation Act, 1913			√		√		√		√
Children (Pledging of Labour) Act, 1933			√		√		√		
Payment of Wages Act, 1936			√		√		√		
Industrial Employment (Standing Orders) Act, 1946			√		√		√		
Employees State Insurance Act, 1948			√		√		√		
Minimum Wages Act, 1948			√		√		√		
Employees Provident Fund and Miscellaneous Provisions Act, 1952			√		√		√		
Maternity Benefits Act, 1961			√		√		√		
Payment of Bonus Act, 1965			√		√		√		
Contract Labour (Regulation & Abolition) Act, 1970			√		√		√		
Payment of Gratuity Act, 1972			√		√		√		
Child Labour (Prohibition & Regulation) Act, 1986			√		√		√		
Water (Prevention and Control of Pollution) Act, 1974		√				√	√		√



Corporate Governance

For the Financial Year ended March 31, 2022

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

Principle	Principle 1	Principle 2	Principle 3	Principle 4	Principle 5	Principle 6	Principle 7	Principle 8	Principle 9
List of Laws	Integrity, Ethics, Transparency & Accountability	Safe and Sustainable goods & services	Well-being of Employees	Respect for and responsiveness to all stakeholders	Respect and promote Human Rights	Respect, Protect and restore the Environment	Responsible and Transparent Policy Advocacy	Promote inclusion growth and equitable development	Provide Value to consumer responsibly
Air (Prevention and Control of Pollution) Act, 1981		√				√	√		√
Forest (Conservation) Act, 1980- Amendments in 1988		√				√	√		√
Energy Conservation Act, 2001		√				√	√		√
Coastal Aquaculture Authority Act, 2005		√				√	√		√
Customs (Amendment) Act, 1985							√	√	
Direct Tax Laws (Amendment) Act, 1988							√	√	
Foreign Trade (Development and Regulation) Act, 1992							√	√	
Securities and Exchange Board of India Act, 1992							√	√	

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the financial year ended March 31, 2022.

For **GHCL LIMITED**

R S Jalan
Managing Director
DIN: 00121260

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

Date: April 30, 2022

Certificate under Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

The Board of Directors
GHCL Ltd.

We the undersigned certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2022 and that to the best of our knowledge and belief :
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee-
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **GHCL LIMITED**

R S Jalan
Managing Director
DIN: 00121260

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

Date: April 30, 2022



CERTIFICATE OF NON DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members

GHCL Limited

GHCL House Opp. Punjabi Hall, Navrangpura
Ahmedabad, Gujrat-380009

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GHCL Limited and having CIN L24100GJ1983PLC006513 and having registered office at GHCL House Opp. Punjabi Hall Navrangpura, Ahmedabad, Gujarat-380009 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sl. No.	Name of director	DIN	Original Date of appointment in Company
1	Sanjay Dalmia	00206992	20/10/1983
2	Anurag Dalmia	00120710	19/04/1986
3	Neelabh Dalmia	00121760	20/07/2005
4	Ravi Shanker Jalan	00121260	24/09/2002
5	Manoj Vaish	00157082	01/04/2019

Sl. No.	Name of director	DIN	Original Date of appointment in Company
6	Vijaylaxmi Joshi	00032055	20/04/2017
7	Raman Chopra	00954190	12/09/2008
8	Lavanya Rastogi	01744049	24/11/2014
9	Arun Kumar Jain	07563704	01/04/2019
10	Ravindra Singh	08344852	01/04/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644D000160957

Date: April 19, 2022

Place: New Delhi

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 ('Period under review') according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 prior to its repealment;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable during the year under review.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable during the year under review.
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; Not Applicable during the period under review.
- (vi) The other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on the Sectors/ Industry are:
 - (a) Food Safety and Standards Act, 2006, rules and regulations thereunder and;
 - (b) Legal Metrology Act, 2009 and rules and regulations thereunder.

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

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



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

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

We further report that

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

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice., and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

- (i) Pursuant to approval of the Board of Directors in their meeting held on December 6, 2021, withdrawal of Scheme of arrangement consisting of demerger of

Textiles Business of the Company into its wholly owned subsidiary i.e. GHCL Textiles Limited already filed with Hon'ble NCLT Ahmedabad (Gujarat). Thereafter, the Hon'ble NCLT, Ahmedabad had approved the withdrawal of said scheme vide its order dated December 14, 2021.

- (ii) Board of Directors of the Company in their meeting held on December 6, 2021 subject to approval of shareholders, had approved a Business Transfer Agreement ('BTA') for transfer of its Home Textiles Business (located at Vapi, Gujarat) ('HT Business') to Indo Count Industries Limited ('ICIL') by way of a slump sale, on a debt free basis. Said transfer of HT Business had also been approved by the Shareholders of the Company by passing special resolution through postal ballot on January 21, 2022. Hence, effective from April 2, 2022, HT Business of the Company situated in Bhilad (Vapi), Gujarat, has been formally transferred to Indo Count Industries Limited and ownership of GHCL Limited has been ceased.
- (iii) Approval by Board of Directors in their meeting held on December 6, 2021 for new Scheme of Arrangement consisting of demerger of the Spinning Business of the Company into its wholly owned subsidiary i.e GHCL Textiles Limited., subject to requisite approvals.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644D000160726

Date: April 19, 2022

Note:

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

Annexure-A

The Members

GHCL Limited

GHCL House

Opp. Punjabi Hall Navrangpura

Ahmedabad, Gujarat 380009

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 1428/2021

Dr. S. Chandrasekaran

Senior Partner

Membership No. FCS 1644

Certificate of Practice No. 715

UDIN: F001644D000160726

Date: April 19, 2022



Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of GHCL Limited
GHCL House, Opp: Punjabi Hall, Navrangpura
Ahmedabad 380009

1. The Corporate Governance Report prepared by GHCL Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub - regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") for the year ended March 31, 2022 as required by the Company for annual submission to the Stock exchange.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.
- i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
- ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
- iii. Obtained and read the Register of Directors as on March 31, 2022 and verified that at least one independent woman director was on the Board of Directors throughout the year;
- iv. Obtained and read the minutes of the following meetings of Board of Directors / committee meetings / other meetings held from April 1, 2021 to March 31, 2022:

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- a. Board of Directors;
- b. Audit & Compliance Committee;
- c. Annual General Meeting (AGM);
- d. Nomination and Remuneration Committee;
- e. Stakeholders Relationship Committee;
- f. Risk & Sustainability Committee
- g. Banking & Operations Committee
- h. Separate Meeting of Independent Directors
- i. CSR Committee
- j. Members' meeting through Postal Ballot for slump sale of Home Textile business; and

- k. Meetings of Shareholders, Unsecured Creditors and Secured Creditors held pursuant to the direction of Hon'ble NCLT regarding Scheme of Arrangement for demerger of Textiles business.
 - v. Obtained necessary declarations from the directors of the Company.
 - k. Meetings of Shareholders, Unsecured Creditors and Secured Creditors held pursuant to the direction of Hon'ble NCLT regarding Scheme of Arrangement for demerger of Textiles business.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit & compliance committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from the management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the

Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership No. 086370

UDIN: 22086370AIEKLB5482

Place of Signature: New Delhi

Date: April 30, 2022

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Standalone Financial Statements

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 2022, 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 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, 2022, 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, 2022. 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.

Discontinued Operations and Asset held for sale in relation to Transfer of Home Textile Business and certain identified assets of wholly owned subsidiary <<Refer Note 45>>

During the current year, the Company has entered into a Business Transfer Agreement (BTA) for the sale of its Home Textiles Business (located at Vapi, Gujarat) ('HT Business') to Indo Count Industries Limited ('ICIL') as a going concern, on a slump sale basis. In addition, Grace Home Fashions LLP ('GHF'), a wholly owned subsidiary of the Company also entered into an Asset Transfer Agreement (ATA) for transfer of its identified assets (i.e., inventory and intellectual property) to Indo Count Global Inc., USA (US subsidiary of ICIL).

Our audit procedures included the following:-

- Obtained an understanding and assessed the effectiveness of process followed by the management in assessing the appropriateness of the Company's accounting policies in relation to discontinued operations;
- Evaluated the basis of the management's assessment of treating the transfer of Home textile business and identified assets of GHF as Discontinued operations in accordance with the applicable accounting standards;

**Discontinued Operations and Asset held for sale in relation to Transfer of Home Textile Business and certain identified assets of wholly owned subsidiary <<Refer Note 45>>**

As at March 31, 2022, the Company has presented the operations of its Home Textile Business and GHF as "Discontinued Operations" and its related assets as "Assets held for sale" and liabilities as "Liabilities directly associated with the assets held for sale" in accordance with Ind AS 105 (Non-current Assets held for Sale and Discontinued Operations).

Accounting for discontinued operations requires judgment and estimates to identify and separate the financial effects from continuing and discontinued operations. Accordingly, this matter has been determined to be a key audit matter in our audit of the standalone financial statements

- Obtained and read the Business Transfer Agreement and Asset Transfer Agreement for understanding the impact on the standalone Ind AS financial statements including identification of the assets and liabilities to be transferred and assessment of the key estimates and judgement involved therein;
- Performed procedures on the disclosures relating to discontinued operations made in the standalone Ind AS financial statements for assessing the compliance with disclosure requirements

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 2021-22, 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 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 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 Ind AS financial statements for the financial year ended March 31, 2022 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, 2020 ("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 accounts;
 - (d) In our opinion, the aforesaid 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 as on March 31, 2022 taken on record by the Board of Directors, none of the directors



is disqualified as on March 31, 2022 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 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;
- (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:
 - 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.
 - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 48 to the standalone Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide

any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 48 to the standalone Ind AS financial statements, no funds have been received by the company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. As stated in note 15 to the standalone Ind AS financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

perAtul Seksaria

Partner

Place of Signature: New Delhi

Membership Number: 086370

Date: April 30, 2022

UDIN: 22086370AIEHUI9928

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.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at 31st March, 2022 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. Discrepancies of 10% or more in aggregate for each class of inventory have been properly dealt with in the books of account.
- (b) As disclosed in note 16B to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks and/or financial institutions during the year on the basis of security of current assets of the Company. The quarterly returns/statements filed by the Company with such banks and financial institutions are in agreement with the books of accounts of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. The balance outstanding as at balance sheet date in respect of the loans provided and guarantee given in earlier years is Rs. 0.66 Crores and Rs. 3.00 Crores respectively."
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c) 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.
- (d) 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.
- (e) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (f) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- (g) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to [companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (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, 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, duty of custom, goods and service tax, cess and other statutory dues applicable to it. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-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. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company.
- (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 Statut	Nature of Dues	Demand raised (Amount in ₹ Crore)	Pre - Deposit (Amount in ₹ 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	P rincipal Commissioners Customs- (Chennai-III)
	Denial of service tax credit on ineligible services	0.11	0.10	F .Y 2004-2005	Dy. Commissioner, Junagadh
Central Excise Act, 1944	Denial of CENVAT Credit & Non Payment of Service Tax & Excise Duty, Demand of excise duty on Fly Ash & Trading Materia	68.47	4.94	F.Y. 2008-09 to F.Y. 2016-17	Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad

Name of the Statut	Nature of Dues	Demand raised (Amount in ₹ Crore)	Pre - Deposit (Amount in ₹ Crore)	Period to which the amount relates	Forum where dispute is pending
	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	0.3	-	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 for claim u/s 80-IA, Section 14A and others	3.63	-	F.Y 2015-2016	Joint Comm, Ahmedabad
	Disallowance of Transfer Pricing Adjustment	3.95	-	F.Y. 2016-17	National Faceless Appeal Centre (NFAC)
	Disallowance of Transfer Pricing Adjustment	5.21	-	F.Y. 2017-18	National Faceless Appeal Centre (NFAC)
Gujarat Sales Tax Act, 1969	Disallowance of Set off of Sales Tax	0.02	-	F.Y. 2002-2003	VAT Tribunal, Ahmedabad
		0.02	-	F.Y. 2003-2004	Joint Comm. (Audit), Ahmedabad

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

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to



- meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 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) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period underaudit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 48 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting

is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 28 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 28 to the financial statements.

(xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3(xx) of the Order is not applicable to the Holding Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

per Atul Seksaria

Partner

Place of Signature: New Delhi

Date: April 30, 2022

Membership Number: 086370

UDIN: 22086370AIEHUI9928



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 with reference to standalone financial statements of GHCL Limited ("the Company") as of March 31, 2022 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 ("ICAI"). 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 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 Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 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 with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls 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 Company's internal financial controls with reference to these standalone financial statements.

Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to 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 controls with reference to 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 With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to 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 with reference to standalone financial statements and such internal financial controls with

reference to standalone financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

perAtul Seksaria

Partner

Place of Signature: New Delhi

Date: April 30, 2022

Membership Number: 086370

UDIN: 22086370AIEHUI9928



Standalone Balance Sheet

as at March 31, 2022

(INR in crores)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,454.53	2,656.62
(b) Capital work-in-progress	3	212.98	80.54
(c) Intangible assets	4	2.61	6.05
(d) Right-of-use assets	34	11.54	12.16
(e) Financial assets			
(i) Investments	5	16.56	40.13
(ii) Other non-current financial assets	6	21.67	19.24
(f) Other non-current assets	7	90.35	66.57
Total Non-Current Assets		2,810.24	2,881.31
(2) Current assets			
(a) Inventories	8	941.95	740.48
(b) Financial assets			
(i) Trade receivables	9	273.66	250.66
(ii) Cash and cash equivalents	10A	230.10	32.65
(iii) Bank balances other than cash and cash equivalents	10B	11.65	13.66
(iv) Loans	11A	8.20	9.43
(v) Derivative instruments	11B	-	4.14
(vi) Other current financial asset	11C	5.95	12.58
(c) Current tax assets (net)	12	-	9.73
(d) Other current assets	13	133.28	34.35
Total Current Assets		1,604.79	1,107.68
Assets held for sale	47	576.26	2.34
Total assets		4,991.29	3,991.33
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	95.35	95.01
(b) Other equity	15	2,994.90	2,406.81
Total Equity		3,090.25	2,501.82
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	424.60	563.82
(ii) Lease liabilities	34	12.99	13.33
(b) Provisions	17A	7.62	3.02
(c) Other non-current liabilities	17C	-	0.70
(d) Deferred tax liabilities (net)	12	269.57	260.16
Total Non-Current Liabilities		714.78	841.03
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16B	342.85	204.28
(ii) Lease liabilities	34	1.11	0.68
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	41.67	23.43
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	300.13	352.09
(iv) Derivative instruments	19A	1.46	-
(v) Other financial liabilities	19B	339.41	34.86
(b) Provisions	17B	11.47	14.36
(c) Current tax liabilities (net)	12	14.54	-
(d) Other current liabilities			
(i) Contract liabilities	21.2	7.08	3.91
(ii) Other liabilities	20	44.05	14.87
Total Current Liabilities		1,103.77	648.48
Liabilities directly associated with the assets held for sale	47	82.49	-
Total equity and liabilities		4,991.29	3,991.33

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

As per report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

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

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: 00954190Place : New Delhi
Date: April 30, 2022Place : New Delhi
Date: April 30, 2022

Bhuvneshwar Mishra

Sr. GM- Sustainability & Company Secretary
Membership No.: FCS 5330

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(INR in crores)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from continuing operations			
Revenue from operations	21	3,778.36	2,491.18
Other income	22	10.81	7.05
Total Income		3,789.17	2,498.23
Expenses from continuing operations			
Cost of raw materials consumed	23	1,489.12	949.80
Purchase of stock in trade		236.28	173.31
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(38.47)	12.83
Power, fuel and water		621.34	371.68
Employee benefit expenses	25	152.94	128.30
Depreciation and amortization expense	26	116.78	111.40
Finance costs	27	63.57	74.32
Other expenses	28	335.67	258.26
Total expenses		2,977.23	2,079.90
Profit before exceptional items and tax from continuing operations		811.94	418.33
Exceptional items	51	24.97	-
Profit before tax from continuing operations		786.97	418.33
Tax expense:			
Current tax	12	204.10	104.85
Tax adjustment of earlier years		(0.03)	(0.93)
Deferred tax		8.43	7.42
Total tax expense		212.50	111.34
Profit for the year from continuing operations		574.47	306.99
Profit before tax for the year from discontinued operations	45	81.46	4.07
Tax Expense of discontinued operations		(21.99)	(1.08)
Profit for the year from discontinued operations		59.47	2.99
Profit for the year		633.94	309.98
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years			
Re-measurement Gain/(Loss) on defined benefit plans		0.44	(1.63)
Income tax effect		(0.11)	0.41
Re-measurement Gain/(Loss) on investment in equity		1.32	5.95
Net other comprehensive income not to be reclassified to profit or loss in subsequent years	29	1.65	4.73
Total comprehensive income for the year, net of tax		635.59	314.71
Earnings per share for continuing operations per equity share nominal value of shares INR 10 (Previous year INR 10 each)	30		
Basic (INR)		60.31	32.31
Diluted (INR)		60.13	32.23
Earnings per share for discontinued operations per equity share nominal value of shares INR 10 (Previous year INR 10 each)			
Basic (INR)		6.24	0.31
Diluted (INR)		6.22	0.31
Earnings per share for continuing and discontinued operations per equity share nominal value of shares INR 10 (Previous year INR 10 each)			
Basic (INR)		66.55	32.62
Diluted (INR)		66.35	32.54

The accompanying notes are Integral 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 DalmiaChairman
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: 00954190Place : New Delhi
Date: April 30, 2022Place : New Delhi
Date: April 30, 2022**Bhuvneshwar Mishra**Sr. GM- Sustainability & Company Secretary
Membership No.: FCS 5330



Standalone Statement of Cash Flows

for the Year ended March 31, 2022

(INR in crores)

Particulars	For the Year ended March 31, 2022	For the year ended March 31, 2021
Operating activities		
Profit before tax from continuing operations	786.97	418.33
Profit before tax from discontinued operations	81.46	4.07
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expenses	130.54	133.19
(Gain)/Loss on sale of investments/Provision for diminution in value of investment	24.46	(1.27)
Loss on sale/disposal of property, plant and equipment and asset held for sale	1.58	8.67
Interest income	(0.40)	(0.55)
Finance costs	70.35	90.21
Income from dividend	(0.05)	-
Employees share based payments	0.04	1.56
Liability no longer to be required	(12.75)	
Unrealised exchange Loss/(Gain)	3.38	(6.29)
Operating Profit before working capital changes	1,085.58	647.92
Changes in working capital		
Adjustments for (Increase)/Decrease in Operating assets:		
Trade receivables	(112.22)	114.13
Inventories	(383.30)	(16.21)
Other current financial assets	5.36	14.76
Other current assets	(111.40)	6.26
Non-current financial assets	(1.10)	(0.93)
Other non-current assets	0.01	(0.31)
Adjustments for Increase/(Decrease) in Operating liabilities:		
Contract liabilities	4.14	(2.20)
Trade payables	26.91	(29.70)
Derivative instruments	2.72	(10.39)
Other Non current financial liabilities	(0.70)	0.70
Other current financial liabilities	295.39	0.64
Other current liabilities	30.23	4.45
Provisions	2.25	(2.36)
Cash generated from operations	843.87	726.76
Income tax paid (net)	(204.90)	(107.07)
Net cash generated from operating activities (A)	638.97	619.69
Cash flow from investing activities		
Proceeds/(Payment) of Property, plant and equipment, capital work in progress and intangible assets	(345.11)	(110.49)
Sales/ (Purchase) of Investment (Net)	0.43	1.32
Interest received	0.40	0.55
Dividend received	0.05	-
Net cash used in investing activities (B)	(344.23)	(108.62)

Standalone Statement of Cash Flows

for the Year ended March 31, 2022

(INR in crores)

Particulars	For the Year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	5.06	-
Dividend paid	(52.00)	-
Dividend distribution tax paid	-	(5.86)
Proceeds from long-term borrowings	100.00	2.46
Repayment of long-term borrowings	(249.41)	(246.46)
Proceeds / (Repayment) from short-term borrowings	166.71	(227.53)
Payment of lease liabilities	(2.28)	(2.02)
Bank deposit in Margin Money	1.72	0.95
Investment in deposits not classified as cash and cash equivalents	(1.63)	
Interest paid	(65.29)	(89.56)
Net cash used in financing activities (C)	(97.12)	(568.02)
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	197.62	(56.95)
Cash and cash equivalents at the beginning of the year	32.65	89.60
Cash and cash equivalents at the end of the year	230.27	32.65
Components of cash and cash equivalents		
Cash on hand	0.08	0.17
Balances with banks:		
- On current accounts	16.82	32.49
- Deposits with original maturity of less than three months	213.37	
Total cash and cash equivalents (refer note 10A)	230.27	32.65

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 Integral 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 : New Delhi

Date: April 30, 2022

Place : New Delhi

Date: April 30, 2022

Bhuvneshwar Mishra

Sr. GM- Sustainability &

Company Secretary

Membership No.: FCS 5330



Standalone Statement of Changes in Equity

for the year ended March 31, 2022

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, 2020	9,50,13,286	95.01
Changes in share capital	-	-
Balance as at March 31, 2021	9,50,13,286	95.01
Changes in share capital- ESOS issued during the year (July 15,2021)	3,37,500	0.34
Balance as at March 31, 2022	9,53,50,786	95.35

B. Other equity

Particulars	Reserves and Surplus (Refer note 15)								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)	FVTOCI Reserve (H)	
As at April 1, 2020	7.57	73.89	16.36	-	1,971.07	9.87	5.45	6.34	2,090.55
Profit for the year	-	-	-	-	309.98	-	-	-	309.98
Share based payments (Refer note 25)	-	-	-	-	-	1.55	-	-	1.55
Other comprehensive income for the year, net of tax (Refer note 29)	-	-	-	-	(1.22)	-	-	5.95	4.73
Balance as at March 31, 2021	7.57	73.89	16.36	-	2,279.83	11.42	5.45	12.29	2,406.81
Profit for the year	-	-	-	-	633.94	-	-	-	633.94
Reserve created on account of ESOS issued during the year	-	-	-	10.68	-	(5.96)	-	-	4.73
Share based payments (Refer note 25)	-	-	-	-	-	0.04	-	-	0.04
Dividend paid	-	-	-	-	(52.27)	-	-	-	(52.27)
Other comprehensive income for the year, net of tax (Refer note 29)	-	-	-	-	0.33	-	-	1.32	1.65
Balance as at March 31, 2022	7.57	73.89	16.36	10.68	2,861.83	5.51	5.45	13.61	2,994.90

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

As per report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

per Atul Seksaria

Partner

Membership No. 086370

Place : New Delhi

Date: April 30, 2022

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

Sanjay Dalmia

Chairman

DIN: 00206992

R. S. Jalan

Managing Director

DIN: 00121260

Place : New Delhi

Date: April 30, 2022

Manoj Vaish

Director

DIN: 00157082

Raman Chopra

CFO & Executive Director-Finance

DIN: 00954190

Bhuweshwar Mishra

Sr. GM- Sustainability &

Company Secretary

Membership No.: FCS 5330

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (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 Board of Directors and shareholders of the Company at their respective meetings held on December 06, 2021 and January 21, 2022, respectively, approved the sale and transfer of the Company's Home Textile Business and identified assets (i.e., inventory and intellectual property) of Grace Home Fashions LLC, a US subsidiary of the Company (together termed as "HT Business" henceforth) to Indo Count Industries Limited (Indo Count) and its US subsidiary i.e Indo Count Global Inc., USA, respectively on a going concern basis under a slump sale arrangement. The HT Business includes weaving, processing and cutting and sewing of home textiles products. Accordingly, a Business Transfer Agreement ('BTA') and Asset Transfer Agreement ('ATA') were executed on December 06, 2021 between the Company and Indo Count. (Refer Note 45)

The financial statements are approved for issue in accordance with a resolution of the Board of Directors on April 30, 2022.

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 year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year

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 year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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 year.

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.

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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 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 year 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 year 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 estimates and assumptions relating to the estimation of variable consideration for volume rebates are provided in Note 31.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (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 (p) 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 year would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense.

Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the year 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 year.

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 Remissions of Duties and Taxes on Exported Products (RoDTEP), Duty Drawback scheme, Merchandise Export Incentive Scheme and Rebate of State and Central Taxes and Levies (ROSCTL) 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 Duty Drawback scheme, Merchandise Export Incentive Scheme and ROSCTL 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

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for the year ended March 31, 2022 (INR in crores unless specified otherwise)

shorter year, 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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



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items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 year 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 year, to the extent the Company's gross total income is subject to the deduction during the tax holiday year. Deferred tax in respect of temporary differences which reverse after the tax holiday year 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 year, i.e. the year 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 year.

Goods and Service tax 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 year is proportionately charged. Leases relating to land are amortized equally over the year of lease. Leased mines are depreciated over the estimated useful life of the mine or lease year, whichever 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

useful lives as given above best represent the year 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 year 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 year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. 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 year 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 year of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the year of development, the asset is tested for impairment annually.



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h) Asset for sale and discontinued operations

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.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit/ loss after tax from discontinued operations in the Statement of Profit and Loss.

As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period i.e. year ended March 31, 2021.

Basis of segregation into discontinued operations and additional disclosures in respect of discontinued operations are provided in note 45 to the financial statements.

i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year 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 year 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 year 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

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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:

- Plant and machinery 3 to 15 years
- Motor vehicles and other equipments 3 to 5 years

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 in substance 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 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.



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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 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 year of three years. For longer years, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond years 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.

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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 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.

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 year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

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
- Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

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).



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

• 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 year 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 year 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 year represents the movement in cumulative expense recognised as at the beginning and end of that year 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 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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 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:

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

- 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 116.
- (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 115

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 year, 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 year 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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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

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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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 through 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 year 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 amortised cost and fair value is recognised in P&L.
- ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
- iii) Amortised cost to FVTOCI - Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
- iv) FVTOCI to Amortised cost - Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
- v) FVTPL to FVTOCI - Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
- vi) FVTOCI to FVTPL - Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Offsetting of financial instruments

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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 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) 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 years 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 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 non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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 company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year.

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 year. The weighted average number of equity shares outstanding during the year 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 year attributable to equity shareholders of the parent company and the weighted average number of shares outstanding during the year 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

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the company. The Company intends to use the practical expedients in future periods if they become applicable.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on

or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Company.

(iv) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company

(v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores)

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, 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
Additions	-	-	11.89	116.77	0.72	0.01	0.85	0.25	-	0.81	-	131.30	91.88	-	223.18
Disposals	-	-	-	(3.60)	(0.37)	(0.00)	-	(0.25)	-	-	-	(4.22)	(131.30)	(9.92)	(145.45)
Adjustments (Refer Note 47)	19.20	-	-	-	-	-	-	-	-	-	-	19.20	-	(19.20)	-
As at March 31, 2021	359.69	352.75	266.33	2,039.21	10.09	6.27	5.06	3.64	9.47	141.54	8.23	3,202.28	80.54	2.34	3,285.15
Additions-continuing operations	16.05	-	10.60	92.76	0.67	0.04	-	0.90	6.39	-	69.79	197.20	334.79	-	531.99
Additions in assets held for sale	-	-	1.77	2.62	0.35	0.05	-	-	-	-	-	4.79	-	574.30	579.09
Disposals-continuing operations	(1.64)	-	-	(10.12)	(0.21)	-	-	(0.60)	-	-	-	(12.57)	(201.99)	(0.38)	(214.94)
Adjustments due to Discontinued operations	(52.14)	(0.35)	(57.49)	(247.50)	(7.38)	(4.49)	-	(0.39)	-	(13.07)	-	(382.81)	(0.36)	-	(383.17)
As at March 31, 2022	321.96	352.40	221.21	1,876.97	3.52	1.87	5.06	3.55	15.86	128.47	78.02	3,008.89	212.98	576.26	3798.12

Accumulated Depreciation	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, 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
Depreciation charge for the year	-	4.87	11.25	99.29	3.23	0.82	0.41	0.67	0.08	7.51	0.54	128.68	-	-	128.68
Disposals	-	-	-	(312)	(0.34)	-	-	(0.16)	-	-	-	(3.62)	-	-	(3.62)
As at March 31, 2021	-	29.19	53.65	402.08	5.92	2.09	2.37	1.06	9.26	39.00	1.03	545.66	-	-	545.66
Depreciation charge for the year	-	4.86	8.38	88.36	1.52	0.38	0.58	0.56	0.03	6.90	0.81	112.38	-	-	112.38
continuing operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year discontinued operations	0.01	1.70	1.70	10.44	0.69	0.29	0.03	0.03	-	0.49	-	13.65	-	-	13.65
Adjustments due to Discontinued operations	(0.08)	(0.08)	(18.56)	(80.43)	(6.06)	(2.47)	(0.17)	(0.17)	(0.17)	(3.08)	-	(110.85)	-	-	(110.85)
Disposals-continuing operations	-	-	-	(5.84)	(0.19)	-	-	(0.45)	-	-	-	(6.48)	-	-	(6.48)
As at March 31, 2022	-	33.98	45.17	414.61	1.88	0.29	2.95	1.03	9.29	43.31	1.84	554.36	-	-	554.36

Net book value	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 March 31, 2022	321.96	318.42	176.04	1,462.36	1.64	1.58	2.11	2.52	6.57	85.16	76.18	2,454.53	212.98	576.26	3,243.77
As at March 31, 2021	359.69	323.56	212.68	1,637.13	4.17	4.18	2.69	2.58	0.21	102.54	7.20	2,656.62	80.54	2.34	2,739.50

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

3 Property, plant and equipment (Contd.)

Net book value	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	2,454.53	2,656.62
Capital work in progress	212.98	80.54
Asset classified as held for sale	576.26	2.34

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

On transition to Ind AS (i.e. 1 April 2015), the company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Leasehold Land *

Land for soda ash plant and for corporate office are taken on lease from the Government of India for a year of 90 to 99 years. leasehold lands are capitalised and amortised over the life of lease or life of assets (whichever is lower).

Leased Mines

Leased mines represents expenditure incurred on development of mines.

Asset held for sale **

Assets held for sale represents the assets of Home textile business at Vapi unit to be transferred by the company pursuant to a Business transfer agreement and 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, 2022 was NIL (for the year March 31, 2021: INR 0.34 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 NIL (for the year March 31 2021: 8.25%) which is the effective interest rate of the specific borrowing.

4 Intangible assets

Cost	Trademarks	Software	Total Amount
As at April 1, 2020	2.65	8.61	11.26
Additions	-	3.59	3.59
Disposals	-	(0.00)	(0.00)
As at March 31, 2021	2.65	12.20	14.85
Additions	-	-	-
Disposals-continuing operations	-	-	-
Adjustments due to Discontinued operations	(2.65)	(1.26)	(3.91)
As at March 31, 2022	0.00	10.94	10.94



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

4 Intangible assets (Contd.)

Amortisation	Trademarks	Software	Total Amount
As at April 1, 2020	2.43	3.37	5.80
Amortization	0.22	2.78	3.00
Disposals		(0.00)	(0.00)
As at March 31, 2021	2.65	6.15	8.80
Amortization-continuing operations	-	2.91	2.91
Amortization-discontinued operations		0.12	0.12
Disposals- Amortization charge for the year continuing operations		-	-
Disposals- Amortization discontinuing operations	(2.65)	(0.85)	(3.50)
As at March 31, 2022	0.00	8.33	8.33

Net book value	Trademarks	Software	Total Amount
As at March 31, 2022	0.00	2.61	2.61
As at March 31, 2021	0.00	6.05	6.05

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

On transition to Ind AS (i.e. 1 April 2015), the company has elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

Capital Work in progress aging schedule(CWIP)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress -2021-22	198.78	8.00	5.78	0.42	212.98
Projects in progress -2020-21	60.65	17.30	2.19	0.40	80.54

Completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan :

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Debottlenecking project at Soda ash plant				
As at 31st March 2022	55.53	-	-	-
As at 31st March 2021	-	14.17	-	-

All title deeds of Immovable Property are held in name of the Company

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

5 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Unquoted equity shares		
Investment in Subsidiary Companies, at cost		
Investment in Grace Home Fashion LLC		
Gross Amount of Investment	24.97	24.97
Less: Provision for diminution in value of investment (Refer Note 51)	(24.97)	-
Net Amount of Investment in Grace Home Fashions LLC	-	24.97
Investment in Dan River Properties LLC	0.00	0.00
Investment in GHCL Textiles Limited	0.01	0.01
Total Investments in subsidiaries	0.01	24.98
Unquoted equity shares, at amortised cost		
5200 equity shares (as at March 31, 2021: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd *	0.01	0.01
132,700 equity shares (as at March 31, 2021: 63,400 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.15	0.07
12,00,000 equity shares (as at March 31, 2021: 12,00,000) of INR 10/- each fully paid up of SSMT Power Pvt Ltd *	1.20	1.20
950 equity shares (as at March 31, 2021: 950) of INR 10/- each fully paid up of Puvaneshwari Enterprises [#]	0.00	0.00
950 equity shares (as at March 31, 2021: 950) of INR 10/- each fully paid up of Sarojarajan Green Power Eenergy [#]	0.00	0.00
970 equity shares (as at March 31, 2021: 970) of INR 10/- each fully paid up of AFCM Wind Farms Pvt Ltd [#]	0.00	0.00
970 equity shares (as at March 31, 2021: 970) of INR 10/- each fully paid up of AJSM Green Energy Pvt Ltd [#]	0.00	0.00
780 equity shares (as at March 31, 2021: 780) of INR 10/- each fully paid up of APGL Green Energy Pvt Ltd [#]	0.00	0.00
780 equity shares (as at March 31, 2021: 780) of INR 10/- each fully paid up of Jaichander Wind Farms Pvt Ltd [#]	0.00	0.00
780 equity shares (as at March 31, 2021: 780) of INR 10/- each fully paid up of Sushmitha Titiksha Green Energy Pvt Ltd [#]	0.00	0.00
2,440 equity shares (as at March 31, 2021: 2,440) of INR 10/- each fully paid up of Prechander Wind Farms [#]	0.00	0.00
2,440 equity shares (as at March 31, 2021: 2,440) of INR 10/- each fully paid up of Prechander Green Energy [#]	0.00	0.00
2,440 equity shares (as at March 31, 2021: 2,440) of INR 10/- each fully paid up of Jayanthi Wind Farms [#]	0.00	0.00
2,440 equity shares (as at March 31, 2021: 2,440) of INR 10/- each fully paid up of Jayanthi Green Energy [#]	0.00	0.00
2600 equity shares (as at March 31, 2021: NIL) of INR 10/- each fully paid up of Vaayu Renewable Energy (Mandvi) Pvt Ltd [#]	0.00	-
100 equity shares (as at March 31, 2021: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up [#]	0.00	0.00
Unquoted debt securities (at amortised cost)		



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

5 Investments (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in government securities		
7 years National Savings Certificates (Pledged with government authorities)	0.04	0.04
Quoted equity shares(through FVTOCI)		
83,000 equity shares (as at March 31, 2021: 83,000 equity shares) of HDFC Bank Limited of INR 1/- each fully paid up	12.20	12.74
68,598 equity shares (as at March 31, 2021: 68,598 equity shares) of IDBI Bank Limited of INR 10/- each fully paid up	0.29	0.30
285 equity shares (as at March 31, 2021: 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, 2021: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	2.54	0.73
4,500 equity shares (as at March 31, 2021: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.10	0.05
Total	16.55	15.15
Non-current	16.55	15.15
Aggregate book value of quoted investments	15.13	13.82
Aggregate market value of quoted investments	15.13	13.82
Aggregate value of unquoted investments	26.40	26.32
Aggregate amount of Diminution in value of investments	24.97	-
Total	16.56	40.13

*Company does not exercise any significant influence on DM Solar Farm Pvt Ltd, SSMT Power Pvt Ltd & Vaayu Renewable Energy (Mandvi) Pvt Ltd 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 39 for determination of their fair values.

Amount being in thousands are not appearing

6 Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	9.44	8.65
Bank deposits with more than 12 months maturity		
- On escrow account#	12.08	9.79
- On account of margin money deposited*	0.15	0.80
Total other non-current financial assets	21.67	19.24

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) and bank guarantee

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

7 Other-non current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	84.81	60.94
Deposit with statutory authorities under protest	5.54	5.63
Total	90.35	66.57

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, 2022	As at March 31, 2021
Inventories valued at lower of cost and net realizable value		
Raw materials (at cost)	559.72	357.71
[includes in transit INR 8.76 Crore (At March 31 ,2021: 6.68 Crore)]		
Work-in-progress (at cost)	27.92	62.96
Finished goods (at lower of cost and net realisable value)	96.81	172.80
[includes in transit INR 26.03 Crore (At March 31 ,2021: 28.31 Crore)]		
Stock-in-trade (at lower of cost and net realisable value)	54.33	22.32
[includes in transit Nil (At March 31, 2021: INR 3.32 Crore)]		
Stores and spares (at lower of cost and net realisable value)	203.17	124.69
Total inventories at the lower of cost and net realisable value	941.95	740.48

9 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	220.75	213.23
Receivable from related parties (Refer Note 36)	52.91	37.43
Total trade receivables	273.66	250.66

Break-up for security details:	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	75.97	47.81
Unsecured, considered good	198.26	202.85
Gross Trade receivable	274.23	250.66
Less: Provision for bad and doubtful debts	(0.57)	-
Net Total trade receivables	273.66	250.66



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

9 Trade receivables (Contd.)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good						
As at 31-03-2022	239.59	31.67	-	2.12	0.28	273.66
As at 31-03-2021	219.47	16.45	13.58	0.85	0.31	250.66
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
As at 31-03-2022	-	0.03	0.11	0.07	0.36	0.57
As at 31-03-2021	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good						
As at 31-03-2022	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful						
As at 31-03-2022	-	-	-	-	-	-
As at 31-03-2021	-	-	-	-	-	-
Gross Trade receivable						
As at 31-03-2022	239.59	31.70	0.11	2.19	0.64	274.23
As at 31-03-2021	219.47	16.45	13.58	0.85	0.31	250.66
Less: Provision for bad and doubtful debts						
As at 31-03-2022						(0.57)
As at 31-03-2021						
Net trade receivables						
As at 31-03-2022						273.66
As at 31-03-2021						250.66

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 180 days.

10A Cash and cash equivalent

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with bank		
– On current account	16.65	32.48
– Deposits with original maturity of less than three months	213.37	
Cash on hand	0.08	0.17
Total cash and cash equivalents	230.10	32.65

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with bank		
- On current account	16.65	32.48
- Deposits with original maturity of less than three months	213.37	-
Cash on hand	0.08	0.17
Cash at bank and Cash on hand attributable to discontinued operations(Note 45)	0.17	-
Total cash and cash equivalents	230.27	32.65

10B Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
- On unpaid dividend account	4.52	4.26
- On account of margin money deposited*	7.13	9.40
Bank balances other than cash and cash equivalents	11.65	13.66

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

As at March 31 2022, the Company has available INR 242 Crores (As at March 31 2021: INR 630 Crores) of undrawn committed borrowing facilities.

11A Loans current

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan to employees	2.01	2.23
Loan to subsidiary company (Refer Note 36)	0.66	1.50
Loan to ESOS trust (Refer Note 36 & 43)	5.53	5.70
	8.20	9.43

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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

Breakup of financial assets carried at amortised cost

Particulars	As at March 31, 2022	As at March 31, 2021
Loans (Refer Note 11A)	8.20	9.43
Security Deposits (Refer Note 6)	9.44	8.65
Trade receivables (Refer Note 9)	273.66	250.66
Cash and cash equivalents (Refer Note 10A)	230.10	32.65
Investments in Unquoted equity shares (Refer Note 5)	1.38	1.29
Investments in Unquoted debt securities (Refer Note 5)	0.04	0.04
Total financial assets carried at amortised cost	522.82	302.71

Details of Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment :

(₹ in Crores)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters		
March 31, 2022	-	-
March 31, 2021	-	-
Directors		
March 31, 2022	-	-
March 31, 2021	-	-
KMPs		
March 31, 2022	0.09	1.10%
March 31, 2021	0.12	1.25%
Related Parties		
March 31, 2022	0.66	8.05%
March 31, 2021	1.50	15.91%

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

11B Derivative instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	4.14
Total derivative instruments at fair value through profit or loss	-	4.14

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, 2022	As at March 31, 2021
Export incentives receivable	2.94	2.54
GST refund receivable	-	5.90
Subvention receivable	2.41	3.38
Others	0.60	0.76
(Include Insurance claim receivable)		
	5.95	12.58

12 Income Tax and deferred tax

Current tax assets (net)	As at March 31, 2022	As at March 31, 2021
Income tax paid / TDS/TCS (At March 31, 2021: net of provision of INR 107.01 Crore)	-	9.73
Total	-	9.73

Current tax liabilities (net)	As at March 31, 2022	As at March 31, 2021
Income tax payable (net of income tax paid/TDS/TCS of ₹ INR 226.09)	14.54	-
Total	14.54	-



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

12 Income Tax and deferred tax (Contd.)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

Particulars	As at March 31, 2022	As at March 31, 2021
Accounting profit before tax from continuing operations	786.97	418.33
Profit/(loss) before tax from a discontinued operation	81.46	4.07
Accounting profit before income tax	868.43	422.40
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	218.57	106.31
Adjustment for tax purposes:		
- Adjustments in respect of current income tax of previous years	-	(0.69)
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	4.36	3.49
- Charity, donation and CSR expenses	2.49	2.48
- Deduction under chapter VI-A	(0.04)	(0.52)
- Diminution in value of investment	6.28	-
- Loss of sale/disposal of land held for sale	0.40	2.19
- Others	2.45	0.09
At the effective income tax rate of 27.01% (March 31, 2021: 26.833%)	234.52	113.35
Income tax expense reported in the statement of profit and loss from continuing operations	204.10	104.85
Deferred tax expense reported in the statement of profit and loss from continuing operations	8.43	7.42
Income tax expense reported in the statement of profit and loss from discontinued operations	21.99	1.08
	234.52	113.35
Tax adjustment for earlier years	(0.03)	(0.93)
Total tax expense	234.49	112.42

Deferred tax expense/(income) relates to the following:	As at March 31, 2022	As at March 31, 2021
Depreciation & amortisation	10.83	3.53
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	(1.38)	4.22
Right to use asset	(0.27)	(0.40)
Lease liabilities	0.12	0.14
Deferred tax expense/(income)	9.30	7.49
Deferred tax (income) recognised in Other Comprehensive Income	0.11	(0.41)
Total Deferred tax expense/(income)	9.41	7.08

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

12 Income Tax and deferred tax (Contd.)

Deferred tax relates to the following:	As at March 31, 2022	As at March 31, 2021
Deferred tax Liability		
Property, Plant and Equipment	(273.87)	(263.04)
Right to use asset	(2.79)	(3.06)
Deferred Tax Assets		
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	3.69	2.41
Lease liabilities	3.40	3.53
Net deferred tax assets/(liabilities)	(269.57)	(260.16)
Reflected in the balance sheet as follows:		
Deferred tax assets	7.09	5.94
Deferred tax liabilities	(276.66)	(266.10)
Deferred tax liabilities, net	(269.57)	(260.16)

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.

13 Other current assets

(Unsecured, Considered good, unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with statutory authorities	64.97	15.65
Advances recoverable in cash or kind	65.76	15.05
Prepaid expenses	2.55	3.65
Total other current assets	133.28	34.35

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
As at April 1, 2020	17,50,00,000	175.00
Increase/(Decrease) during the year	-	-
At March 31, 2021	17,50,00,000	175.00
Increase/(Decrease) during the year	-	-
At March 31, 2022	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 ensuing 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

14 Share capital (Contd.)

Issued, Subscribed and fully paid up equity shares

Particulars	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2020	9,50,13,286	95.01
Changes in share capital	-	-
At March 31, 2021	9,50,13,286	95.01
Changes in share capital- ESOS issued during the year (July 15,2021)	3,37,500	0.34
At March 31, 2022	9,53,50,786	95.35

Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2022	As at March 31, 2021
Shareholder's holding more than 5% shares		
Promoter & Promoter Group	19.07%	19.24%
DSP Small Cap Fund	8.53%	9.09%
Ares Diversified	4.86%	5.19%

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 year of five years immediately preceding the reporting date.

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

Details of shares held by promoters as at 31st March 2022

Sr. no.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	%of total shares	% Change during the *
1	HINDUSTAN COMMERCIAL COMPANY LIMITED*	29,44,737	-	29,44,737	3.09%	0.01%
2	GEMS COMMERCIAL COMPANY LIMITED *	29,40,207	-	29,40,207	3.08%	0.01%
3	BANJAX LIMITED *	27,89,700	-	27,89,700	2.93%	0.01%
4	HEXABOND LIMITED *	27,18,200	-	27,18,200	2.85%	0.01%
5	OVAL INVESTMENT PVT.LTD.*	25,88,848	-	25,88,848	2.72%	0.01%
6	LHONAK ENTERTAINMENT PRIVATE LIMITED*	13,65,599	-	13,65,599	1.43%	0.01%
7	ANURAG DALMIA HUF *	5,72,774	-	5,72,774	0.60%	0.00%
8	CARISSA INVESTMENT PRIVATE LIMITED *	4,81,752	-	4,81,752	0.51%	0.00%
9	HARVATEX ENGINEERING AND PROCESSING COMPANY LIMITED *	4,15,723	-	4,15,723	0.44%	0.00%
10	WGF FINANCIAL SERVICES LTD *	3,78,807	-	3,78,807	0.40%	0.00%
11	ANURAG TRADING LEASING AND INVESTMENT COMPANY PRIVATE LTD *	2,87,200	-	2,87,200	0.30%	0.00%
12	DALMIA FINANCE LTD *	2,00,244	-	2,00,244	0.21%	0.00%
13	ARCHANA TRADING AND INVESTMENT COMPANY PRIVATE LIMITED *	1,32,848	-	1,32,848	0.14%	0.00%

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

14 Share capital (Contd.)

Details of shares held by promoters :

Sr. no.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	% of total shares	% Change during the *
14	ANURAG DALMIA	1,00,000	10,000.00	1,10,000	0.12%	-0.01%
15	NEELABH DALMIA	69,500	35,000.00	1,04,500	0.11%	-0.04%
16	BHARATPUR INVESTMENT LIMITED *	38,842	-	38,842	0.04%	0.00%
17	SANJAY TRADING INVESTMENT COMPANY PRIVATE LIMITED *	29,100	-	29,100	0.03%	0.00%
18	GENERAL EXPORTS AND CREDITS LIMITED*	17,000	-	17,000	0.02%	0.00%
19	GOLDEN TOBACCO LIMITED *	16,578	-	16,578	0.02%	0.00%
20	PASHUPATINATH COMMERCIAL PVT. LTD.*	15,000	-	15,000	0.02%	0.00%
21	SOVEREIGN COMMERCIAL PVT.LTD. *	6,000	-	6,000	0.01%	0.00%
22	DALMIA HOUSING FINANCE LIMITED *	5,707	-	5,707	0.01%	0.00%
23	TRISHUL COMMERCIAL PVT.LTD. *	5,100	-	5,100	0.01%	0.00%
24	SWASTIK COMMERCIAL PVT.LTD. *	3,700	-	3,700	0.00%	0.00%
25	ALANKAR COMMERCIAL PRIVATE LIMITED*	2,600	-	2,600	0.00%	0.00%
26	RICKLUNSFORD TRADE AND INDUSTRIAL INVESTMENT LTD *	1,960	-	1,960	0.00%	0.00%
27	CHIRAWA INVESTMENT LIMITED *	1,860	-	1,860	0.00%	0.00%
28	MOURYA FINANCE LIMITED *	1,860	-	1,860	0.00%	0.00%
29	LAKSHMI VISHNU INVESTMENT LIMITED *	1,860	-	1,860	0.00%	0.00%
30	SIKAR INVESTMENT COMPANY LIMITED *	1,800	-	1,800	0.00%	0.00%
31	ANTARCTICA INVESTMENT PVT LTD *	768	-	768	0.00%	0.00%
32	COMOSUM INVESTMENT PVT LTD *	701	-	701	0.00%	0.00%
33	LOVELY INVESTMENT PVT LTD *	645	-	645	0.00%	0.00%
34	ALTAR INVESTMENT P LTD*	318	-	318	0.00%	0.00%
35	ILAC INVESTMENT PRIVATE LIMITED *	217	-	217	0.00%	0.00%
36	DEAR INVESTMENT P. LTD.*	55	-	55	0.00%	0.00%
37	RAM KRISHNA DALMIA FOUNDATION	1,45,000	(1,45,000.00)	-	0.00%	0.15%
	Total	1,82,82,810	(1,00,000)	1,81,82,810	19.07%	0.17%

* Change during the year on account of shares issued Pursuant to exercise of employee stock option by the employees

Details of shares held by promoters as at 31st March 2021

Sr. no.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	% of total shares	% Change during the
1	HINDUSTAN COMMERCIAL COMPANY LIMITED*	23,33,590	6,11,147	29,44,737	3.10%	0.64%
2	GEMS COMMERCIAL COMPANY LIMITED	29,40,207	-	29,40,207	3.09%	-
3	BANJAX LIMITED	27,89,700	-	27,89,700	2.94%	-
4	HEXABOND LIMITED	27,18,200	-	27,18,200	2.86%	-
5	OVAL INVESTMENT PVT.LTD.	25,88,848	-	25,88,848	2.72%	-
6	LHONAK ENTERTAINMENT PRIVATE LIMITED	13,65,599	-	13,65,599	1.44%	-



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

14 Share capital (Contd.)

Details of shares held by promoters :

Sr. no.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	% of total shares	% Change during the
7	ANURAG DALMIA HUF	5,49,602	23,172	5,72,774	0.60%	0.02%
8	CARISSA INVESTMENT PRIVATE LIMITED	4,81,752	-	4,81,752	0.51%	-
9	HARVATEX ENGINEERING AND PROCESSING COMPANY LIMITED	4,15,723	-	4,15,723	0.44%	-
10	WGF FINANCIAL SERVICES LTD	3,78,807	-	3,78,807	0.40%	-
11	ANURAG TRADING LEASING AND INVESTMENT COMPANY PRIVATE LTD	2,87,200	-	2,87,200	0.30%	-
12	DALMIA FINANCE LTD	2,00,244	-	2,00,244	0.21%	-
13	ARCHANA TRADING AND INVESTMENT COMPANY PRIVATE LIMITED	1,32,848	-	1,32,848	0.14%	-
14	ANURAG DALMIA	1,00,000	-	1,00,000	0.11%	-
15	NEELABH DALMIA	11,000	58,500	69,500	0.07%	0.06%
16	BHARATPUR INVESTMENT LIMITED	38,842	-	38,842	0.04%	-
17	SANJAY TRADING INVESTMENT COMPANY PRIVATE LIMITED	29,100	-	29,100	0.03%	-
18	GENERAL EXPORTS AND CREDITS LIMITED	17,000	-	17,000	0.02%	-
19	GOLDEN TOBACCO LIMITED	16,578	-	16,578	0.02%	-
20	PASHUPATINATH COMMERCIAL PVT. LTD.	15,000	-	15,000	0.02%	-
21	SOVEREIGN COMMERCIAL PVT.LTD.	6,000	-	6,000	0.01%	-
22	DALMIA HOUSING FINANCE LIMITED	5,707	-	5,707	0.01%	-
23	TRISHUL COMMERCIAL PVT.LTD.	5,100	-	5,100	0.01%	-
24	SWASTIK COMMERCIAL PVT.LTD.	3,700	-	3,700	0.00%	-
25	ALANKAR COMMERCIAL PRIVATE LIMITED	2,600	-	2,600	0.00%	-
26	RICKLUNSFORD TRADE AND INDUSTRIAL INVESTMENT LTD	1,960	-	1,960	0.00%	-
27	CHIRAWA INVESTMENT LIMITED	1,860	-	1,860	0.00%	-
28	MOURYA FINANCE LIMITED	1,860	-	1,860	0.00%	-
29	LAKSHMI VISHNU INVESTMENT LIMITED	1,860	-	1,860	0.00%	-
30	SIKAR INVESTMENT COMPANY LIMITED	1,800	-	1,800	0.00%	-
31	ANTARCTICA INVESTMENT PVT LTD	768	-	768	0.00%	-
32	COMOSUM INVESTMENT PVT LTD	701	-	701	0.00%	-
33	LOVELY INVESTMENT PVT LTD	645	-	645	0.00%	-
34	ALTAR INVESTMENT P LTD	318	-	318	0.00%	-
35	ILAC INVESTMENT PRIVATE LIMITED	217	-	217	0.00%	-
36	DEAR INVESTMENT P. LTD.	55	-	55	0.00%	-
37	RAM KRISHNA DALMIA FOUNDATION	1,65,000	(20,000)	1,45,000	0.15%	-0.02%
38	INTERNATIONAL RESOURCES LIMITED*	6,11,147	(6,11,147)	-	0.00%	-0.64%
	Total	1,82,21,138	61,672	1,82,82,810	19.24%	0.06%

* Due to merger/amalgamation of company

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

15 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve (Note 15A)	7.57	7.57
Business development reserve (Note 15B)	73.89	73.89
Capital redemption reserve (Note 15C)	16.36	16.36
Securities premium (Note 15D)	10.68	-
Retained earnings (Note 15E)	2,861.83	2,279.83
Share based payment reserve (Note 15F)	5.51	11.42
General reserve (Note 15G)	5.45	5.45
FVTOCI reserve (Note 15H)	13.61	12.29
Total	2,994.90	2,406.81

Notes:

15A Capital reserve

Particulars	Amount
As at April 1, 2020	7.57
Changes during the year	-
At March 31, 2021	7.57
Changes during the year	-
At March 31, 2022	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
As at April 1, 2020	73.89
Changes during the year	-
At March 31, 2021	73.89
Changes during the year	-
At March 31, 2022	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
As at April 1, 2020	16.36
Changes during the year	-
At March 31, 2021	16.36
Changes during the year	-
At March 31, 2022	16.36



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

15 Other equity (Contd.)

In earlier years, an amount of INR 16.36 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the company) 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.

15D Securities premium

Particulars	Amount
As at April 1, 2020	-
Changes during the year	-
At March 31, 2021	-
Changes during the year-on account of shares issued pursuant to exercise of employee stock option by the employees	10.68
At March 31, 2022	10.68

During the year company has issued 3,37,500 equity shares of ₹ 10 yeach 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.

15E Retained earnings

Particulars	Amount
At April 1, 2020	1,971.07
Changes during the year-Profit for the year	309.98
Changes during the year-Other comprehensive income	(1.22)
At March 31, 2021	2,279.83
Changes during the year-Profit for the year	633.94
Changes during the year-Dividend Paid during the year	(52.27)
Changes during the year-Other comprehensive income	0.33
At March 31, 2022	2,861.83

15F Share based payment reserve

Particulars	Amount
At April 1, 2020	9.87
Changes during the year	1.55
At March 31, 2021	11.42
Changes during the year	(5.92)
At March 31, 2022	5.51

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 Note 33 for further details of these plans.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

15 Other equity (Contd.)

15G General reserve

Particulars	Amount
At April 1, 2020	5.45
Changes during the year	-
At March 31, 2021	5.45
Changes during the year	-
At March 31, 2022	5.45

15H FVTOCI reserve

Particulars	Amount
As at April 1, 2020	6.34
Changes during the year	5.95
At March 31, 2021	12.29
Changes during the year	1.32
At March 31, 2022	13.61

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

Particulars	Amount
Grand Total (15) as at March 2020	2,090.55
Grand Total (15) as at March 2021	2,406.81
Grand Total (15) as at March 2022	2,994.90

Distributions made and proposed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2021: INR 5.50 per share (March 31, 2020: NIL)	52.27	-
	52.27	-
Proposed dividends on equity shares:		
Proposed dividend for the year ended on March 31, 2022: ₹ 15.00 per equity share (including ₹ 5.00 per equity share as a special dividend) (March 31, 2021: INR 5.50 per share)	143.03	52.27
	143.03	52.27

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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

16a Borrowings

Non-current Borrowings	Nature of Charge	Effective interest rate %	Maturity	As at March 31, 2022	As at March 31, 2021
Term Loans					
From Banks					
Rupee Term Loans (secured)	Refer Note a to h	7.72%	December 2022 - April 2028	415.64	550.88
Foreign currency loans (secured)	Refer Note i	3.21%	April 2025	8.96	12.94
Total non-current borrowings				424.60	563.82
Current Borrowings					
Short Term Loans from Banks		4.91%	On Demand	198.05	41.35
Short Term Loans from Banks		4.55%	On Demand	10.00	
Current maturities of long term loan					
-Rupee Term Loans (secured)		7.72%	April 2022 - March 2023	130.81	149.05
-Foreign currency loans (secured)		3.21%	April 2022 - March 2023	3.99	13.88
Total current Borrowings				342.85	204.28
Aggregate Secured loans				757.45	768.10
Aggregate Unsecured loans				10.00	-

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

- Loan aggregating to ₹ 12.83 crores (Previous Year ₹ 23.43 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 1 to 2 years.
- Loan aggregating to ₹ 441.42 crores (Previous Year ₹ 329.60 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 3 to 6 years.
- Loan aggregating to Nil (Previous Year ₹ 46.20 crores) is secured by exclusive charge on specific fixed assets created out of the proceeds of the for Company's Home Textile Division situated at Vapi in Gujarat.
- Loan aggregating to NIL (Previous Year ₹ 5.73 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 term loan has been prepaid during current year.
- Loan aggregating to ₹ 92.21 crores (Previous Year ₹ 144.42 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 3 to 6 years.
- Loan aggregating to NIL (Previous Year ₹ 124.74 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, Tamilnadu excluding movable assets already hypothecated on exclusive charge basis. Term Loan has been prepaid during current year.
- Loan aggregating to NIL (Previous Year ₹ 9.88 crores) is secured by first exclusive charge on movable fixed assets of Textile Division (including Phase I, II, III) Madurai, Tamil Nadu. The loan has been repaid during current year.
- Loan aggregating to NIL (Previous Year ₹ 17.24 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 term loan has been prepaid during current year.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

16 Borrowings (Contd.)

- i) Loan aggregating to ₹ 12.95 (Previous Year ₹25.51 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 3 years.
- j) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (i) totaling ₹ 559.40 crores (Previous Year ₹ 726.75 crores), an amount of ₹ 134.80 crores (Previous Year ₹ 162.93 crores) is due for payment in next 12 months and accordingly reported under Note 16(b) under the head "Short term borrowings" as "current maturities of Long Term Borrowings".
- k) The Company has satisfied all the loan covenants..

16b Current borrowings

Particulars	Nature of Charge	As at March 31, 2022	As at March 31, 2021
Short term loans from banks (Secured)			
Cash credit facilities		-	13.06
Interest Accrued but not due on borrowings		2.02	2.74
Working capital demand loan	Refer Note a	195.00	5.00
Sales Bill Discounting		1.03	1.33
Export Packing Credit (Rupee Loan)		-	18.67
Export Bill Discounting (Foreign Currency Loan)	Refer Note b	-	0.55
Secured Short Term Borrowing		198.05	41.35
Current maturities of Long Term Borrowings		134.80	162.93
Total Secured Short Term Borrowing		332.85	204.28
Short term loans from banks - (Unsecured)			
Short Term Loan		10.00	-
Total Unsecured Short Term Borrowing		10.00	-
Total		342.85	204.28

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 and Bill Discounting are repayable on demand and carries an average interest rate of 4.90% p.a (Previous Year 5.70% p.a) on the amount outstanding.
- (b) Credit facilities in foreign currency : The facilities availed by way of foreign currency demand loan, packing credit in foreign currency, Export Bill discounting and Supplier's Credit are repayable as per maturity dates being not more than 1 year and carries an average interest NIL (without forward premium) (Previous Year 0.45% p.a) on the amount outstanding.
- (c) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

16.3 The Company has satisfied all the loan covenants.

16.4 As at March 31 2022, the Company had available INR 242 Crores (As at March 31 2021: INR 630 Crores) of undrawn committed borrowing facilities.

16.5 The Company's long term borrowings under indian rupees carry interest rate in range of 6.60% to 8.4% p.a. (excluding TUFs benefit availed in few Textile loans)

16.6 The Company's long term borrowings under foreign currency carry interest rate of 3.21% p.a.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

17 Provisions

(A) Long term provisions

Particulars	Provision for mines restoration *
As at April 1, 2020	6.27
Arising during the year	0.77
Utilised	(4.02)
As at March 31, 2021	3.02
Arising during the year	7.17
Utilised	(2.57)
As at March 31, 2022	7.62
Long term provisions	7.62

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

(B) Short term provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for Compensated absences	11.47	12.24
Provision for Gratuity (Refer Note 32)	-	2.12
	11.47	14.36

(C) Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred income - Government grants	-	0.70
	-	0.70

Ministry of Textiles has released TUF capital subsidy amounting to INR 0.15 (March 31, 2021 INR 0.87) crore under the Scheme of "Technology Upgradation Scheme (Amended)". Ministry of Textiles has approved the subsidy for purchase of certain items of Property, Plant and Equipment. In previous year company had given Bank guarantee to the ministry to Textiles to release the capital subsidy.

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	0.73	-
Received during the year	0.15	0.87
Released to the statement of profit and loss	(0.88)	0.14
Closing balance	-	0.73
Current	-	0.03
Non-current	-	0.70

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

18 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises	41.67	23.43
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	300.13	352.09
	341.80	375.52
Trade Payables	341.80	375.52
Trade Payables to related parties	-	-
Trade payable ageing schedule :	341.80	375.52

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro enterprises and small enterprises (MSME)	-	-	-	-	-
As at 31-03-2022	41.67	-	-	-	41.67
As at 31-03-2021	23.42	-	0.01	0.00	23.43
(ii) Others	-	-	-	-	-
As at 31-03-2022	290.85	4.48	2.03	2.77	300.13
As at 31-03-2021	343.61	3.56	3.10	1.82	352.09

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 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, 2022 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, 2022	As at March 31, 2021
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	41.67	23.43
Interest	-	0.44
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	25.14	43.59
Interest	0.45	0.80
iii) The amount of interest due and payable for the year 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.	-	0.44



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

18 Trade payables (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
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.	-	0.44

19A Derivative instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	1.46	-
Total derivative instruments at fair value through profit or loss	1.46	-

While the Company entered into other foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

19B Other financial liabilities Current

Particulars	As at March 31, 2022	As at March 31, 2021
Other financial liabilities		
Dealer deposits *	5.02	6.24
Security deposits	0.95	0.87
Capital creditors	28.11	18.18
Unpaid dividend	4.52	4.26
Interest accrued	0.11	0.44
Others**	300.70	4.87
	339.41	34.86

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

** Includes amount received from M/s Indo count Industries Limited of ₹ 300 Crore in current year on account of sale of Vapi division, Refer Note 45

20 Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	43.91	13.92
Deferred income (Refer Note 17C)	-	0.03
Liability towards Corporate Social Responsibility (Refer Note 28)	-	0.77
Others	0.14	0.15
	44.05	14.87

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (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, 2022		Total	For the year ended March 31, 2021		Total
	Inorganic Chemicals	Textiles		Inorganic Chemicals	Textiles	
Type of goods or service						
Sale of manufactured products						
– Soda Ash	2,625.74	–	2,625.74	1,670.02	–	1,670.02
– Textile products	–	920.49	920.49	–	609.23	609.23
– Consumer products	15.44	–	15.44	40.70	–	40.70
Sale of traded products						
– Consumer products	24.31	–	24.31	0.37	–	0.37
– Chemicals	192.38	–	192.38	170.86	–	170.86
Total revenue from contracts with customers	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
India	2,704.66	808.61	3,513.27	1,816.34	569.11	2,385.45
Outside India	153.20	111.88	265.09	65.61	40.12	105.73
Total revenue from contracts with customers	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
Timing of revenue recognition						
Goods transferred at a point in time	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
Services transferred over time	–	–	–	–	–	–
Total revenue from contracts with customers	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18

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, 2022		Total	For the year ended March 31, 2021		Total
	Inorganic Chemicals	Textiles		Inorganic Chemicals	Textiles	
Revenue						
External customer *	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
Inter-segment	–	–	–	–	–	–
	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
Inter-segment adjustment and elimination	–	–	–	–	–	–
Total revenue from contracts with customers	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18

* Sale of Yarn to Home Textile undertaking at Vapi unit in normal course of business has been considered by the Company as part of its revenue from continued operations.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (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, 2022	As at March 31, 2021
Trade receivables *	273.66	250.66
Contract liabilities		
- Advances from customers**	7.08	3.91

* Trade receivables are non-interest bearing and are generally on terms of 45 to 180 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 the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price	3,933.72	2,658.76
Adjustments		
Sales return	(2.02)	(0.14)
Rebate	0.17	(0.18)
Discount	(153.51)	(167.26)
Revenue from contract with customers	3,778.36	2,491.18

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

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	7.08	3.91
	7.08	3.91

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

22 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income from financial assets measured at amortised cost		
– from bank deposits	0.39	0.53
Dividend income	0.05	-
Other non-operating income		
Gain on foreign exchange (net)	0.98	1.28
Profit on sale of investments	0.51	1.27
Sale of scrap	6.77	3.42
Miscellaneous income	2.11	0.55
	10.81	7.05

23 Cost of raw material consumed (Refer Note 42)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	314.70	376.09
Add: Purchases	1,734.13	888.41
	2,048.83	1,264.50
Less: inventory at the end of the year	(559.71)	(314.70)
Cost of raw material consumed	1,489.12	949.80

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock		
Finished goods	172.80	141.12
Adjustment on account of discontinued operations-Finished Goods	(71.99)	(22.67)
Stock in process	62.96	54.11
Adjustment on account of discontinued operations-Stock in process	(45.50)	(37.35)
Stock in trade	22.32	18.21
Adjustment on account of discontinued operations-Stock in trade	-	-
	140.59	153.42
Closing stock		
Finished goods	96.81	172.80
Adjustment on account of discontinued operations-Finished Goods	-	(71.99)
Stock in process	27.92	62.96
Adjustment on account of discontinued operations-Stock in process	-	(45.50)
Stock in trade	54.33	22.32
Adjustment on account of discontinued operations-Stock in trade	-	-
	179.06	140.59
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	(38.47)	12.83



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

25 Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	133.76	110.97
Contribution to provident and other funds	9.44	8.42
Share based payment expenses (Refer Note 33)	0.04	1.56
Gratuity expenses (Refer Note 32)	2.96	2.44
Staff welfare expenses	6.74	4.91
	152.94	128.30

26 Depreciation and amortization expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of tangible assets (Refer Note 3)	112.38	107.38
Amortization of intangible assets (Refer Note 4)	2.91	2.59
Depreciation of Right-of-use assets (Refer Note 34)	1.49	1.43
	116.78	111.40

27 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings (Net of TUF interest subsidy amounting to INR 2.12 Crore (March 31, 2021 INR 0.57 Crore))	48.28	69.86
Exchange differences regarded as an adjustment to borrowing costs	3.91	0.14
Interest others	0.40	(4.17)
Bank charges	5.59	5.77
Interest on lease liabilities (Refer note 34)	1.41	1.43
Interest on Tax matters	3.98	1.29
	63.57	74.32

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

28 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	66.06	49.75
Loss due to flood	4.40	-
Other manufacturing expenses	37.38	32.47
Packing expenses	58.84	44.74
Bad Debts - written Off	0.33	1.57
Freight and forwarding	53.44	29.83
Commission on sales	7.88	5.16
Advertisement and business promotion expenses	-	0.55
Travelling and conveyance	8.67	6.53
Rent	3.09	3.59
Repairs and maintenance		
Plant and machinery	22.52	15.10
Buildings	1.18	1.50
Others	7.80	6.14
Rates and taxes	1.06	0.83
Insurance	16.42	15.72
Deficit on sale/discarding of PPE (Net)	1.58	8.66
Commission to Non Whole time Directors	3.54	1.77
Communication expenses	1.10	1.06
Legal and professional expenses	17.26	11.59
Donation	0.06	0.03
Donation to Political Parties	-	0.10
CSR Expenditure (refer details below)	9.85	9.80
Miscellaneous expenses	13.21	11.77
	335.67	258.26

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
To Statutory auditor:		
Audit fee	0.57	0.45
Limited review	0.75	0.75
In other capacity		
Other services (certification fees)	0.33	0.15
Reimbursements of expenses	0.02	0.02
	1.67	1.37
To Cost auditor		
Audit fee	0.03	0.03
Reimbursements of expenses	0.00	0.00
	0.03	0.03



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

28 Other expenses (Contd.)

Details of CSR expenditure

Particulars			For the year ended March 31, 2022	For the year ended March 31, 2021
a	Gross amount required to be spent by the Company during the year		9.79	9.80
b	Amount approved by the Board to be spent during the year		9.83	9.80
c	Amount spent during the year ending on 31st March, 2022:			
	In cash	Yet to be paid in cash*	Total	
i)	Construction / acquisition of any asset	0.00	-	0.00
ii)	On purpose other than (i) above	9.85	-	9.85
d	Amount spent during the year ending on 31st March, 2021:			
	In cash	Yet to be paid in cash*	Total	
i)	Construction / acquisition of any asset	0.02	-	0.02
ii)	On purpose other than (i) above	9.01	0.77	9.78

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
e	Details related to spent / unspent obligations:	
i)	-	-
ii)	9.85	9.03
iii)	Unspent amount in relation to:	
-	Ongoing project	-
-	Other than ongoing project"	0.77
	-	-

Details of ongoing project and other than ongoing project

In case of S. 135(6) (Ongoing Project)						Closing Balance*	
Opening Balance		Amount required to be spent during the year	Amount spent during the year		With Company	In Separate CSR Unspent A/c	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c			
-	0.77	9.79	9.85	0.77	-	-	

*MCA has notified Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, Companies (Amendment) Act 2019, Companies (Amendment) Act 2021. The notification states that "any amount remaining unspent under section 135 (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year".

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (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, 2022			
Gain/(Loss) on FVTOCI financial assets	-		
Re-measurement Gain/(Loss) on defined measurement plans (net of tax)	-	0.33	0.33
Re-measurement of investment in equity	1.32	-	1.32
	1.32	0.33	1.65
The disaggregation of changes to OCI by each type of reserve in equity is shown below:			
During the year ended March 31, 2021			
Gain/(Loss) on FVTOCI financial assets			
Re-measurement Gain/(Loss) on defined measurement plans (net of tax)	-	(1.22)	(1.22)
Re-measurement of investment in equity	5.95	-	5.95
Total	5.95	(1.22)	4.73

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 the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to the equity holders of the Company		
Continuing operations(A)	574.47	306.99
Discontinued operation(B)	59.47	2.99
Profit attributable to equity holders of the parent for basic earnings (C=(A)+(B))	633.94	309.98
Weighted average number of equity shares for basic EPS	9,52,53,697	9,50,13,286
Basic earnings per share (Face value of INR 10/- per share)		
Continuing operations	60.31	32.31
Discontinued operation	6.24	0.31
Profit attributable to the equity holders of the Company		
Continuing operations(A)	574.47	306.99
Discontinued operation(B)	59.47	2.99
Profit attributable to equity holders of the parent adjusted for the effect of dilution(C=(A)+(B))	633.94	309.98
weighted average number of equity shares and common equivalent shares outstanding*	9,55,45,654	9,52,62,327
Diluted earnings per equity share - (face value of INR 10/- per share)		
Continuing operations	60.13	32.23
Discontinued operation	6.22	0.31



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

30 Earnings per share (contd.)

*Weighted average number of Equity shares adjusted for the effect of dilution	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares for basic EPS	9,52,53,697	9,50,13,286
Effect of dilution:		
Employee Share Option Scheme	2,91,957	2,49,041
Weighted average number of equity shares and common equivalent shares outstanding	9,55,45,654	9,52,62,327

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 years.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies in Note 40
- Sensitivity analyses disclosures in Note 32 and Note 40
- Estimation uncertainty relating to the Global health pandemic on Covid 19 in Note 49

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years 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 year of a lease, together with both years covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and years 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 year 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:

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (contd.)

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 transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product from the customer. 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 year. 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 had done the impairment assessment of Home Textile Division during the previous year.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (contd.)

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.

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.

Judgements, estimates and assumptions for Discontinued operations

- a) Sale of Yarn to Home Textile undertaking at Vapi unit in normal course of business has been considered by the Company as part of its revenue from continued operations.
- b) Pursuant to the terms of the BTA, certain assets pertaining to HT Business are pass through in nature (i.e. the beneficial ownership of these assumed assets continued to be with the Company) such as export incentives receivable, claims receivables which would be transferred immediately to the Company by the Purchaser whenever received post-closing date. Consequently, such receivables have been retained by the Company and is forming part of the continuing operations.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

31 Significant accounting judgements, estimates and assumptions (contd.)

- c) Contingent liabilities of the HT Business have been reported on the basis of list of assumed litigations read with excluded liabilities as per the terms specified in the BTA subject to the amendments and substitution vide Supplemental BTA.

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 the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution to provident fund/pension scheme	9.86	8.86
Employer's contribution to superannuation fund	1.34	1.42

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.

Employees who are in continuous service for a year of 5 years are eligible for gratuity. The amount of gratuity payable to an employee upon leaving the company is the 50% of Fixed cost to company per month computed proportionately for 15/26 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 31 March 2022. 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.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (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, 2022

Particulars	Gratuity cost charged to profit or loss						Re-measurement (gains) / losses in other comprehensive income					As at March 31, 2022
	As at April 01, 2021	Service cost	Net interest expense/ (Income)	Amount included in profit or loss -discontinued operations	Sub-total included in profit or loss -Continued operations *	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions/ Demographic Assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	
Defined benefit obligation	49.17	3.36	3.19	0.40	6.15	(5.67)		1.10	(1.34)	(0.24)		49.81
Fair value of plan assets	47.05		(3.05)		(3.05)	-	(0.21)			(0.21)	-	50.31
Benefit liability	2.12			0.40	3.10					(0.45)		(0.50)

* The Gratuity Cost charged to profit or loss amounting INR 0.14 crores. (Previous Year INR 0.19 crores) pertains to employees of captive production units and has been included in Raw material and power & fuel costs as explained in Note No. 42

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at 31st March 2021::

Particulars	Gratuity cost charged to profit or loss						Re-measurement (gains) / losses in other comprehensive income					As at March 31, 2021
	As at April 1, 2020	Service cost	Net interest expense/ (Income)	Amount included in profit or loss -discontinued operations	Sub-total included in profit or loss -Continued operations *	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions/ Demographic Assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	
Defined benefit obligation	43.25	2.88	2.85	0.29	5.44	(3.07)		1.13	2.13	3.26		49.17
Fair value of plan assets	42.61		(2.81)		(2.81)	-	(1.63)			(1.63)	-	47.05
Benefit liability	0.64			0.29	2.63					1.63		2.12

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

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance fund	50.31	47.05

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
Discount rate	6.84%	6.49%
Estimated rate of return on plan assets	6.84%	6.49%
Estimated future salary growth	8.00%	7.00%
Rate of employee turnover	11.00%	11.00%

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

32 Defined benefit and contribution plan (Contd.)

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.18)	0.19	1.81	(1.67)	(1.67)	1.85

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.11)	0.12	1.74	(1.60)	(1.60)	1.76

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

Particulars	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting year)	15.56	14.73
2nd Following Year	5.54	6.38
3rd Following Year	6.93	6.48
4th Following Year	5.35	5.89
5th Following Year	4.95	4.56
Sum of Years 6 to 10	14.03	14.10
Total expected payments	52.36	52.14

The average duration of the defined benefit plan obligation at the end of the reporting year is 5 years (March,31 2021: 5 years).

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 year 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 low as insurance companies have to follow regulatory guidelines which mitigate risk.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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.

- 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, 2022.
- During the year 25,000 equity share options lapsed upon cessation of employment.

The relevant details of the Scheme are as under:

Particulars	Grant 3		Grant 5		Grant 6	
Date of grant	24/10/2017	24/10/2017	25/04/2018	25/04/2018	25/04/2018	25/04/2018
Date of board approval	24/10/2017	24/10/2017	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	6,10,000	6,10,000	15,000	15,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting year (see table below)						
Fair value on the date of grant (In ₹)	110.59	123.20	161.33	183.41	183.41	192.68
Exercise year	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 year are:

Vesting year from the Grant date	Grant 3		Grant 5		Grant 6	
On completion of 12 months	25,000	-	6,10,000	-	-	-
On completion of 24 months	-	25,000	-	-	-	-
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, 2022 (INR in crores unless specified otherwise)

33 Share based compensation (Contd.)

Particulars	Grant 7		Grant 8		
Date of grant	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
Date of shareholder's approval	23/07/2015	23/07/2015	23/07/2015	23/07/2015	23/07/2015
Number of options granted	25,000	25,000	60,000	60,000	60,000
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting year (see table below)					
Fair value on the date of grant (In ₹)	183.41	192.68	183.41	192.68	200.98
Exercise year	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

Details of the vesting year are:

Vesting year from the Grant date	Grant 7		Grant 8		
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, 2022		As at March 31, 2021	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	6,67,500	150	8,27,500	150
Options granted during the year	-	-	-	-
Options forfeited/lapsed during the year	25,000	150	1,60,000	150
Options exercised during the year	3,37,500	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at end of year	3,05,000	150	6,67,500	150
Options vested but not exercised during the year	7,500	170	1,12,500	151



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

33 Share based compensation (Contd.)

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

Particulars	As at March 31, 2022						Total Number of options
	Grant 3		Grant 5		Grant 6		
	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	5,000	2,500	1,05,000	4,45,000	10,000	10,000	5,77,500
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	25,000	-	-	25,000
Exercised during the year	-	-	1,05,000	2,10,000	5,000	-	3,20,000
Expired during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	5,000	2,500	-	2,10,000	5,000	10,000	2,32,500
Exercisable at the end of the year	5,000	2,500	-	-	-	-	7,500
Weighted average remaining contractual life (in years)	-	-	-	-	-	0.07	
Weighted average fair value of options granted during the year	110.59	123.20	161.33	183.41	183.41	192.68	

Particulars	Grant 3		Grant 5		Grant 6	
Date of grant	24/10/2017	24/10/2017	25/04/2018	25/04/2018	25/04/2018	25/04/2018
Stock price at the date of grant	251.05	251.05	286.5	286.5	286.5	286.5
Exercise price	170	170	150	150	150	150
Expected volatility	36.77	36.77	39.51%	39.51%	39.51%	39.51%
Expected life of the option	2	3	2	4	4	5
Risk free interest rate (%)	6.762	6.762	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	110.59	123.20	161.33	183.41	183.41	192.68

Particulars	Grant 7		Grant 8			Total	Grand Total of ESOS
	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	15,000	20,000	20,000	20,000	90,000	6,67,500
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	25,000
Exercised during the year	7,500	-	10,000	-	-	17,500	3,37,500
Expired during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	7,500	15,000	10,000	20,000	20,000	72,500	3,05,000
Exercisable at the end of the year	-	-	-	-	-	-	7,500
Weighted average remaining contractual life (in years)	-	0.07	-	0.07	1.07		
Weighted average fair value of options granted during the year	183.41	192.68	183.41	192.68	200.98		

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for the year ended March 31, 2022 (INR in crores unless specified otherwise)

33 Share based compensation (Contd.)

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

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 year:

Particulars	Leasehold building	Saltworks	Total
At 1st April 2020	6.31	7.42	13.73
Additions	-	-	-
Depreciation expense	(1.03)	(0.49)	(1.52)
Termination	(0.05)	-	(0.05)
As at 1st April 2021	5.23	6.93	12.16
Additions	1.00	-	1.00
Depreciation expense	(1.11)	(0.38)	(1.49)
Termination	(0.13)	-	(0.13)
As at March 31, 2022	4.99	6.55	11.54

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	14.01	14.60
Additions	1.00	-
Accretion of interest	1.41	1.43
Payments	(2.28)	(2.02)
Termination	(0.04)	-
Balance at the end of the year	14.10	14.01
Current	1.11	0.68
Non-current	12.99	13.33



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

34 Leases (Contd.)

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, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	1.49	1.52
Interest expense on lease liabilities	1.41	1.43
Expense relating to short-term leases *	3.81	3.90
Total amount recognised in profit or loss	6.71	6.85

* Expenses relating to Short - term leases includes figures from continued and discontinued operations amounting ₹ 3.09 Crores & ₹ 0.72 Crores respectively (included in other expenses).

The Company had total cash outflows for leases of INR ₹ 6.09 Crore in March 31, 2022 (INR 5.92 crore in March 31, 2021). 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.

35 Commitments and contingencies

Particulars	As at March 31, 2022	As at March 31, 2021
a) Estimated value of contracts remaining to be executed on Capital Account and not provided for	293.67	57.71
b) Contingent liabilities :		
- Claims against the Company not acknowledged as debts*		
- Income tax**	12.78	158.27
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	127.36	127.12
- Unpaid labour dues#	4.57	4.57
- Other claims##	17.93	18.26

* 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.

** 'In previous year, an order passed by Income Tax Appellate Tribunal (ITAT), Ahmedabad dated March 05, 2021, ITAT has disposed off cases pertaining to AY 2009-10, AY 2010-11, AY 2011-12, AY 2012-13, AY 2013-14 and AY 2014-15 and decided in favour of the company. As the Income Tax Authorities (the Department) has not filed an appeal to the High Court against the Appellate Tribunal's order within stipulated time, therefore the amount pertains to above mentioned assessment years i.e. INR 154.65 Crores is not considered as contingent liability as on 31st March 2022.

Government of India vide its notification dated March 29, 2021, issued under the National Disaster Management Act 2005, directed that all employers shall make full payment of wages, of their workers at their workplaces, for the period of closure under the lockdown. Subsequently on the petition filed by some of the employers against the aforementioned notification, the Honourable Supreme Court of India, passed an interim order dated June 12, 2021 and directed employers to enter into a negotiation and settlement with workers for wages payment during the lockdown period. The aforesaid notification also stands withdrawn w.e.f May 18, 2021. In the meanwhile, the Company had made payments to its workers and will do the final settlement if any as per the final order of the Honourable Supreme Court of India. If the Honourable Supreme Court upheld the notification of Government of India, the Company will have to pay further wages of ₹ 4.57 Crores to the workers, whereas based on the management's assessment the chances of the same is remote.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

35 Commitments and contingencies (Contd.)

##Claims under this heading relate to legal cases pending in different courts under the jurisdiction of Gujarat High Court and the courts subordinate to it. Some of the cases relates to execution of ex-parte foreign decrees which are not enforceable in India. Certain claims relate to contractor's workmen, whose services have been terminated by the concerned contractor and the matter is in between the contractor and their workmen and GHCL is made a party to the dispute only. Other cases relate to some ex-workmen who after opting VRS scheme duly approved by the regional Labour Officer challenged the same and this case is a week case since workmen have already lost one round of litigation till Hon'ble SC where directions were issued to deposit the entire amount received during VRS before initiating the legal proceedings. Apart from these certain civil disputes are also pending which on merit are weak and GHCL has fair chances in winning these cases.

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

The aforesaid Appendix did not have an impact on the financial statements of the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
c) Guarantees:		
Corporate guarantee to bank on behalf of erstwhile subsidiaries of the Company	3.00	3.04
d) EPCG Commitment (value of exports) - The Company has export obligations to the extent INR 412.01 crores (as at March 31, 2021 INR 538.22 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.	33.74*	84.94
*For Discontinued operation EPCG commitment is INR 4.16 Crore		

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
 GHCL Textiles Limited (w.e.f June 17, 2020)

B) Key managerial personnel

Mr. R. S. Jalan, Managing Director
 Mr. Raman Chopra, CFO & Executive Director -Finance
 Mr. Neelabh Dalmia- Executive Director
 Mr. Bhuneshwar Mishra, Sr. GM- Sustainability & Company Secretary

C) Non-whole-time directors

Mr. Sanjay Dalmia
 Mr. Anurag Dalmia



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

Mrs. Vijaylaxmi Joshi
Dr. Lavanya Rastogi
Dr. Manoj Vaish
Mr. Arun Kumar Jain
Justice Ravindra Singh

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. Bhuwneswar 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

b) Transactions with subsidiaries

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equities		
GHCL Textiles Limited	-	0.01
Sales of Goods		
Grace Home Fashions LLC	54.22	46.60
Net payment/(receipt) of loans & advances		
Dan River Properties LLC	(0.84)	-
GHCL Textiles Limited (₹ 11800/- (Previous year ₹ NIL))	0.00	-

Particulars	As at March 31, 2022	As at March 31, 2021
Loans & advances recoverable at the year end		
Dan River Properties LLC	0.66	1.50
GHCL Textiles Limited (₹ 11800/- (Previous year ₹ NIL))	0.00	-
Balance of investment in equities at the year end		
Grace Home Fashions LLC (After considering diminution in Value of Investment in Subsidiary)	-	24.97
Dan River Properties LLC	0.00	0.00
GHCL Textiles Limited	0.01	0.01
Balance receivable at the year end		
Grace Home Fashions LLC	52.91	37.43

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

36 Related party transactions (Contd.)

c) Transactions with relative of key management personnel

Particulars	As at March 31, 2022	As at March 31, 2021
Leasing & hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.18	0.18
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.12	0.12
Mrs. Vandana Mishra, w/o Mr. Bhuwleshwar Mishra	0.02	0.02

d) Transactions with enterprises over which significant influence exercised by directors

Particulars	As at March 31, 2022	As at March 31, 2021
Royalty paid		
Dalmia Centre for Research & Development	-	0.02
Rent & Other Receipts		
Dalmia Biz Private Limited	-	0.03
Dalmia Healthcare Limited	-	0.03
Net contribution		
GHCL Foundation Trust	9.85	9.03
Gujarat Heavy Chemical Limited Superannuation Scheme	1.34	1.42

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, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) Compensation of key management personnel of the Company

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Mr. R. S. Jalan	15.19	6.14
Mr. Raman Chopra	8.76	3.58
Mr. Neelabh Dalmia	2.52	1.40
Mr. Bhuwleshwar Mishra	0.62	0.52
Total compensation paid to key management personnel	27.09	11.64

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Short-term employee benefits	24.90	11.22
Post-employment gratuity and medical benefits	0.48	0.42
Share-based payment transactions (Taxable component of ESOS)	1.71	-
Total compensation paid to key management personnel	27.09	11.64

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

36 Related party transactions (Contd.)

f) Transactions with non-whole-time directors

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Sitting Fees	Commission	Sitting Fees	Commission
Mr. Sanjay Dalmia	0.036	0.900	0.020	0.450
Mr. Anurag Dalmia	0.036	0.750	0.024	0.375
Dr. Manoj Vaish	0.064	0.390	0.040	0.195
Justice Ravindra Singh	0.064	0.375	0.040	0.188
Mrs. Vijaylaxmi Joshi	0.072	0.375	0.048	0.188
Mr. Arun Kumar Jain	0.060	0.375	0.040	0.188
Dr. Lavanya Rastogi	0.032	0.375	0.020	0.188
	0.36	3.54	0.23	1.77

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

Name of the Loanee	As at March 31, 2022	As at March 31, 2021
GHCL Employee Stock Option Trust	5.53	5.7
GHCL Textiles Limited (₹ 11800/- (Previous year ₹ NIL))	0.00	-
Dan River Properties LLC (Subsidiary Company)	0.66	1.50

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 76% 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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

37 Segment information (Contd.)

Summary of Segment information For the year ended March 31, 2022

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	2,857.87	920.49	-	3,778.36
Inter-segment	-	-	-	-
Total revenue	2,857.87	920.49	-	3,778.36
Segment profit	693.66	225.03	-	918.69
Total assets	2,973.16	1,338.46	107.02	4,418.64
Total liabilities	1,212.56	294.72	311.27	1,818.55
Capital expenditure	83.88	29.85	-	113.73
Depreciation and amortization	86.93	29.85	-	116.78

For the year ended March 31, 2021

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
External customers	1,881.95	609.23	-	2,491.18
Inter-segment	-	-	-	-
Total revenue	1,881.95	609.23	-	2,491.18
Segment profit	431.54	86.45	-	517.99
Total assets	2,373.30	979.48	83.45	3,436.23
Total liabilities	780.30	258.84	279.71	1,318.85
Capital expenditure	112.99	10.92	-	123.91
Depreciation and amortization	81.61	29.79	-	111.40

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 the year ended March 31, 2022	For the year ended March 31, 2021
Reconciliation of profit		
Segment profit	918.69	517.99
Un-allocated expenditure	(43.18)	(25.34)
Other finance costs	(63.57)	(74.32)
Profit before tax and Exceptional Items	811.94	418.33
Exceptional items	(24.97)	-
Profit before tax	786.97	418.33

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

37 Segment information (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
Reconciliation of assets		
Inorganic chemicals	2,973.16	2,373.30
Textiles	1,338.46	979.48
Un-allocated	107.02	83.45
Total assets	4,418.64	3,436.23

Particulars	As at March 31, 2022	As at March 31, 2021
Reconciliation of liabilities		
Inorganic chemicals	1,212.56	780.30
Textiles	294.72	258.84
Un-allocated	311.27	279.71
Total liabilities	1,818.55	1,318.85

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from external customers		
India	3,513.27	2,385.45
Outside India	265.09	105.73
Total revenue per statement of profit and loss	3,778.36	2,491.18

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivable		
India	193.66	161.34
Outside India	80.00	89.32
Total trade receivable	273.66	250.66

The segment information stated above does not include the following information relating to discontinued operations

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Segment Revenue *	797.58	435.41
Segment Results	81.46	4.07
Segment Assets	572.65	555.10
Segment Liabilities	82.49	170.66

* For the purpose of disclosure, segment revenue of discontinued operations has been considered on a stand-alone basis without considering the reversal of inter-unit transfers to the division.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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 years 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.

Particulars	Currency	Continuing Operation Unhedged Exposure		Discontinued Operation Unhedged Exposure		Unhedged Exposure	
		As at March 31, 2022		As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables							
	USD	0.52	39.92	1.37	103.50	-	-
	NZD	-	-	-	-	0.03	1.69
Current Liabilities							
	USD	0.05	4.00	0.02	1.45	1.02	74.85
	EUR	0.00	0.04	-	-	0.02	1.40
	CHF	0.07	5.79	-	-	0.00	0.14
	GBP	-	-	0.00	0.19	0.00	0.15
Non-Current Liabilities							
	USD	0.12	9.46	-	-	0.18	12.98



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

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	Fair value	Carrying value	Fair value
	March 31, 2022	March 31, 2022	March 31, 2021	March 31, 2021
Financial assets measured at fair value				
Investments* (Refer Note 5)	16.55	16.55	15.15	15.15
Derivative instruments (refer note 11B)	-	-	4.14	4.14
Financial assets measured at amortised cost				
Loan to ESOS trust (refer note 11A)	5.53	5.53	5.70	5.70
Security deposits (refer note 6)	9.44	9.44	8.65	8.65
On escrow account (refer note 6)	12.08	12.08	9.79	9.79
On account of margin money deposited (refer note 6)	0.15	0.15	0.80	0.80
Loan to subsidiary (refer note 11A)	0.66	0.66	1.50	1.50
Loan to employees (refer note 11A)	2.01	2.01	2.23	2.23
Others*** (refer note 11C)	0.60	0.60	0.76	0.76
Financial liabilities at fair value				
Derivative instruments (refer note 19A)	1.46	1.46	-	-
Financial liabilities not measured at amortised cost				
Term loans (refer note 16)	559.40	559.40	726.75	726.75
Short term borrowings (refer note 16)	208.05	208.05	41.35	41.35

The management assessed that cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, Export incentives receivable, GST refund receivable, Subvention 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 claim receivable.

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

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

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

39 Fair values (Contd.)

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, 2022:

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, 2022	15.13	15.13		
	March 31, 2021	13.82	13.82		
Unquoted equity shares (refer note 5)	March 31, 2022	1.38			1.38
	March 31, 2021	1.29			1.29
Unquoted debt securities (Refer Note 5)	March 31, 2022	0.04			0.04
	March 31, 2021	0.04			0.04
Financial assets measured at fair value through profit and loss					
Derivative instruments (refer note 11B)	March 31, 2022	-	-		
	March 31, 2021	4.14		4.14	
Financial assets measured at amortised cost					
Security deposits (refer note 6)	March 31, 2022	9.44		9.44	
	March 31, 2021	8.65		8.65	
Loan to ESOS trust (refer note 11A)	March 31, 2022	5.53		5.53	
	March 31, 2021	5.70		5.70	
On escrow account (refer note 6)	March 31, 2022	12.08		12.08	
	March 31, 2021	9.79		9.79	
On account of margin money deposited (refer note 6)	March 31, 2022	0.15		0.15	
	March 31, 2021	0.80		0.80	
Loan to subsidiary (refer note 11A)	March 31, 2022	0.66		0.66	
	March 31, 2021	1.50		1.50	
Loan to employees (refer note 11A)	March 31, 2022	2.01		2.01	
	March 31, 2021	2.23		2.23	
Others (refer note 11C)	March 31, 2022	0.60		0.60	
	March 31, 2021	0.76		0.76	
Financial liability measured at fair value through profit and loss					
Derivative instruments (refer note 19A)	March 31, 2022	1.46		1.46	
	March 31, 2021	-	-		
Financial liabilities not measured at fair value					
Floating rate borrowings (India)	March 31, 2022	767.45		767.45	
	March 31, 2021	768.10		768.10	

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

39 Fair values (Contd.)

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

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 cash flows for subsequent years, weighted average cost of capital, long-term operating margin, discount for lack of marketability
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			
Loan to subsidiary	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 not measured at fair value			
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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd.)

Market risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021. 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, 2022	+ / (-) .50%	'(-) / + 3.84

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2021	+ / (-) .50%	'(-) / + 3.84

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 for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd.)

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 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, 2022	+ / (-) 1%	'(-) / + 1.29

Particulars	Change in USD rate	Effect on PBT in ₹
March 31, 2021	+ / (-) 1%	'(-) / + 0.81

Particulars	Change in NZD rate	Effect on PBT
March 31, 2022	+ / (-) 1%	'+ / (-) 0.00

Particulars	Change in NZD rate	Effect on PBT
March 31, 2021	+ / (-) 1%	'+ / (-) 0.02

Particulars	Change in CHF rate	Effect on PBT
March 31, 2022	+ / (-) 1%	'(-) / + 0.06

Particulars	Change in CHF rate	Effect on PBT
March 31, 2022	+ / (-) 1%	'(-) / + 0.00

Particulars	Change in EUR rate	Effect on PBT
March 31, 2022	+ / (-) 1%	'(-) / + 0.00

Particulars	Change in EUR rate	Effect on PBT
March 31, 2021	+ / (-) 1%	'(-) / + 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.

At the reporting date, the exposure to unlisted equity securities at fair value was INR 1.38 crores as on March 31, 2022 (INR 1.29 crores as on March 31, 2021).

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd.)

At the reporting date, the exposure to listed equity securities at fair value was INR 15.13 Crore as on March 31, 2022 (INR 13.82 as on March 31, 2021). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 1.51 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 and cotton. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Cotton is the key raw material for the spinning unit. Due to the significant volatility of the price of coal and cotton 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 Companyed into homogenous Company'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 March 31, 2022 and March 31, 2021 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 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 company assessed the concentration of risk with respect to refinancing its debt and concluded it to below.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

40 Financial risk management objectives and policies (Contd.)

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

As at March 31, 2022	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	208.05	135.83	388.29	35.28	767.45
Trade and other payables	-	341.80	-	-	341.80
Lease Liabilities	-	1.11	4.71	8.28	14.10
Other financial liabilities	9.54	328.92	0.95	-	339.41
	217.59	807.66	393.95	43.56	1,462.76

As at March 31, 2021	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	41.35	162.93	466.88	96.94	768.10
Trade and other payables	-	375.52	-	-	375.52
Lease Liabilities	-	0.68	2.14	11.19	14.01
Other financial liabilities	4.26	29.73	0.87	-	34.86
	45.61	568.86	469.89	108.13	1,192.49

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, 2022	As at March 31, 2021
Borrowings	767.45	768.10
Trade payables	341.80	375.52
Lease liabilities	14.10	14.01
Other financial liabilities	390.54	53.64
Less: Cash and bank balances	(230.10)	(32.65)
Net debt	1,283.79	1,178.62
Equity	3,090.25	2,501.82
Capital and net debt	4,374.04	3,680.44
Gearing ratio	29%	32%

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 year ended March 31, 2022.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (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 the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing expenses*	201.44	132.98
Stores and spares consumed	1.84	1.43
Power and fuel	3.60	3.94
Excise duty, cess and royalty	4.98	4.66
Repairs and maintenance	-	-
Building	0.84	0.24
Plant and machinery	1.09	0.70
Earth work	13.67	6.64
Others	0.63	0.45
Salaries and wages (refer Note no 32)	8.61	8.24
Travelling & conveyance	0.80	0.69
Lease rent	0.88	0.91
Rates and taxes	0.20	0.13
Insurance	2.25	1.38
Misc. expenses (including deferred revenue & intangible expenses)	3.61	0.90
Less: Other misc. income	(9.88)	(0.84)
Total	234.56	162.45

* 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 earlier year, 4,66,273 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 Remittances during the year in Foreign currency on account of

Dividend for the financial year ended	2021-22	2020-21
Dividends to non-resident shareholders	2,54,74,518	-
Number of non-resident shareholders	549	-
Number of shares	58,77,108	-



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

45 Note : Discontinued Operations

- A. The Board of Directors and shareholders of GHCL Limited ('Company') at their respective meetings held on December 6, 2021 and January 21, 2022 (through Postal Ballot), approved the sale and transfer of the Company's Home Textiles Business (comprising of weaving, processing and cutting and sewing of home textiles products) to Indo Count Industries Limited ("ICIL") on a going concern basis under a slump sale arrangement. Accordingly, a Business Transfer Agreement ('BTA') was executed on December 6, 2021 between the Company and ICIL (read with the Amendment agreement ('ABTA') dated March 30, 2022 entered into to record the amendment and substitution of certain provisions of the BTA). In addition, Grace Home Fashions LLP ('GHF'), a wholly owned subsidiary of the Company also entered into an Asset Transfer Agreement (ATA) on December 6, 2021 for transfer of its identified assets (i.e., inventory and intellectual property) to Indo Count Global Inc., USA (US subsidiary of ICIL), Indo Count Global Inc., USA together with "ICIL" known as "Purchaser" (read with the Amendment agreement ('AATA') dated March 30, 2022 entered into to record the amendment and substitution of certain provisions of the ATA).
- B. The transfer of Home Textile Business and identified assets of GHF ("Divestment") to the Purchaser was subject to the satisfaction of conditions precedent as stipulated in the BTA, AA and ATA and receipt of applicable permissions and consents from concerned authorities. The Company and GHF successfully completed the divestment on April 2, 2022 in accordance with the terms of BTA and ATA for a consolidated consideration of ₹ 592.8 Crores (subject to validation of customary closing date adjustment of working capital in terms of the BTA and ATA), In addition the Company/GHF expects to realise ₹ 15.5 crores on its own account. The Company has received ₹ 300 crores as advance from the said consideration on March 30, 2022.
- C. In the Standalone Financial Statements, Assets and liabilities of Home Textiles business covered by the BTA have been disclosed as held for sale and disclosed separately in the Balance Sheet as at March 31, 2022 as "Assets of discontinued operations classified as held for sale" and "Liabilities of discontinued operations classified as held for sale" respectively. As mandated by Indian Accounting Standard (Ind AS) 105 Asset Held for Sale and Discontinued Operations ("Ind AS 105"), assets and liabilities have not been reclassified or re-presented for prior period i.e. year ended March 31, 2021
- D. Further the net results of Home Textile Business and GHF have been disclosed separately as discontinued operation as required by Ind AS 105. Consequently, the Company's Statement of Profit and Loss for the year ended March 31, 2022 presented pertains to its continuing operations only and for that purpose the Statement of Profit and Loss for the year ended March 31, 2021 has been restated accordingly.
- E. The closing date being subsequent to the balance sheet date, no gain/loss with respect to the Divestment have been recognized in the Statement of Profit and Loss for the year ended March 31, 2022. The total assets and liabilities of the Home Textile business and GHF are ₹ 572.65 Cr and ₹ 82.49 Cr lakhs respectively as at March 31, 2022

Results of HT Business for the year are presented below :

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue		
Revenue from operations	797.58	435.41
Other income	30.77	19.57
Total Income	828.35	454.98

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

45 Note : Discontinued Operations (Contd.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Expenses		
Cost of raw materials consumed	500.04	290.45
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(16.71)	-57.47
Power, fuel and water	66.10	43.54
Employee benefit expenses	46.28	44.16
Depreciation and amortization expense	13.76	21.79
Finance costs	6.77	15.89
Other expenses	130.65	92.55
Total expenses	746.89	450.91
Profit for the year	81.46	4.07

Major Class of assets and liabilities of HT are as follows :

Particulars	As at March 31, 2022
I. Assets	
(1) Non-current assets	
(a) Property, plant and equipment	271.97
(b) Capital work-in-progress	0.36
(c) Other Intangible assets	0.41
(d) Financial assets	
(i) Other non-current financial assets	0.31
(g) Other-non current assets	0.08
Total Non-Current Assets	273.13
(2) Current assets	
(a) Inventories	181.83
(b) Financial assets	
(i) Trade receivables	102.11
(ii) Cash and cash equivalents	0.17
(iii) Loans	0.20
(iv) Other current financial asset	2.30
(c) Other current assets	12.91
Total Current Assets	299.52
Total assets classified as held for sale	572.65

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

45 Note : Discontinued Operations (Contd.)

Particulars	As at March 31, 2022
Liabilities	
(1) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	17.96
(ii) Trade payables	
(a) Total outstanding dues of micro enterprises and small enterprises	14.04
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	47.22
(iii) Other financial liabilities	0.7
(b) Provisions	0.54
(c) Other current liabilities	
(i) Contract liabilities	0.97
(ii) Other liabilities	1.06
Total Current Liabilities	82.49
Liabilities directly associated with the assets held for sale	82.49
Net Assets	490.16

Net Cash flow attributable to HT business are as follows :

Particulars	For the year ended 31st March 2022
Net cash generated from operating activities (A)	53.79
Net cash used in investing activities (B)	3.40
Net cash used in financing activities (C)	(58.81)
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	(1.62)
Cash and cash equivalents at the beginning of the year	1.79
Cash and cash equivalents at the end of the year	0.17

46 Demerger

In view of the divestment of HT Business of the Company to ICIL pursuant to BTA (mentioned above), the Board of Directors of the Company, at their meeting held on December 06, 2021 approved withdrawal of the existing Scheme of Arrangement u/s 230-232 of the Companies Act 2013, involving demerger of its entire Textiles business into GHCL Textiles Limited ('Original Scheme') and correspondingly approved "Scheme of Arrangement consisting of demerger of Spinning Division of GHCL Limited ("Demerged Company") into GHCL Textiles Limited ('Resulting Company')" (the "Scheme"). Subsequently, on December 20, 2021, Hon'ble NCLT (Ahmedabad Bench) allowed the withdrawal petition. The Company has received the observation letter/ approval from BSE,NSE on March 03, 2022 and competition commission of india on March 24, 2022. The Company is in process of filing the 1st motion petition along with requisite documents with the Ahmedabad jurisdiction of NCLT.

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.

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

46 Demerger (Contd.)

Post Demerger, GHCL shall continue with the Chemicals Business while the Resulting Company shall house the Textiles Spinning division. 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.

47 Assets held for Sale and discontinued operations

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Assets classified as held for Sale and discontinued operations		
Discontinued operations (footnote "i)	572.65	-
Assets held for Sale (footnote "ii)	3.61	2.34
(b) Liabilities directly associated with discontinued operations		
Discontinued operations (footnote "i)	82.49	-

- (i) For details relating Discontinued operations (Home Textiles business at Vapi, Gujarat) refer note no 45
- (ii) The management has balance excessive and surplus land of 50.75 acres (Previous Year 48.33 acres) outside the premises of factory at Madurai, that is being disposed off and balance is held as non current asset held for sale. During the year the Company has sold/disposed 0.47 acres (Previous Year 12.25 acres) of land. Also the Company has transferred 2.42 acres (Previous Year 33.19 acres) of land from Property, Plant and Equipment being to be sold after the approval of Board of directors.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Acres	Amount	Acres	Amount
Opening balance	2.89	2.34	48.33	31.46
Add: Transferred from Property, plant and Equipment	2.42	1.65	-	-
Less: Sold	0.47	0.38	12.25	9.92
Less: Transferred to Property, plant and Equipment	-	-	33.19	19.20
Closing balance	4.84	3.61	2.89	2.34

48 Additional regulatory information

- The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- The Company do not have any transactions with companies struck off.
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

48 Other Statutory Information

- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 6 The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 7 The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- 8 Ratio (Continuing operations) :

Particulars	Numerator	Denominator	Mar 31, 2022	Mar 31, 2021	Variation	Reason for variance
(a) Current Ratio,	Current Assets	Current Liabilities	1.45	1.71	-15%	
(b) Debt-Equity Ratio,	Total Debt	Shareholders Equity	0.25	0.31	-19%	
(c) Debt Service Coverage Ratio,	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.38	1.46	63%	On account of higher cash profit earned during the year there is significant improvement in the ratio
(d) Return on Equity Ratio,	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.21	0.13	57%	On account of higher Net profit earned during the year there is significant improvement in the ratio
(e) Inventory turnover ratio,	Cost of goods sold	Average Inventory	1.97	1.56	26%	Majorly on account of higher sales in the current year as compare to previous year due to which there is favourable movement in the ratio.
(f) Trade Receivables turnover ratio,	Net credit sales = Gross credit sales - sales return	Avg. Accounts Receivable	16.95	12.54	35%	Majorly on account of higher sales in the current year as compare to previous year due to which there is favourable movement in the ratio.
(g) Trade payables turnover ratio,	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.15	3.45	78%	Majorly on account of higher purchase in the current year as compare to previous year due to higher sales thereby leading to a significant change in the ratio.
(h) Net capital turnover ratio,	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	7.54	7.96	-5%	

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

48 Other Statutory Information (Contd.)

Particulars	Numerator	Denominator	Mar 31, 2022	Mar 31, 2021	Variation	Reason for variance
(i) Net profit ratio,	Net Profit	Net sales = Total sales - sales return	0.15	0.12	23%	
(j) Return on Capital employed,	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.23	0.15	51%	On account of higher earning before interest and taxes earned during the year there is significant improvement in the ratio
(k) Return on investment- Mutual fund	Interest (Finance Income)	Investment	3.53%	4.15%	-15%	
L) Operating profit Margin (%)	Earning before interest and taxes	Revenue from operations	23%	20%	14%	
m) Return on Net Worth(%)	Total comprehensive income for the year, net of tax	Net worth	21%	13%	64%	On account of higher total comprehensive income earned during the year there is significant improvement in the ratio

49 Coronavirus (COVID-19) Impact on Financial Reporting – Accounting Year Ending March 31, 2022

The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year performance and estimates arrived at using internal and external sources of information, the company does not expect any material impact on such carrying values. Based on the projected cash flows for the next one year the management is confident of liquidating its liabilities as and when they fall due and the Going concern assumption used for preparation of these financial statements is appropriate.

50 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company is in the process of assessing the impact of the code and will record the same, if any, in the year the Code becomes effective.

51 Exceptional item pertains to provision for diminution in the value of investment made in a wholly owned subsidiary in view of its negative net-worth & projected business plan as at March 31, 2022.



Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (INR in crores unless specified otherwise)

52 As per the Transfer Pricing Rules of the Income Tax Act, 1961 every company is required to get a transfer pricing study conducted to determine whether the transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transaction pertaining to the year ended March 31, 2022 is currently in progress and hence adjustments if any which may arise there from have not been taken into account in these financial statements for the year ended March 31, 2022 and will be effective in the financial statements for the year ended March 31, 2023. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.

53 Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

54 Previous year's figures have been regrouped / rearranged wherever necessary, to conform to current year's presentation. As required by Indian Accounting Standard (Ind AS) 105 "Asset Held for Sale and Discontinued Operations", the Statement of Profit and Loss for the year ended March 31, 2021 has been restated to make it comparable, however Balance Sheet as at March 31, 2021 has not been reclassified or re-presented.

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 30, 2022

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

Sanjay Dalmia

Chairman

DIN: 00206992

R. S. Jalan

Managing Director

DIN: 00121260

Place : New Delhi

Date: April 30, 2022

Manoj Vaish

Director

DIN: 00157082

Raman Chopra

CFO & Executive Director-Finance

DIN: 00954190

Bhuvneshwar Mishra

Sr. GM- Sustainability &

Company Secretary

Membership No.: FCS 5330

Notes to the Standalone Financial Statements

for the year ended March 31, 2022 (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

Rs. In Cr.

S.No.	Particulars	Particulars	Particulars	Particulars
i.	Name of Subsidiary	Grace Home Fashion LLC	Dan River Properties LLC	GHCL Textiles Limited
ii.	The date since when subsidiary was acquired			
iii.	Reporting period for the subsidiary concerned,	March 31, 2022	March 31, 2022	March 31, 2022
	Reporting Currency and Exchange rate as on the last date of the relevant financial year/Period.	USD 1 USD = INR 75.80	USD 1 USD = INR 75.80	INR
v.	Share Capital	34.62	0.00	0.01
vi.	Reserve & Surplus	(46.17)	6.83	-0.01
vii.	Total Assets	50.11	8.39	0.01
viii.	Total Liabilities	61.66	1.56	0.00
ix.	Investments	-	-	-
x.	Turnover	76.90	1.33	-
xi.	Profit before Taxation	5.68	-1.14	-
xii.	Provision for taxation	0.02	-	-
xiii.	Profit after Taxation	5.66	-1.14	-
xiv.	Proposed Dividend	-	-	-
xv.	% of Shareholding	100.00%	100.00%	100.00%

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

Sanjay Dalmia

Chairman
DIN: 00206992

R. S. Jalan

Managing Director
DIN: 00121260

Place : New Delhi
Date: April 30, 2022

Manoj Vaish

Director
DIN: 00157082

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CFO & Executive Director-Finance
DIN: 00954190

Bhuvneshwar Mishra

Sr. GM- Sustainability &
Company Secretary
Membership No.: FCS 5330

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Consolidated Financial Statements

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 2022, 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 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 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 Group as at March 31, 2022, their consolidated profit 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, 2022. 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 financial statements.

**Discontinued Operations and Asset held for sale in relation to Transfer of Home Textile Business and certain identified assets of wholly owned subsidiary <<Refer Note 47>>**

During the current year, the Holding Company has entered into a Business Transfer Agreement (BTA) for the sale of its Home Textiles Business (located at Vapi, Gujarat) ('HT Business') to Indo Count Industries Limited ('ICIL') as a going concern, on a slump sale basis. In addition, Grace Home Fashions LLP ('GHF'), a wholly owned subsidiary of the Company also entered into an Asset Transfer Agreement (ATA) for transfer of its identified assets (i.e., inventory and intellectual property) to Indo Count Global Inc., USA (US subsidiary of ICIL).

As at March 31, 2022, the Group has presented the operations of its Home Textile Business and GHF as "Discontinued Operations" and its related assets as "Assets held for sale" and liabilities as "Liabilities directly associated with the assets held for sale" in accordance with Ind AS 105 (Non-current Assets held for Sale and Discontinued Operations). Accounting for discontinued operations requires

Adjustment and estimates to identify and separate the financial effects from continuing and discontinued operations. Accordingly, this matter has been determined to be a key audit matter in our audit of the consolidated 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 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 financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 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.

Our audit procedures included the following:-

- Obtained an understanding and assessed the effectiveness of process followed by the management in assessing the appropriateness of the Group's accounting policies in relation to discontinued operations;
- Evaluated the basis of the management's assessment of treating the transfer of Home textile business and identified assets of GHF as Discontinued operations in accordance with the applicable accounting standards;
- Obtained and read the Business Transfer Agreement and Asset Transfer Agreement for understanding the impact on the consolidated Ind AS financial statements including identification of the assets and liabilities to be transferred and assessment of the key estimates and judgement involved therein;
- Performed procedures on the disclosures relating to discontinued operations made in the consolidated Ind AS financial statements for assessing the compliance with disclosure requirements

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 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 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 of the company.

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 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 financial statements for the financial year ended March 31, 2022 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 Rs 58.50 crores as at March 31, 2022, and total revenues of Rs 76.90 crores and net cash inflows of Rs 11.16 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 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 reports 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 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 the subsidiary companies, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. 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, 2022 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, 2022 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 with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

In our opinion the managerial remuneration for the year ended March 31, 2022 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;
- (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, 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 financial statements – Refer Note 35 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, 2022; There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iii. The respective managements of the Holding Company and one of its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the note 49 to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or its subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; The respective managements of the Holding Company and one of its subsidiary which is company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of its knowledge and belief, other than as disclosed in the note 49 to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company or its subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- iv) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of its subsidiary which is company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 15 to the consolidated Ind AS financial statements, the respective Board of Directors of the Holding Company, has proposed final dividend for the year which is subject to the approval of the members of the respective companies at the respective ensuing Annual General Meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

perAtul Seksaria

Partner

Place of Signature:New Delhi

Membership Number: 086370

Date : April 30, 2022

UDIN:22086370AIEJCJ8463



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 (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its one of the subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are 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 (ICAI). 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. 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 with reference to 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 with reference to consolidated financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to 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 with reference to 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 With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to 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 Group which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with

reference to consolidated financial statements were operating effectively as at March 31, 2022, 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 issued by the ICAI.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E/E300005

perAtul Seksaria

Partner

Place of Signature:New Delhi

Date : April 30, 2022

Membership Number: 086370

UDIN:22086370AIEJCJ8463

Consolidated Balance Sheet

as at March 31, 2022

(₹ in Crores)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	2,454.53	2,657.09
(b) Capital work-in-progress	3	212.98	80.54
(c) Intangible assets	4	2.61	6.05
(d) Right-of-use assets	34	17.09	12.16
(e) Financial assets			
(i) Investments	5	16.55	15.15
(ii) Loans	6A	7.88	-
(iii) Other non-current financial assets	6B	22.07	19.62
(f) Other non-current assets	7	90.35	66.57
Total Non-Current Assets		2824.06	2,857.18
(2) Current assets			
(a) Inventories	8	944.23	763.50
(b) Financial assets			
(i) Trade receivables	9	229.44	228.36
(ii) Cash and cash equivalents	10A	243.58	34.97
(iii) Bank balances other than cash and cash equivalents	10B	11.65	13.66
(iv) Loans	11A	7.84	7.93
(v) Derivative instruments	11B	-	4.14
(vi) Other current financial asset	11C	5.95	12.83
(c) Current tax assets (net)	12	-	9.73
(d) Other current assets	13	133.58	34.66
Total Current Assets		1576.27	1,109.78
Assets held for sale	45	595.04	10.90
Total assets		4,995.37	3,977.86
II. Equity and liabilities			
Equity			
(a) Equity share capital	14	95.35	95.01
(b) Other equity	15	2,990.22	2,389.24
Total Equity		3,085.57	2,484.25
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	424.60	563.82
(ii) Lease liabilities	34	17.90	13.33
(b) Provisions	17A	7.62	3.02
(c) Deferred tax liabilities (net)	12	269.57	260.16
(d) Other non-current liabilities	17C	-	0.70
Total Non-Current Liabilities		719.69	841.03
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16B	342.85	204.28
(ii) Lease liabilities	34	2.21	0.68
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	41.67	23.43
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	301.17	353.19
(iv) Derivative instruments	19A	1.46	-
(v) Other financial liabilities	19B	339.41	34.86
(b) Provisions	17B	11.91	14.36
(c) Current tax liabilities (net)	12	14.54	-
(d) Other current Liabilities			
(i) Contract liabilities	21.2	7.08	3.91
(ii) Other liabilities	20	45.32	17.87
Total Current Liabilities		1107.62	652.58
Liabilities directly associated with the assets held for sale	45	82.49	-
Total equity and liabilities		4,995.37	3,977.86

The accompanying notes are integral 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 : New Delhi

Date: April 30, 2022

Place : New Delhi

Date: April 30, 2022

Bhuvneshwar Mishra

 Sr. GM- Sustainability & Company Secretary
Membership No.: FCS 5330

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in Crores)

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from continuing operations			
Revenue from operations	21	3,778.36	2,491.18
Other income	22	12.14	7.46
Total Income		3,790.50	2,498.64
Expenses from continuing operations			
Cost of raw materials consumed	23	1,489.12	949.80
Purchase of stock in trade		236.28	173.31
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	24	(38.47)	12.83
Power, fuel and water		621.34	371.68
Employee benefit expenses	25	153.23	128.55
Depreciation and amortization expense	26	116.78	111.40
Finance costs	27	63.57	74.32
Other expenses	28	337.85	258.57
Total expenses		2,979.70	2,080.46
Profit before tax from continuing operations		810.80	418.18
Tax expense:	12		
Current tax		204.10	104.85
Tax adjustment of earlier years		(0.03)	(0.93)
Deferred tax		8.43	7.42
Total tax expense		212.50	111.34
Profit for the year from continuing operations		598.30	306.84
Profit before tax for the year from discontinued operations		70.37	20.39
Tax Expense of discontinued operations		(21.97)	(1.11)
Profit for the year from discontinued operations	47	48.40	19.28
Profit for the year		646.70	326.12
Other comprehensive income			
Items that will not be reclassified to profit or loss in subsequent years			
Re-measurement Gain/(Loss) on defined benefit plans		0.44	(1.63)
Income tax effect		(0.11)	0.41
Re-measurement Gain/(Loss) on investment in equity		1.32	5.95
Items to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		0.14	2.87
Total comprehensive income/(loss) for the year, net of tax	29	1.79	7.60
Total comprehensive income for the year, net of tax		648.49	333.72
Profit from continuing operations for the year attributable to:			
Owners of the Company		598.30	306.84
Non-controlling interest		-	-
Other comprehensive income/Loss for the year attributable to:			
Owners of the Company		1.79	7.60
Non-controlling interest		-	-
Total comprehensive income for the year attributable to:			
Owners of the Company		348.49	333.72
Non controlling interest		-	-
Earnings per share for continuing operations per equity share nominal value of shares	30		
INR 10 (Previous year INR 10 each)			
Basic (INR)		62.81	32.29
Diluted (INR)		62.61	32.21
Earnings per share for discontinued operations per equity share nominal value of shares			
INR 10 (Previous year INR 10 each)			
Basic (INR)		5.08	2.03
Diluted (INR)		5.07	2.02
Earnings per share for continuing and discontinued operations per equity share nominal value of shares			
INR 10 (Previous year INR 10 each)			
Basic (INR)		67.89	34.32
Diluted (INR)		67.68	34.23

The accompanying notes are integral 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: 00954190Place : New Delhi
Date: April 30, 2022Place : New Delhi
Date: April 30, 2022

Bhuvneshwar Mishra

Sr. GM- Sustainability & Company Secretary
Membership No.: FCS 5330



Consolidated Statement of Cash Flows

for the Year ended March 31, 2022

(₹ in Crores)

Particulars	For the Year ended March 31, 2022	For the year ended March 31, 2021
Operating activities		
Profit before tax from continuing operations	810.80	418.18
Profit before tax from discontinued operations	70.37	20.39
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation and amortisation expenses	131.87	133.41
(Profit) on sale of investments	(0.51)	(1.27)
Loss/(gain) on sale of fixed assets	2.84	8.67
Interest income	(0.40)	(0.55)
Finance cost	70.62	91.18
Income from dividend	(0.05)	-
Employees share based payments	0.04	1.56
Unrealised Exchange (Gain) / Loss	3.52	(3.42)
Operating profit/(loss) before working capital changes	1,089.10	668.15
Changes in working capital		
Adjustments for (Increase)/decrease in Operating assets:		
Trade receivables	(103.06)	53.25
Inventories	(381.34)	27.12
Other current financial assets	4.47	14.51
Other current assets	(111.39)	6.19
Non-current financial assets	(9.00)	(1.05)
Other non-current assets	0.01	(0.31)
Adjustments for (Increase)/decrease in Operating liabilities:		
Other non-current financial liabilities	-	(0.18)
Contract liabilities	4.14	(2.20)
Trade payables	26.81	(30.52)
Derivative instruments	2.72	-10.39
Other current financial liabilities	295.39	0.64
Other current liabilities	27.80	5.30
Provisions	2.69	(2.38)
Cash generated from operations	848.34	728.13
Income tax paid (net)	(204.92)	(107.10)
Net cash generated from operating activities (A)	643.42	621.03
Cash flow from investing activities		
Proceeds/(Payment) of Property, plant and equipment, capital work in progress and intangible assets	(337.45)	(110.71)
Sales/ (Purchase) of Investment (Net)	0.43	1.33
Interest received	0.40	0.55
Dividend received	0.05	-
Net cash used in investing activities (B)	(336.57)	(108.83)

Consolidated Statement of Cash Flows

for the Year ended March 31, 2022

(₹ in Crores)

Particulars	For the Year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	5.06	-
Dividend paid	(52.00)	-
Dividend distribution tax paid	-	(5.86)
Proceeds from long-term borrowings	100.00	2.46
Repayment of long-term borrowings	(249.41)	(246.46)
Proceeds/repayment from short-term borrowings	166.71	(227.53)
Payment of lease liabilities	(3.23)	(2.02)
Bank deposit in escrow account and Margin Money	1.72	0.96
Investment in deposits not classified as cash and cash equivalents	(1.63)	-
Interest paid	(65.29)	(90.52)
Net cash used in financing activities (C)	(98.07)	(568.97)
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	208.78	(56.77)
Cash and cash equivalents at the beginning of the year	34.97	91.74
Cash and cash equivalents at the end of the year	243.75	34.97
Components of cash and cash equivalents		
Cash on hand	0.08	0.17
Balances with banks:		
- On current accounts	30.30	34.80
- Deposits with original maturity of less than three months	213.37	
Total cash and cash equivalents (refer note 10A)	243.75	34.97

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 notes are integral 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

per Atul Seksaria

Partner

Membership No. 086370

Place : New Delhi

Date: April 30, 2022

Sanjay Dalmia

Chairman

DIN: 00206992

R. S. Jalan

Managing Director

DIN: 00121260

Place : New Delhi

Date: April 30, 2022

Manoj Vaish

Director

DIN: 00157082

Raman Chopra

CFO & Executive Director-Finance

DIN: 00954190

Bhuvneshwar Mishra

Sr. GM- Sustainability &

Company Secretary

Membership No.: FCS 5330



Consolidated Statement of changes in equity

for the year ended March 31, 2022

A. Equity Share Capital

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

(₹ in Crores)

Particulars	Number of share	Amount
Balance as at April 1, 2020	95,013,286	95.01
Changes in share capital	-	-
Balance as at March 31, 2021	95,013,286	95.01
Changes in share capital- ESOS issued during the year (July 15,2021)	337,500	0.34
Balance as at March 31, 2022	95,350,786	95.35

B. Other equity

Particulars	Reserves and Surplus (Refer note 15)								Foreign currency translation reserve (Refer note 15I)	Total
	Capital reserve (Refer note 15A)	Business development reserve (Refer note 15B)	Capital redemption reserve (Refer note 15C)	Securities premium (Refer note 15D)	Retained earnings (Refer note 15E)	Share based payment reserve (Refer note 15F)	General reserve (Refer note 15G)	FVTOCI Reserve (Refer note 15H)		
Balance as at April 1, 2020	7.57	73.89	16.36	-	1,937.83	9.87	5.45	6.34	(3.34)	2,053.96
Profit for the year	-	-	-	-	326.12	-	-	-	-	326.12
Share based payments (Refer note 33)	-	-	-	-	-	1.56	-	-	-	1.56
Other comprehensive loss for the year, net of tax (Refer note 29)	-	-	-	-	(1.22)	-	-	5.95	2.87	7.60
Balance as at March 31, 2021	7.57	73.89	16.36	-	2,262.73	11.43	5.45	12.29	(0.47)	2,389.24
Reserve created on account of ESOS issued during the year	-	-	-	10.68	-	(5.96)	-	-	-	4.72
Profit for the year	-	-	-	-	646.70	-	-	-	-	646.70
Share based payments (Refer note 33)	-	-	-	-	-	0.04	-	-	-	0.04
Dividend paid	-	-	-	-	(52.27)	-	-	-	-	(52.27)
Other comprehensive income for the year, net of tax (Refer note 29)	-	-	-	-	0.33	-	-	1.32	0.14	1.79
Balance as at March 31, 2022	7.57	73.89	16.36	10.68	2,857.49	5.51	5.45	13.61	(0.33)	2,990.22

The accompanying notes are integral 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 : New Delhi

Date: April 30, 2022

Place : New Delhi

Date: April 30, 2022

Bhuvneshwar Mishra

Sr. GM- Sustainability &

Company Secretary

Membership No.: FCS 5330

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (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 March 31, 2022. 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 46.

Information on related party relationships of the Group is provided in Note 36. The Board of Directors and shareholders of the Company at their respective meetings held on December 06, 2021 and January 21, 2022, respectively, approved the sale and transfer of the Company's Home Textile Business and identified assets (i.e., inventory and intellectual property) of Grace Home Fashions LLC, a US subsidiary of the Company (together termed as "HT Business" henceforth) to Indo Count Industries Limited (Indo Count) and its US subsidiary i.e Indo Count Global Inc., USA, respectively on a going concern basis under a slump sale arrangement. The HT Business includes weaving, processing and cutting and sewing of home textiles products. Accordingly, a Business Transfer Agreement ('BTA') and Asset Transfer Agreement ('ATA') were executed on December 06, 2021 between the Company and Indo Count. (Refer Note 47)

The consolidated financial statements are approved for issue in accordance with a resolution of the Board of Directors on April 30, 2022."

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, 2022. 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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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 Group, 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

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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 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



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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 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

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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.

"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 estimates and assumptions relating to the estimation of variable consideration for volume rebates 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 sales commission. 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.



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“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 Company as Support Manufacturer, export benefits arising from Remissions of Duties and Taxes on Exported Products (RoDTEP), Duty Drawback scheme, Merchandise Export Incentive Scheme and Rebate of State and Central Taxes and Levies (ROSCTL) 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 Duty Drawback scheme, Merchandise Export Incentive Scheme and ROSCTL 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 considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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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. 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.



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Goods and Service tax 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 straightline 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 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

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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.

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 for sale and discontinued operations

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),

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- 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.

“Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit/ loss after tax from discontinued operations in the Statement of Profit and Loss. As mandated by Ind AS 105, assets and liabilities has not been reclassified or re-presented for prior period i.e. year ended March 31, 2021. Basis of segregation into discontinued operations and additional disclosures in respect of discontinued operations are provided in note 47 to the financial statements.”

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 Buildings 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.

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

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present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance 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. 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 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 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, 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



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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 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

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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
- Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

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.



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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 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

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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 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.

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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 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,

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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 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-



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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 through 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 amortised 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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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) Dividend

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 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



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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 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 non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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 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

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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) Changes in accounting policies and disclosures

New and amended standards

(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

(iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods



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beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Group.

(iv) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those

costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

(v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

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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	Asset held for sale **	Amount
As at April 1, 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
Additions	-	-	11.89	116.79	0.72	0.23	0.85	0.25	-	0.81	-	131.54	91.88	8.56	231.98
Disposals	-	-	-	(3.60)	(0.37)	(0.00)	-	(0.25)	-	-	-	(4.22)	(131.30)	(9.92)	(145.45)
Adjustments	19.20	-	-	-	-	-	-	-	-	-	-	19.20	-	(19.20)	-
As at March 31, 2021	359.69	352.75	266.33	2,039.27	10.16	8.75	5.06	3.65	9.47	141.54	8.23	3,204.90	80.54	10.90	3,296.34
Additions-continuing operations	16.05	-	10.60	92.76	0.67	0.04	-	0.90	6.39	-	69.79	197.20	334.79	-	531.99
Additions in assets held for sale	-	-	1.77	2.62	0.35	0.05	-	-	-	-	-	4.79	-	593.08	597.87
Disposals-continuing operations	(1.64)	-	-	(10.12)	(0.21)	-	-	(0.60)	-	-	-	(12.57)	(201.99)	(8.94)	(223.50)
Adjustments due to discontinued operations	(52.14)	(0.35)	(57.49)	(247.50)	(7.38)	(4.49)	-	(0.39)	-	(13.07)	-	(382.81)	(0.36)	-	(383.17)
As at March 31, 2022	321.96	352.40	221.21	1,877.03	3.59	4.35	5.06	3.56	15.86	128.47	78.02	3,011.51	212.98	595.04	3,819.53

Accumulated depreciation	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 **	Amount
As at April 1, 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
Depreciation charge for the year	-	4.87	11.25	99.29	3.25	1.03	0.41	0.67	0.08	7.52	0.54	128.91	-	-	128.91
Disposals	-	-	-	(3.12)	(0.34)	-	-	(0.16)	-	-	-	(3.62)	-	-	(3.62)
As at March 31, 2021	-	29.19	53.65	402.12	5.92	4.23	2.37	1.05	9.26	39.01	1.03	547.81	-	-	547.81
Depreciation charge for the year continuing operations	-	4.86	8.38	88.36	1.52	0.38	0.58	0.56	0.03	6.90	0.81	112.38	-	-	112.38
Depreciation charge for the year discontinued operations	-	0.01	1.70	10.44	0.69	0.47	-	0.03	-	0.49	-	13.83	-	-	13.83
Adjustments due to discontinued operations	-	(0.08)	(18.56)	(80.43)	(6.06)	(2.47)	-	(0.17)	-	(3.08)	-	(110.85)	-	-	(110.85)
Disposals	-	-	-	(5.84)	(0.14)	0.24	-	(0.45)	-	-	-	(6.19)	-	-	(6.19)
As at March 31, 2022	-	33.98	45.17	414.65	1.93	2.85	2.95	1.02	9.29	43.32	1.84	556.98	-	-	556.98



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

3 Property, plant and equipment (Contd.)

Net book value	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	2,454.53	2,657.09
Capital work in progress	212.98	80.54
Asset classified as held for sale	595.04	10.90

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

Note: On transition to Ind AS (i.e. 1 April 2015), the company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Leasehold Land *

Land for soda ash plant and for corporate office are taken on lease from the Government of India for a year of 90 to 99 years. leasehold lands are capitalised and amortised over the life of lease or life of assets (whichever is lower).

Leased Mines

Leased mines represents expenditure incurred on development of mines.

Asset held for sale **

Assets held for sale represents the assets of Home textile business at Vapi unit to be transferred by the company pursuant to a Business transfer agreement and Land in Madurai (Yarn Unit) approved by Board for transfer in future. (Refer Note no 45)

Capitalised borrowing costs

The amount of borrowing cost capitalised during the year ended March 31, 2022 was NIL (for the year March 31, 2021: INR 0.34 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 NIL (for the year March 31 2021: 8.25%) which is the effective interest rate of the specific borrowing.

4 Intangible assets

Cost	Trademarks	Software	Total
As at April 1, 2020	2.65	8.61	11.26
Additions	-	3.59	3.59
Disposals	-	(0.00)	(0.00)
As at March 31, 2021	2.65	12.20	14.85
Additions	-	-	-
Disposals-continuing operations	-	-	-
Adjustments due to Discontinued operations	(2.65)	(1.26)	(3.91)
As at March 31, 2022	0.00	10.94	10.94

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

4 Intangible assets (Contd.)

Amortisation	Trademarks	Software	Total
As at April 1, 2020	2.43	3.37	5.80
Amortization	0.22	2.78	3.00
Disposals	-	(0.00)	(0.00)
As at March 31, 2021	2.65	6.15	8.80
Amortization-continuing operations	-	2.91	2.91
Amortization-continuing operations	-	0.12	0.12
Disposals- Amortization charge for the year continuing operations	-	-	-
Disposals- Amortization discontinuing operations	(2.65)	(0.85)	(3.50)
As at March 31, 2022	(0.00)	8.33	8.33

Net book value	Trademarks	Software	Total
As at March 31, 2022	0.00	2.61	2.61
As at March 31, 2021	0.00	6.05	6.05

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

Note: On transition to Ind AS (i.e. 1 April 2015), the company has elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets.

Capital Work in progress aging schedule(CWIP)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress -2021-22	198.78	8.00	5.78	0.42	212.98
Projects in progress -2020-21	60.65	17.30	2.19	0.40	80.54

Completion schedule for capital-work-in progress, whose completion is overdue or has exceeded its cost compared to its original plan :

CWIP	To be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Debottlenecking project at Soda ash plant				
As at 31st March 2022	55.53	-	-	-
As at 31st March 2021	-	14.17	-	-

All title deeds of Immovable Property are held in name of the Company



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

5 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments		
Unquoted equity shares, at amortised cost		
5200 equity shares (as at March 31, 2021: 5200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Pvt Ltd *	0.01	0.01
132,700 equity shares (as at March 31, 2021: 63,400 equity shares) of INR 10/- each fully paid up of OPG Power Generation Pvt Ltd	0.15	0.07
12,00,000 equity shares (as at March 31, 2021: 12,00,000) of INR 10/- each fully paid up of SSMT Power Pvt Ltd *	1.20	1.20
950 equity shares (as at March 31, 2021: 950) of INR 10/- each fully paid up of Puvaneshwari Enterprises #	0.00	0.00
950 equity shares (as at March 31, 2021: 950) of INR 10/- each fully paid up of Sarojarajan Green Power Eenergy #	0.00	0.00
970 equity shares (as at March 31, 2021: 970) of INR 10/- each fully paid up of AFCM Wind Farms Pvt Ltd #	0.00	0.00
970 equity shares (as at March 31, 2021: 970) of INR 10/- each fully paid up of AJSM Green Energy Pvt Ltd #	0.00	0.00
780 equity shares (as at March 31, 2021: 780) of INR 10/- each fully paid up of APGL Green Energy Pvt Ltd #	0.00	0.00
780 equity shares (as at March 31, 2021: 780) of INR 10/- each fully paid up of Jaichander Wind Farms Pvt Ltd #	0.00	0.00
780 equity shares (as at March 31, 2021: 780) of INR 10/- each fully paid up of Sushmitha Titiksha Green Energy Pvt Ltd #	0.00	0.00
2,440 equity shares (as at March 31, 2021: 2,440) of INR 10/- each fully paid up of Prechander Wind Farms #	0.00	0.00
2,440 equity shares (as at March 31, 2021: 2,440) of INR 10/- each fully paid up of Prechander Green Energy #	0.00	0.00
2,440 equity shares (as at March 31, 2021: 2,440) of INR 10/- each fully paid up of Jayanthi Wind Farms #	0.00	0.00
2,440 equity shares (as at March 31, 2021: 2,440) of INR 10/- each fully paid up of Jayanthi Green Energy #	0.00	0.00
2600 equity shares (as at March 31, 2021: NIL) of INR 10/- each fully paid up of Vaayu Renewable Energy (Mandvi) Pvt Ltd* #	0.00	-
100 equity shares (as at March 31, 2021: 100 equity shares) of TCP Ltd of INR 10/- each fully paid up #	0.00	0.00
Investment in Government Securities (at amortised cost)		
7 years National Savings Certificates (Pledged with govt authorities)	0.04	0.04
Quoted equity shares, at Fair value through OCI		
83,000 equity shares (as at March 31, 2021: 83,000 equity shares) of HDFC Bank Limited of INR 1/- each fully paid up	12.20	12.74
68,598 equity shares (as at March 31, 2021: 68,598 equity shares) of IDBI Bank Limited of INR 10/- each fully paid up	0.29	0.30
285 equity shares (as at March 31, 2021: 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, 2021: 272,146 equity shares) of GTC Industries Limited of INR 10/- each fully paid up	2.54	0.73

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

5 Investments (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
4,500 equity shares (as at March 31, 2021: 4,500 equity shares) of Canara Bank of INR 10/- each fully paid up	0.10	0.05
Total Fair Investments	16.56	15.16
Non-current	16.56	15.16
Current	-	-
Aggregate book value of quoted investments	15.13	13.82
Aggregate market value of quoted investments	15.13	13.82
Aggregate value of unquoted investments	1.42	1.33
Total	16.56	15.15

***Company does not exercise any significant influence on DM Solar Farm Pvt Ltd, SSMT Power Pvt Ltd & Vaayu Renewable Energy (Mandvi) Pvt Ltd 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 39 for determination of their fair values.

#Amount being in thousands are not appearing

6A Loans

(Unsecured, considered good, unless stated otherwise) (at amortised cost)

Particulars	As at March 31, 2022	As at March 31, 2021
- Others	7.88	-
Total loans	7.88	-

6B Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Other Financial assets		
Security Deposits	9.84	9.03
Bank deposits with more than 12 months maturity		
- On escrow account#	12.08	9.79
- On account of margin money deposited*	0.15	0.80
Total non-current other financial assets	22.07	19.62

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) and Bank guarantee.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

7 Other-non current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Capital advances	84.81	60.94
Deposit with statutory authorities under protest	5.54	5.63
Total	90.35	66.57

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, 2022	As at March 31, 2021
Inventories valued at lower of cost and net realizable value		
Raw materials (at cost) [includes in transit INR 8.76 Crore (At March 31, 2021: 6.68 Crore)]	559.72	357.71
Work-in-progress (at cost)	27.92	62.96
Finished goods (at lower of cost and net realisable value) [includes in transit INR 26.03 Crore (At March 31, 2021: 28.31 Crore)]	99.09	195.82
Stock-in-trade (at lower of cost and net realisable value) [includes in transit Nil (At March 31, 2021: INR 3.32 Crore)]	54.33	22.32
Stores and spares (at lower of cost and net realisable value)	203.17	124.69
Total inventories at the lower of cost and net realisable value	944.23	763.50

9 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	229.44	228.36
Total trade receivables	229.44	228.36

Break-up for security details:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
Secured, considered good	84.66	62.94
Unsecured, considered good	145.35	165.42
Gross Trade receivable	230.01	228.36
Less: Provision for bad and doubtful debts	(0.57)	-
Net trade receivables	229.44	228.36

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

9 Trade receivables (Contd.)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good						
As at 31-03-2022	229.44	-	-	-	-	229.44
As at 31-03-2021	225.20	2.34	0.39	0.12	0.31	228.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk						
As at 31-03-2022	-	0.03	0.11	0.07	0.36	0.57
As at 31-03-2021	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good						
(iv) Disputed Trade Receivables considered doubtful						
Gross Trade receivable						
As at 31-03-2022	229.44	0.03	0.11	0.07	0.36	230.01
As at 31-03-2021	225.20	2.34	0.39	0.12	0.31	228.36
Less: Provision for bad and doubtful debts						
As at 31-03-2022						(0.57)
As at 31-03-2021						-
Net trade receivables						
As at 31-03-2022						229.44
As at 31-03-2021						228.36

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 party receivables, refer Note 36

Trade receivables are non-interest bearing and are generally on terms of 45 to 180 days.

10A Cash and cash equivalent

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with bank		
- On current account	30.13	34.80
- Deposits with original maturity of less than three months	213.37	-
Cash on hand	0.08	0.17
Total cash and cash equivalents	243.58	34.97
For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
Balances with bank		
- On current account	30.13	34.80
- Deposits with original maturity of less than three months	213.37	-
Cash on hand	0.08	0.17
Cash at bank and Cash on hand attributable to discontinued operations(Note 47)	0.17	-
	243.75	34.97



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

10B Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
- On unpaid dividend account	4.52	4.26
- On account of margin money deposited*	7.13	9.40
Bank balances other than cash and cash equivalents	11.65	13.66

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

As at March 31 2022, the Company has available INR 242 Crores (As at March 31 2021: INR 630 Crores) of undrawn committed borrowing facilities.

11A Loans current

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Loan to employees	2.01	2.23
Loan to ESOS trust (Refer Note 36 & 43)	5.53	5.70
Others	0.30	-
	7.84	7.93

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, 2022	As at March 31, 2021
Loans (Refer Note 6A and 11A)	15.72	7.93
Security Deposits (Refer Note 6B)	9.44	9.03
Trade receivables (Refer Note 9)	229.44	228.36
Cash and cash equivalents (Refer Note 10A)	243.57	34.97
Investments in Unquoted equity shares (Refer Note 5)	1.38	1.29
Investments in Unquoted debt securities (Refer Note 5)	0.04	0.04
Total financial assets carried at amortised cost	499.59	281.62

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

11A Loans current (Contd.)

Details of Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, that are repayable on demand or without specifying any terms or period of repayment :

(₹ in Crores)

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters		
March 31, 2022	-	-
March 31, 2021	-	-
Directors		
March 31, 2022	-	-
March 31, 2021	-	-
KMPs		
March 31, 2022	0.09	1.19%
March 31, 2021	0.12	1.48%
Related Parties		
March 31, 2022	-	-
March 31, 2021	-	-

11B Derivate instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	4.14
Total derivative instruments at fair value through profit or loss	-	4.14

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 Others current financial asset

(Unsecured, considered good, unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Export incentives receivable	2.94	2.54
GST refund receivable	-	5.90
Subvention receivable	2.41	3.38
Others (include Insurance Claim receivable)	0.60	1.01
	5.95	12.83



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

12 Income Tax and deferred Tax

Current tax assets (net)	As at March 31, 2022	As at March 31, 2021
Income tax paid / TDS/TCS (At March 31, 2021: net of provision of INR 107.01 Crore)	-	9.73
Total	-	9.73

Current tax liabilities (net)	As at March 31, 2022	As at March 31, 2021
Income tax payable (net of income tax paid/TDS/TCS of Rs. INR 226.09)	14.54	-
Total	14.54	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2022 and March 31, 2021:

Particulars	As at March 31, 2022	As at March 31, 2021
Accounting profit before tax from continuing operations	810.80	418.18
Profit/(loss) before tax from a discontinued operation	70.37	20.39
Accounting profit before income tax	881.17	438.57
At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	221.77	110.38
Adjustment for tax purposes:		
- Adjustments in respect of current income tax of previous years	-	(0.69)
- Difference in book depreciation & amortisation and depreciation & amortisation as per Income Tax Act, 1961	4.36	3.49
- Charity, donation and CSR expenses	2.49	2.48
- Deduction under chapter VI-A	(0.04)	(0.52)
- Diminution in value of investment	6.28	-
- Loss of sale/disposal of land held for sale	0.40	2.19
- Trade receivables from subsidiary (Grace Home Fashion) adjusted for charge back and allowed in income tax	(4.13)	(4.04)
- Others	3.37	0.09
At the effective income tax rate of 26.61% (March 31, 2021: 25.85%)	234.50	113.38
Amounts recognised in profit or loss		
Income tax expense reported in the statement of profit and loss from continuing operations	204.10	104.85
Deferred tax expense reported in the statement of profit and loss from continuing operations	8.43	7.42
Income tax expense reported in the statement of profit and loss from discontinuing operations	21.97	1.11
	234.50	113.38
Tax adjustment for earlier years	(0.03)	(0.93)
Total tax expense	234.47	112.45

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

12 Income Tax and deferred Tax (Contd.)

Deferred tax expense/(income) relates to the following:	As at March 31, 2022	As at March 31, 2021
Depreciation & amortisation	10.83	3.53
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	(1.38)	4.22
Right to use asset	(0.27)	(0.40)
Lease liabilities	0.12	0.14
Deferred tax expense/(income)	9.30	7.49
Deferred tax expense/(income) recognised in Other Comprehensive Income	0.11	(0.41)
Total Deferred tax expense/(income)	9.41	7.08

Deferred tax relates to the following:	As at March 31, 2022	As at March 31, 2021
Deferred tax Liability		
Property, Plant and Equipment	(273.87)	(263.04)
Right to use asset	(2.79)	(3.06)
Deferred Tax Assets		
Expenditure debited to Statement of Profit and loss but allowed for tax purposes in subsequent years (on payment basis)	3.69	2.41
Lease liabilities	3.40	3.53
Net deferred tax assets/(liabilities)	(269.57)	(260.16)
Reflected in the balance sheet as follows:		
Deferred tax assets	7.09	5.94
Deferred tax liabilities:	(276.66)	(266.10)
Deferred tax liabilities, net	(269.57)	(260.16)

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.

13 Other current assets

(Unsecured, Considered good, unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with statutory authorities	64.97	15.71
Advances recoverable in cash or kind	66.00	15.21
Prepaid expenses	2.61	3.74
Total other current assets	133.58	34.66

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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

14 Share capital

Authorised share capital

Particulars	Number of Shares (of INR 10 each)	Amount
As at April 1, 2020	175,000,000	175.00
Increase/(Decrease) during the year	-	-
As at March 31, 2021	175,000,000	175.00
Increase/(Decrease) during the year	-	-
As at March 31, 2022	175,000,000	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 ensuing 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

Particulars	Number of Shares	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
As at April 1, 2020	95,013,286	95.01
Changes in share capital	-	-
As at March 31, 2021	95,013,286	95.01
Changes in share capital- ESOS issued during the year (July 15,2021)	337,500	0.34
As at March 31, 2022	95,350,786	95.35

Particulars	As at March 31, 2022	As at March 31, 2021
Shareholder's holding more than 5% shares		
Promoter and Promoter Group	19.07%	19.24%
DSP Small Cap Fund	8.53%	9.09%
Ares Diversified	4.86%	5.19%

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.

Shares reserved for issue under options

For details of shares reserved for issue under the share based payment plan of the holding company, please refer note 33.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

14 Share capital (Contd.)

Details of shares held by promoters as at 31st March 2022

Sr. no.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	% of total shares	% Change during the *
1	HINDUSTAN COMMERCIAL COMPANY LIMITED *	2,944,737	-	2,944,737	3.09%	0.01%
2	GEMS COMMERCIAL COMPANY LIMITED *	2,940,207	-	2,940,207	3.08%	0.01%
3	BANJAX LIMITED *	2,789,700	-	2,789,700	2.93%	0.01%
4	HEXABOND LIMITED *	2,718,200	-	2,718,200	2.85%	0.01%
5	OVAL INVESTMENT PVT.LTD.*	2,588,848	-	2,588,848	2.72%	0.01%
6	LHONAK INTERNATIONAL PRIVATE LIMITED *	1,365,599	-	1,365,599	1.43%	0.01%
7	ANURAG DALMIA HUF *	572,774	-	572,774	0.60%	0.00%
8	CARISSA INVESTMENT PRIVATE LIMITED *	481,752	-	481,752	0.51%	0.00%
9	HARVATEX ENGINEERING AND PROCESSING COMPANY LIMITED *	415,723	-	415,723	0.44%	0.00%
10	WGF FINANCIAL SERVICES LTD *	378,807	-	378,807	0.40%	0.00%
11	ANURAG TRADING LEASING AND INVESTMENT COMPANY PRIVATE LTD *	287,200	-	287,200	0.30%	0.00%
12	DALMIA FINANCE LTD *	200,244	-	200,244	0.21%	0.00%
13	ARCHANA TRADING AND INVESTMENT COMPANY PRIVATE LIMITED *	132,848	-	132,848	0.14%	0.00%
14	ANURAG DALMIA	100,000	10,000	110,000	0.12%	-0.01%
15	NEELABH DALMIA	69,500	35,000	104,500	0.11%	-0.04%
16	BHARATPUR INVESTMENT LIMITED *	38,842	-	38,842	0.04%	0.00%
17	SANJAY TRADING INVESTMENT COMPANY PRIVATE LIMITED *	29,100	-	29,100	0.03%	0.00%
18	GENERAL EXPORTS AND CREDITS LIMITED *	17,000	-	17,000	0.02%	0.00%
19	GOLDEN TOBACCO LIMITED *	16,578	-	16,578	0.02%	0.00%
20	PASHUPATINATH COMMERCIAL PVT. LTD. *	15,000	-	15,000	0.02%	0.00%
21	SOVEREIGN COMMERCIAL PVT.LTD. *	6,000	-	6,000	0.01%	0.00%
22	DALMIA HOUSING FINANCE LIMITED *	5,707	-	5,707	0.01%	0.00%
23	TRISHUL COMMERCIAL PVT.LTD. *	5,100	-	5,100	0.01%	0.00%
24	SWASTIK COMMERCIAL PVT.LTD. *	3,700	-	3,700	0.00%	0.00%
25	ALANKAR COMMERCIAL PRIVATE LIMITED *	2,600	-	2,600	0.00%	0.00%
26	RICKLUNSFORD TRADE AND INDUSTRIAL INVESTMENT LTD *	1,960	-	1,960	0.00%	0.00%
27	CHIRAWA INVESTMENT LIMITED *	1,860	-	1,860	0.00%	0.00%
28	MOURYA FINANCE LIMITED *	1,860	-	1,860	0.00%	0.00%
29	LAKSHMI VISHNU INVESTMENT LIMITED *	1,860	-	1,860	0.00%	0.00%
30	SIKAR INVESTMENT COMPANY LIMITED *	1,800	-	1,800	0.00%	0.00%
31	ANTARCTICA INVESTMENT PVT LTD *	768	-	768	0.00%	0.00%
32	COMOSUM INVESTMENT PVT LTD *	701	-	701	0.00%	0.00%
33	LOVELY INVESTMENT PVT LTD *	645	-	645	0.00%	0.00%
34	ALTAR INVESTMENT P LTD*	318	-	318	0.00%	0.00%
35	ILAC INVESTMENT PRIVATE LIMITED *	217	-	217	0.00%	0.00%
36	DEAR INVESTMENT P. LTD.*	55	-	55	0.00%	0.00%
37	RAM KRISHNA DALMIA FOUNDATION	145,000	(145,000)	-	0.00%	0.15%
	Total	18,282,810	(100,000)	18,182,810	19.07%	0.17%

* Change during the year on account of shares issued pursuant to exercise of employee stock option by the employees



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

14 Share capital (Contd.)

Details of shares held by promoters as at 31st March 2021

Sr. no.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	% of total shares	% Change during the *
1	HINDUSTAN COMMERCIAL COMPANY LIMITED*	2,333,590	611,147	2,944,737	3.10%	0.64%
2	GEMS COMMERCIAL COMPANY LIMITED	2,940,207	-	2,940,207	3.09%	-
3	BANJAX LIMITED	2,789,700	-	2,789,700	2.94%	-
4	HEXABOND LIMITED	2,718,200	-	2,718,200	2.86%	-
5	OVAL INVESTMENT PVT.LTD.	2,588,848	-	2,588,848	2.72%	-
6	LHONAK ENTERTAINMENT PRIVATE LIMITED	1,365,599	-	1,365,599	1.44%	-
7	ANURAG DALMIA HUF	549,602	23,172	572,774	0.60%	0.02%
8	CARISSA INVESTMENT PRIVATE LIMITED	481,752	-	481,752	0.51%	-
9	HARVATEX ENGINEERING AND PROCESSING COMPANY LIMITED	415,723	-	415,723	0.44%	-
10	WGF FINANCIAL SERVICES LTD	378,807	-	378,807	0.40%	-
11	ANURAG TRADING LEASING AND INVESTMENT COMPANY PRIVATE LTD	287,200	-	287,200	0.30%	-
12	DALMIA FINANCE LTD	200,244	-	200,244	0.21%	-
13	ARCHANA TRADING AND INVESTMENT COMPANY PRIVATE LIMITED	132,848	-	132,848	0.14%	-
14	ANURAG DALMIA	100,000	-	100,000	0.11%	-
15	NEELABH DALMIA	11,000	58,500	69,500	0.07%	0.06%
16	BHARATPUR INVESTMENT LIMITED	38,842	-	38,842	0.04%	-
17	SANJAY TRADING INVESTMENT COMPANY PRIVATE LIMITED	29,100	-	29,100	0.03%	-
18	GENERAL EXPORTS AND CREDITS LIMITED	17,000	-	17,000	0.02%	-
19	GOLDEN TOBACCO LIMITED	16,578	-	16,578	0.02%	-
20	PASHUPATINATH COMMERCIAL PVT. LTD.	15,000	-	15,000	0.02%	-
21	SOVEREIGN COMMERCIAL PVT.LTD.	6,000	-	6,000	0.01%	-
22	DALMIA HOUSING FINANCE LIMITED	5,707	-	5,707	0.01%	-
23	TRISHUL COMMERCIAL PVT.LTD.	5,100	-	5,100	0.01%	-
24	SWASTIK COMMERCIAL PVT.LTD.	3,700	-	3,700	0.00%	-
25	ALANKAR COMMERCIAL PRIVATE LIMITED	2,600	-	2,600	0.00%	-
26	RICKLUNSFORD TRADE AND INDUSTRIAL INVESTMENT LTD	1,960	-	1,960	0.00%	-
27	CHIRAWA INVESTMENT LIMITED	1,860	-	1,860	0.00%	-
28	MOURYA FINANCE LIMITED	1,860	-	1,860	0.00%	-
29	LAKSHMI VISHNU INVESTMENT LIMITED	1,860	-	1,860	0.00%	-
30	SIKAR INVESTMENT COMPANY LIMITED	1,800	-	1,800	0.00%	-
31	ANTARCTICA INVESTMENT PVT LTD	768	-	768	0.00%	-
32	COMOSUM INVESTMENT PVT LTD	701	-	701	0.00%	-
33	LOVELY INVESTMENT PVT LTD	645	-	645	0.00%	-
34	ALTAR INVESTMENT P LTD	318	-	318	0.00%	-
35	ILAC INVESTMENT PRIVATE LIMITED	217	-	217	0.00%	-
36	DEAR INVESTMENT P. LTD.	55	-	55	0.00%	-
37	RAM KRISHNA DALMIA FOUNDATION	165,000	(20,000)	145,000	0.15%	-0.02%
38	INTERNATIONAL RESOURCES LIMITED*	611,147	(611,147)	-	0.00%	-0.64%
	Total	18,221,138	61,672	18,282,810	19.24%	0.06%

*Due to merger/amalgamation of company

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

15 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve (Note 15A)	7.57	7.57
Business development reserve (Note 15B)	73.89	73.89
Capital redemption reserve (Note 15C)	16.36	16.36
Securities premium (Note 15D)	10.68	-
Retained earnings (Note 15E)	2,857.49	2,262.73
Share based payment reserve (Note 15F)	5.51	11.43
Foreign currency translation reserve (Note 15I)	(0.33)	(0.47)
General reserve (Note 15G)	5.45	5.45
FVTOCI reserve (Note 15H)	13.61	12.29
Total	2,990.22	2,389.24

Notes:

15A Capital reserve

Particulars	Amount
As at April 1, 2020	7.57
Changes during the year	-
As at March 31, 2021	7.57
Changes during the year	-
As at March 31, 2022	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
As at April 1, 2020	73.89
Changes during the year	-
At March 31, 2021	73.89
Changes during the year	-
As at March 31, 2022	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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

15 Other equity (Contd.)

15C Capital redemption reserve

Particulars	Amount
As at April 1, 2020	16.36
Changes during the year	-
At March 31, 2021	16.36
Changes during the year	-
As at March 31, 2022	16.36

In earlier years, an amount of INR 16.36 Crore (equivalent to nominal value of the equity shares bought back and cancelled by the holding company in earlier years) 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.

15D Securities premium

Particulars	Amount
As at April 1, 2020	-
Changes during the year	-
As at March 31, 2021	-
Changes during the year-on account of shares issued pursuant to exercise of employee stock option by the employees	10.68
As at March 31, 2022	10.68

During the year company has issued 3,37,500 equity shares of Rs. 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.

15E Retained earnings

Particulars	Amount
As at April 1, 2020	1,937.83
Changes during the year-Profit for the year	326.12
Changes during the year-Other comprehensive income	(1.22)
As at March 31, 2021	2,262.73
Changes during the year-Profit for the year	646.70
Changes during the year-Dividend paid	(52.27)
Changes during the year-Other comprehensive income	0.33
As at March 31, 2022	2,857.49

15F Share based payment reserve

Particulars	Amount
As at April 1, 2020	9.87
Changes during the year	1.56
As at March 31, 2021	11.43
Changes during the year	(5.92)
As at March 31, 2022	5.51

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

15 Other equity (Contd.)

15G General reserve

Particulars	Amount
As at April 1, 2020	5.45
Changes during the year	-
As at March 31, 2021	5.45
Changes during the year	-
As at March 31, 2022	5.45

15H FVTOCI reserve

Particulars	Amount
As at April 1, 2020	6.34
Changes during the year	5.95
As at March 31, 2021	12.29
Changes during the year	1.32
As at March 31, 2022	13.61

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
As at April 1, 2020	(3.34)
Changes during the year	2.87
At March 31, 2021	(0.47)
Changes during the year	0.14
As at March 31, 2022	(0.33)

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

Particulars	Amount
Grand Total (15) as on March 2020	2,053.96
Grand Total (15) as on March 2021	2,389.24
Grand Total (15) as on March 2022	2,990.22

Distributions made and proposed

Particulars	As at March 31, 2022	As at March 31, 2021
Cash dividends on equity shares declared and paid:		
Final dividend for the year ended on March 31, 2021: INR 5.50 per share (March 31, 2020: NIL)	52.27	-
	52.27	-
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on March 31, 2022: Rs 15.00 per equity share (including Rs 5.00 per equity share as a special dividend) (March 31, 2021: INR 5.50 per share)	143.03	52.27
	143.03	52.27

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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

16A Non-current Borrowings

Non-current Borrowings	Nature of Charge	Effective interest rate %	Maturity	As at March 31, 2022	As at March 31, 2021
Term Loans					
From Banks					
Rupee Term Loans (secured)	Refer Note a to h	7.72%	December 2022 - April 2028	415.64	550.88
Foreign currency loans (secured)	Refer Note i	3.21%	April 2025	8.96	12.94
Total non-current borrowings				424.60	563.82
Current Borrowings					
Short Term Loans from Banks		4.91%	On Demand	198.05	41.35
Short Term Loans from Banks		4.55%	On Demand	10.00	-
Current maturities of long term loan					
- Rupee Term Loans (secured)		7.72%	April 2022 - March 2023	130.81	149.05
- Foreign currency loans (secured)		3.21%	April 2022 - March 2023	3.99	13.88
Total current Borrowings				342.85	204.28
Aggregate Secured loans				757.45	768.10
Aggregate Unsecured loans				10.00	-

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

- Loan aggregating to Rs. 12.83 crores (Previous Year Rs. 23.43 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 1 to 2 years.
- Loan aggregating to Rs 441.42 crores (Previous Year Rs. 329.60 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 3 to 6 years.
- Loan aggregating to Nil (Previous Year Rs. 46.20 crores) is secured by exclusive charge on specific fixed assets created out of the proceeds of the for Company's Home Textile Division situated at Vapi in Gujarat.
- Loan aggregating to NIL (Previous Year Rs. 5.73 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 term loan has been prepaid during current year.
- Loan aggregating to Rs. 92.21 crores (Previous Year Rs.144.42 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 3 to 6 years.
- Loan aggregating to NIL (Previous Year Rs. 124.74 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, Tamilnadu excluding movable assets already hypothecated on exclusive charge basis. Term Loan has been prepaid during current year.
- Loan aggregating to NIL (Previous Year Rs. 9.88 crores) is secured by first exclusive charge on movable fixed assets of Textile Division (including Phase I, II, III) Madurai, Tamil Nadu. The loan has been repaid during current year.
- Loan aggregating to NIL (Previous Year Rs. 17.24 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 term loan has been prepaid during current year.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

- i) Loan aggregating to Rs. 12.95 (Previous Year Rs.25.51 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 3 years.
- j) Out of all the aforesaid secured Loans appearing in Note 16 (1) (a) to 16 (1) (i) totaling Rs. 559.42 crores (Previous Year Rs. 726.75 crores), an amount of Rs. 134.80 crores (Previous Year Rs. 162.93 crores) is due for payment in next 12 months and accordingly reported under Note 16(B) under the head "Short term borrowings" as "current maturities of Long Term Borrowings".
- k) The Company has satisfied all the loan covenants.

16B Current borrowings

Particulars	Nature of Charge	As at March 31, 2022	As at March 31, 2021
Short term loans from banks (Secured)			
Cash credit facilities			13.06
Interest accrued but not due on borrowings	Refer Note a	2.02	2.74
Working capital demand loan		195.00	5.00
Sales Bill Discounting		1.03	1.33
Export Packing Credit (Rupee Loan)	Refer Note a	-	18.67
Export Bill Discounting (Foreign Currency Loan)	Refer Note b	-	0.55
Secured Short Term Borrowing		198.05	41.35
Current maturities of Long Term Borrowings		134.80	162.93
Total Secured Short Term Borrowing		332.85	204.28
Short term loans from banks - (Unsecured)			
Short Term Loan		10.00	-
Total Unsecured Short Term Borrowing		10.00	-
Total		342.85	204.28

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 and Bill Discounting are repayable on demand and carries an average interest rate of 4.90% p.a (Previous Year 5.70% p.a) on the amount outstanding.
- (b) Credit facilities in foreign currency : The facilities availed by way of foreign currency demand loan, packing credit in foreign currency, Export Bill discounting and Supplier's Credit are repayable as per maturity dates being not more than 1 year and carries an average interest NIL (without forward premium) (Previous Year 0.45% p.a) on the amount outstanding.
- (c) quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts

16.3 The Company has satisfied all the loan covenants.

16.4 As at March 31 2022, the Company had available INR 242 Crores (As at March 31 2021: INR 630 Crores) of undrawn committed borrowing facilities.

16.5 The Company's long term borrowings under indian rupees carry interest rate in range of 6.60% to 8.4% p.a. (excluding TUFs benefit availed in few Textile loans)

16.6 The Company's long term borrowings under foreign currency carry interest rate of 3.21% p.a.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

17 Provisions

(A) Long term provisions

Particulars	Provision for mines restoration *
As at April 1, 2020	6.27
Arising during the year	0.77
Utilised	(4.02)
As at March 31, 2021	3.02
Arising during the year	7.17
Utilised	(2.57)
As at March 31, 2022	7.62

*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.

17B Short term provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for compensated absences	11.47	12.24
Provision for gratuity (Refer Note 32)	-	2.12
Other Provision	0.44	
	11.91	14.36

17C Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred income - Government grants	-	0.70
Others	-	0.70

Ministry of Textiles has released TUF capital subsidy amounting to INR 0.15 (March 31, 2021 INR 0.87) crore under the Scheme of "Technology Upgradation Scheme (Amended)". Ministry of Textiles has approved the subsidy for purchase of certain items of Property, Plant and Equipment. In previous year company has given Bank guarantee to the ministry to Textiles to release the capital subsidy.

Category	As at March 31, 2022	As at March 31, 2021
Opening Balance	0.73	-
Received during the year	0.15	0.87
Released to the statement of profit and loss	(0.88)	(0.14)
Closing Balance	-	0.73
Current	-	0.03
Non-current	-	0.70

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

18 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Total outstanding dues of micro enterprises and small enterprises	41.67	23.43
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	301.17	353.19
Trade payable ageing schedule :	342.84	376.62

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Micro enterprises and small enterprises (MSME)					
As at 31-03-2022	41.67	-	-	-	41.67
As at 31-03-2021	23.42	-	0.01	0.00	23.43
(ii) Others					
As at 31-03-2022	291.89	4.48	2.03	2.77	301.17
As at 31-03-2021	344.71	3.56	3.10	1.82	353.19

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, 2022 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.

Particulars	As at March 31, 2022	As at March 31, 2021
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:		
Principal	41.67	23.43
Interest	-	0.44
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	25.14	43.59
Interest	0.45	0.80
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	-	0.44
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	-	0.44



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

19A Derivative instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	1.46	-
Total derivative instruments at fair value through profit or loss	1.46	-

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, 2022	As at March 31, 2021
Other financial liabilities		
Dealer deposits*	5.02	6.24
Security deposits	0.95	0.87
Capital creditors	28.11	18.18
Unpaid dividend	4.52	4.26
Interest accrued	0.11	0.44
Others**	300.70	4.87
	339.41	34.86

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

**Includes amount received from M/s Indo count Industries Limited of Rs. 300 Crore in current year on account of sale of Vapi division, Refer Note 48

20 Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	43.92	13.93
Deferred income (Refer Note 17C)	-	0.03
Liability towards Corporate Social Responsibility (Refer Note 28)	-	0.77
Others	1.40	3.14
	45.32	17.87

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

21 Revenue from operations-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, 2022		Total	For the year ended March 31, 2021		Total
	Inorganic Chemicals	Textiles		Inorganic Chemicals	Textiles	
Type of goods or service						
Sale of manufactures products						
Sale of Soda Ash	2,625.74	-	2,625.74	1,670.02	-	1,670.02
Sale of Textile products	-	920.49	920.49	-	609.23	609.23
Sale of Consumer products	15.44	-	15.44	40.70	-	40.70
Sale of traded products						
Sale of Consumer products	24.31	-	24.31	0.37	-	0.37
Sale of Chemicals	192.38	-	192.38	170.86	-	170.86
Total revenue from contracts with customers	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
India	2,704.66	808.61	3,513.27	1,816.34	569.11	2,385.45
Outside India	153.20	111.88	265.09	65.61	40.12	105.73
Total revenue from contracts with customers	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
Timing of revenue recognition						
Goods transferred at a point in time	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
Services transferred over time	-	-	-	-	-	-
Total revenue from contracts with customers	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18

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, 2022		Total	For the year ended March 31, 2021		Total
	Inorganic Chemicals	Textiles		Inorganic Chemicals	Textiles	
Revenue						
External customer*	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
Inter-segment	-	-	-	-	-	-
	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18
Inter-segment adjustment and elimination	-	-	-	-	-	-
Total revenue from contracts with customers	2,857.87	920.49	3,778.36	1,881.95	609.23	2,491.18

* Sale of Yarn to Home Textile undertaking at Vapi unit in normal course of business has been considered by the Company as part of its revenue from continued operations.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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, 2022	As at March 31, 2021
Trade receivables *	229.44	228.36
Contract liabilities		
- Advances from customers**	7.08	3.91

* Trade receivables are non-interest bearing and are generally on terms of 45 to 180 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	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue as per contracted price	3,933.72	2,658.76
Adjustments		
Sales return	(2.02)	(0.14)
Rebate	0.17	(0.18)
Discount	(153.51)	(167.26)
Revenue from contract with customers	3,778.36	2,491.18

4) The transaction price allocated to the remaining performance obligation (unsatisfied or partially unsatisfied) as at March 31, 2022 are, as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers (Refer Note 21.2)	7.08	3.91
	7.08	3.91

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

22 Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income from financial assets measured at amortised cost		
- from bank deposits	0.39	0.53
Dividend income	0.05	-
Other non-operating income		
Gain on foreign exchange (net)	0.98	1.28
Profit on sale of investments	0.51	1.27
Rental income	1.33	0.41
Sale of scrap	6.77	3.42
Miscellaneous income	2.11	0.55
	12.14	7.46

23 Cost of raw material consumed (Refer Note 42)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	314.70	376.09
Add: Purchases	1,734.13	888.41
	2,048.83	1,264.50
Less: inventory at the end of the year	(559.71)	(314.70)
Cost of raw material consumed	1,489.12	949.80

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening stock		
Finished Goods	195.82	207.47
Adjustment on account of discontinued operations-Finished Goods	(95.01)	(89.02)
Stock in Process	62.96	54.11
Adjustment on account of discontinued operations-Finished Goods	(45.50)	(37.35)
Stock in trade	22.32	18.21
Adjustment on account of discontinued operations-Stock in trade	-	-
	140.59	153.42
Closing stock		
Finished Goods	99.09	195.82
Adjustment on account of discontinued operations-Finished Goods	(2.28)	(95.01)
Stock in Process	27.92	62.96
Adjustment on account of discontinued operations-Finished Goods	-	(45.50)
Stock in trade	54.33	22.32
Adjustment on account of discontinued operations-Stock in trade	-	-
	179.06	140.59
(Increase)/decrease in inventories of finished goods, stock-in-trade and work-in-progress	(38.47)	12.83



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

25 Employee benefit expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	134.04	111.22
Contribution to provident and other funds	9.44	8.42
Share based payment expenses (Refer Note 33)	0.04	1.56
Gratuity expenses (Refer Note 32)	2.96	2.44
Staff welfare expenses	6.75	4.91
	153.23	128.55

26 Depreciation and amortization expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of tangible assets (Refer Note 3)	112.38	107.38
Amortization of intangible assets (Refer Note 4)	2.91	2.59
Depreciation of Right-of-use assets (Refer Note 34)	1.49	1.43
	116.78	111.40

27 Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on borrowings (Net of TUF interest subsidy amounting to INR 2.12 Crore (March 31, 2021 INR 0.57 Crore))	48.28	69.86
Exchange differences regarded as an adjustment to borrowing costs	3.91	0.14
Interest others	0.40	(4.17)
Bank charges	5.59	5.77
Interest on lease liabilities (Refer note 34)	1.41	1.43
Interest on tax matters	3.98	1.29
	63.57	74.32

28 Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	66.06	49.75
Loss due to flood	4.40	-
Other manufacturing expenses	37.38	32.47
Packing expenses	58.84	44.74
Bad debts - written off	0.33	1.57
Freight and forwarding	53.44	29.83
Commission on sales	7.88	5.16
Advertisement and business promotion expenses	-	0.55

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

28 Other expenses (Contd.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Travelling and conveyance	8.67	6.53
Rent	3.09	3.59
Repairs and maintenance		
Plant and machinery	22.52	15.10
Buildings	1.69	1.50
Others	7.80	6.14
Rates and taxes	1.37	1.14
Insurance	16.42	15.72
Deficit on sale/discarding of PPE (Net)	2.84	8.66
Commission to non whole time directors	3.54	1.77
Communication expenses	1.10	1.06
Legal and professional expenses	17.35	11.60
Donation	0.06	0.03
Donation to political parties	-	0.10
CSR expenditure (refer details below)	9.85	9.80
Miscellaneous expenses	13.22	11.76
	337.85	258.57

Payment to auditors

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
To Statutory auditor:		
Audit fee	0.57	0.45
Limited review	0.75	0.75
In other capacity		
Other services (certification fees)	0.33	0.15
Reimbursements of expenses	0.02	0.02
	1.67	1.37
To Cost auditor		
Audit fee	0.03	0.03
Reimbursements of expenses	0.00	0.00
	0.03	0.03

Details of CSR expenditure

Particulars			For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Gross amount required to be spent by the Group during the year			9.79	9.80
(b) Amount approved by the Board to be spent during the year			9.83	9.80



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

28 Other expenses (Contd.)

Details of CSR expenditure

Particulars	In cash	Yet to be paid in cash*	For the year ended	For the year ended
			March 31, 2022	March 31, 2021
(c) Amount spent during the year ending on March 31, 2022:			Total	
i) Construction / acquisition of any asset	0.00		0.00	
ii) On purpose other than (i) above	9.85		9.85	
(d) Amount spent during the year ending on March 31, 2021:			Total	
i) Construction / acquisition of any asset	0.02		0.02	
ii) On purpose other than (i) above	9.01	0.77	9.78	

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
(e) Details related to spent / unspent obligations:		
i) Contribution to Public Trust		-
ii) Contribution to Charitable Trust	9.85	9.03
iii) Unspent amount in relation to:		
- Ongoing project		0.77
- Other than ongoing project		-

Details of ongoing project and other than ongoing project

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	0.77	9.79	9.85	0.77	-	-

*MCA has notified Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, Companies (Amendment) Act 2019, Companies (Amendment) Act 2020. The notification states that "any amount remaining unspent under section 135 (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year".

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, 2022			
Re-measurement losses on defined measurement plans		0.33	0.33
Re-measurement of investment in equity	1.32		1.32
Exchange differences on translation of foreign operations	0.14		0.14
	1.46	0.33	1.79

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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, 2021			
Re-measurement losses on defined measurement plans	-	(1.22)	(1.22)
Re-measurement of investment in equity	5.95		5.95
Exchange differences on translation of foreign operations	2.87		2.87
Total	8.82	(1.22)	7.60

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 the year ended March 31, 2022	For the year ended March 31, 2021
Profit attributable to the equity holders of the Company		
Continuing operations	598.30	306.84
Discontinued operation	48.40	19.28
Profit attributable to equity holders of the parent for basic earnings	646.70	326.12
Weighted average number of equity shares for basic EPS	95,253,697	95,013,286
Basic earnings per share (Face value of INR 10/- per share)		
Continuing operations	62.81	32.29
Discontinued operation	5.08	2.03
Profit attributable to the equity holders of the Company		
Continuing operations	598.30	306.84
Discontinued operation	48.40	19.28
Profit attributable to equity holders of the parent adjusted for the effect of dilution	646.70	326.12
weighted average number of equity shares and common equivalent shares outstanding*	95,545,654	95,262,327
Diluted earnings per equity share - (Face value of INR 10/- per share)		
Continuing operations	62.62	32.21
Discontinued operation	5.07	2.02



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

29 Earnings per share (contd.)

*Weighted average number of Equity shares adjusted for the effect of dilution

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares for basic EPS	95,253,697	95,013,286
Effect of dilution:		
Employee share option scheme	291,957	249,041
Weighted average number of equity shares and common equivalent shares outstanding	95,545,654	95,262,327

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 years.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies in Note 40
- Sensitivity analyses disclosures in Note 32 and Note 40
- Estimation uncertainty relating to the Global health pandemic on Covid 19 in Note 50

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 years 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 year of a lease, together with both years covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and years 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, 2022 (INR in crores)

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 transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financing component. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product from the customer. 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 year. 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 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



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

31 Significant accounting judgements, estimates and assumptions (Contd.)

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 previous year.

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.

Judgements, estimates and assumptions for Discontinued operations

- a) Sale of Yarn to Home Textile undertaking at Vapi unit in normal course of business has been considered by the Company as part of its revenue from continued operations.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

31 Significant accounting judgements, estimates and assumptions (Contd.)

- b) Pursuant to the terms of the BTA, certain assets pertaining to HT Business are pass through in nature (i.e. the beneficial ownership of these assumed assets continued to be with the Company) such as export incentives receivable, claims receivables which would be transferred immediately to the Company by the Purchaser whenever received post-closing date. Consequently, such receivables have been retained by the Company and is forming part of the continuing operations.
- c) Contingent liabilities of the HT Business have been reported on the basis of list of assumed litigations read with excluded liabilities as per the terms specified in the BTA subject to the amendments and substitution vide Supplemental BTA.

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 the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution to provident fund/pension scheme	9.86	8.86
Employer's contribution to superannuation fund	1.34	1.42

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.

Employees who are in continuous service for a year of 5 years are eligible for gratuity. The amount of gratuity payable to an employee upon leaving the company is the 50% of Fixed cost to company per month computed proportionately for 15/26 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 31 March 2022. 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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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, 2022

Particulars	Gratuity cost charged to profit or loss						Re-measurement (gains) / losses in other comprehensive income					As at March 31, 2022
	As at April 01, 2021	Service cost	Net interest expense/ (Income)	Amount included in profit or loss -discontinued operations	Sub-total included in profit or loss -Continued operations *	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions/ Demographic Assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	
Defined benefit obligation	49.17	3.36	3.19	0.40	6.15	(5.67)		1.10	(1.33)	(0.24)		49.81
Fair value of plan assets	47.05		(3.05)		(3.05)	-	(0.21)			(0.21)	-	50.31
Benefit liability	2.12			0.40	3.10					(0.45)		(0.50)

* The Gratuity Cost charged to profit or loss amounting INR 0.14 crores. (Previous Year INR 0.19 crores) pertains to employees of captive production units and has been included in Raw material and power & fuel costs as explained in Note No. 42

Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at 31st March 2021:

Particulars	Gratuity cost charged to profit or loss						Re-measurement (gains) / losses in other comprehensive income					As at March 31, 2021
	As at April 1, 2020	Service cost	Net interest expense/ (Income)	Amount included in profit or loss -discontinued operations	Sub-total included in profit or loss -Continued operations *	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions/ Demographic Assumptions	Experience adjustments	Subtotal included in OCI	Contributions by employer	
Defined benefit obligation	43.25	2.88	2.85	0.29	5.44	(3.07)		1.13	2.13	3.26		49.17
Fair value of plan assets	42.61		(2.81)		(2.81)	-	(1.63)			(1.63)	-	47.05
Benefit liability	0.64			0.29	2.63					1.63		2.12

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

Particulars	As at March 31, 2022	As at March 31, 2021
Insurance fund	50.31	47.05

The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08)
Discount rate	6.84%	6.49%
Estimated rate of return on plan assets	6.84%	6.49%
Estimated future salary growth	8.00%	7.00%
Rate of employee turnover	11.00%	11.00%

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

32 Defined benefit and contribution plan (Contd.)

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.18)	0.19	1.81	(1.67)	(1.67)	1.85

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.11)	0.12	1.74	(1.60)	(1.60)	1.76

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

Particulars	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting year)	15.56	14.73
2nd Following Year	5.54	6.38
3rd Following Year	6.93	6.48
4th Following Year	5.35	5.89
5th Following Year	4.95	4.56
Sum of Years 6 to 10	14.03	14.10
Total expected payments	52.36	52.14

The average duration of the defined benefit plan obligation at the end of the reporting year is 5 years (31 March 2021: 5 years).

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 year 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 low as insurance companies have to follow regulatory guidelines which mitigate risk.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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.

- 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, 2022.
- During the year 25,000 equity share options lapsed upon cessation of employment.

The relevant details of the Scheme are as under:

Particulars	Grant 3		Grant 5		Grant 6	
Date of grant	24/10/2017	24/10/2017	25/04/2018	25/04/2018	25/04/2018	25/04/2018
Date of board approval	24/10/2017	24/10/2017	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	610,000	610,000	15,000	15,000
Method of settlement	Equity	Equity	Equity	Equity	Equity	Equity
Vesting year (see table below)						
Fair value on the date of grant (In Rs)	110.59	123.20	161.33	183.41	183.41	192.68
Exercise year	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 year are:

Vesting year from the Grant date	Grant 3		Grant 5		Grant 6	
On completion of 12 months	25,000	-	610,000	-	-	-
On completion of 24 months	-	25,000	-	-	-	-
On completion of 36 months	-	-	-	610,000	15,000	-
On completion of 48 months	-	-	-	-	-	15,000

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

33 Share based compensation (Contd.)

Particulars	Grant 7		Grant 8		
Date of grant	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
Date of shareholder's approval	23/07/2015	23/07/2015	23/07/2015	23/07/2015	23/07/2015
Number of options granted	25,000	25,000	60,000	60,000	60,000
Method of settlement	Equity	Equity	Equity	Equity	Equity
Vesting year (see table below)					
Fair value on the date of grant (In Rs)	183.41	192.68	183.41	192.68	200.98
Exercise year	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

Details of the vesting year are:

Vesting year from the Grant date	Grant 7		Grant 8		
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 31, 2022		As at March 31, 2021	
	Total No. of Stock options	Weighted average exercise price	Total No. of Stock options	Weighted average exercise price
Options outstanding at beginning of year	667,500	150	827,500	150
Options granted during the year	-	-	-	-
Options forfeited/lapsed during the year	25,000	150	160,000	150
Options exercised during the year	337,500	-	-	-
Options expired during the year	-	-	-	-
Options outstanding at end of year	305,000	150	667,500	150
Options vested but not exercised during the year	7,500	170	112,500	151

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

Particulars	As at March 31, 2022						Total Number of options
	Grant 3		Grant 5		Grant 6		
	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	5,000	2,500	105,000	445,000	10,000	10,000	577,500
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	25,000	-	-	25,000
Exercised during the year	-	-	105,000	210,000	5,000	-	320,000
Expired during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	5,000	2,500	-	210,000	5,000	10,000	232,500
Exercisable at the end of the year	5,000	2,500	-	-	-	-	7,500
Weighted average remaining contractual life (in years)	-	-	-	-	-	0.07	-
Weighted average fair value of options granted during the year	110.59	123.20	161.33	183.41	183.41	192.68	-



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

33 Share based compensation (Contd.)

Particulars	Grant 3		Grant 5		Grant 6	
	24/10/2017	24/10/2017	25/04/2018	25/04/2018	25/04/2018	25/04/2018
Date of grant	24/10/2017	24/10/2017	25/04/2018	25/04/2018	25/04/2018	25/04/2018
Stock price at the date of grant	251.05	251.05	286.5	286.5	286.5	286.5
Exercise price	170	170	150	150	150	150
Expected volatility	36.77	36.77	39.51%	39.51%	39.51%	39.51%
Expected life of the option	2	3	2	4	4	5
Risk free interest rate (%)	6.762	6.762	7.647	7.647	7.647	7.647
Weighted average fair value as on grant date	110.59	123.20	161.33	183.41	183.41	192.68

Particulars	Grant 7		Grant 8			Total	Grand Total of ESOS
	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	15,000	20,000	20,000	20,000	90,000	667,500
Granted during the year	-	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-	25,000
Exercised during the year	7,500	-	10,000	-	-	17,500	337,500
Expired during the year	-	-	-	-	-	-	-
Outstanding at the end of the year	7,500	15,000	10,000	20,000	20,000	72,500	305,000
Exercisable at the end of the year	-	-	-	-	-	-	7,500
Weighted average remaining contractual life (in years)	-	0.07	-	0.07	1.07	-	-
Weighted average fair value of options granted during the year	183.41	192.68	183.41	192.68	200.98	-	-

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

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.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

34 Leases

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Particulars	Leasehold building	Saltworks	Total
At 1st April 2020	6.31	7.42	13.73
Additions	-	-	-
Depreciation expense	(1.03)	(0.49)	(1.52)
Termination	(0.05)	-	(0.05)
As at 1st April 2021	5.23	6.93	12.16
Additions	7.70	0.00	7.70
Depreciation expense-Continue operations	(1.11)	(0.38)	(1.49)
Depreciation expense-Discontinue operations	(1.15)	-	(1.15)
Termination	(0.13)	0.00	(0.13)
As at 31 March 2022	10.54	6.55	17.09

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, 2022	As at March 31, 2021
Balance at the beginning of the year	14.01	14.60
Additions	7.70	-
Accretion of interest-Continue operations	1.41	1.43
Accretion of interest-Discontinue operations	0.26	-
Payments	(3.23)	(2.02)
Termination	(0.04)	-
Balance at the end of the year	20.11	14.01
Current	2.21	0.68
Non-current	17.90	13.33
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, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	1.49	1.52
Interest expense on lease liabilities	1.41	1.43
Expense relating to short-term leases*	3.81	3.90
Total amount recognised in profit or loss	5.99	6.85

The Group had total cash outflows for leases of INR 7.04 crores in March 31, 2022 (INR 5.92 crores in March 31, 2021). 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.

* Expenses relating to Short - term leases includes figures from continued and discontinued operations amounting Rs. 3.09 Crores & Rs. 0.72 Crores respectively (included in other expenses).



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

35 Commitments and contingencies

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Estimated value of contracts remaining to be executed on Capital Account and not provided for	293.67	57.71
(b) Contingent liabilities :		
- Claims against the Company not acknowledged as debts*		
- Income tax**	12.78	158.27
- Sales tax / VAT	0.04	0.04
- Excise, custom & service tax	127.36	127.12
- Unpaid labour dues#	4.57	4.57
- Other claims##	17.93	18.26

* 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.

** 'In previous year, an order passed by Income Tax Appellate Tribunal (ITAT), Ahmedabad dated March 05, 2021, ITAT has disposed off cases pertaining to AY 2009-10, AY 2010-11, AY 2011-12, AY 2012-13, AY 2013-14 and AY 2014-15 and decided in favour of the company. As the Income Tax Authorities (the Department) has not filed an appeal to the High Court against the Appellate Tribunal's order within stipulated time, therefore the amount pertains to above mentioned assessment years i.e. INR 154.65 Crores is not considered as contingent liability as on 31st March 2022.

Government of India vide its notification dated March 29, 2021, issued under the National Disaster Management Act 2005, directed that all employers shall make full payment of wages, of their workers at their workplaces, for the period of closure under the lockdown. Subsequently on the petition filed by some of the employers against the aforementioned notification, the Honourable Supreme Court of India, passed an interim order dated June 12, 2021 and directed employers to enter into a negotiation and settlement with workers for wages payment during the lockdown period. The aforesaid notification also stands withdrawn w.e.f May 18, 2021. In the meanwhile, the Company had made payments to its workers and will do the final settlement if any as per the final order of the Honourable Supreme Court of India. If the Honourable Supreme Court upheld the notification of Government of India the Company will have to pay further wages of Rs. 4.57 Crores to the workers, whereas based on the management's assessment the chances of the same is remote.

Claims under this heading relate to legal cases pending in different courts under the jurisdiction of Gujarat High Court and the courts subordinate to it. Some of the cases relates to execution of ex-parte foreign decrees which are not enforceable in India. Certain claims relate to contractor's workmen, whose services have been terminated by the concerned contractor and the matter is in between the contractor and their workmen and GHCL is made a party to the dispute only. Other cases relate to some ex-workmen who after opting VRS scheme duly approved by the regional Labour Officer challenged the same and this case is a week case since workmen have already lost one round of litigation till Hon'ble SC where directions were issued to deposit the entire amount received during VRS before initiating the legal proceedings. Apart from these certain civil disputes are also pending which on merit are weak and GHCL has fair chances in winning these cases.

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

The aforesaid Appendix did not have an impact on the financial statements of the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
(c) Guarantees:		
Corporate guarantee to bank on behalf of erstwhile subsidiaries of the Company	3.00	3.04
(d) EPCG Commitment (value of exports) - The Company has export obligations to the extent INR 412.01 crores (as at March 31, 2021 INR 538.22 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.	33.74*	84.94

* For Discontinued operation EPCG commitment is INR 4.16 Crore

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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

Mr. Bhuwadeshwar Mishra, Sr. GM- Sustainability & Company Secretary

B) Non-whole-time directors

Mr. Mr. Sanjay Dalmia

Mr. Anurag Dalmia

Mrs. Vijaylaxmi Joshi

Dr. Lavanya Rastogi

Dr. Manoj Vaish

Mr. Arun Kumar Jain

Justice Ravindra Singh

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. Bhuwadeshwar 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, 2022 (INR in crores)

36 Related party transactions (Contd.)

b) Transactions with relative of key management personnel

Particulars	As at March 31, 2022	As at March 31, 2021
Leasing & hire purchase transactions		
Mrs. Sarita Jalan, w/o Mr. R. S. Jalan	0.18	0.18
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.12	0.12
Mrs. Vandana Mishra, w/o Mr. Bhuwadeshwar Mishra	0.02	0.02

c) Transactions with enterprises over which significant influence exercised by directors

Particulars	As at March 31, 2022	As at March 31, 2021
Royalty paid		
Dalmia Centre for Research & Development	-	0.02
Rent & Other Receipts		
Dalmia Biz Private Limited.	-	0.03
Dalmia Healthcare Limited	-	0.03
Net contribution		
GHCL Foundation Trust	9.85	9.03
Gujarat Heavy Chemical Limited Superannuation Scheme	1.34	1.42

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 2022, 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, 2022	As at March 31, 2021
Mr. R. S. Jalan	15.19	6.14
Mr. Raman Chopra	8.76	3.58
Mr. Neelabh Dalmia	2.52	1.40
Mr. Bhuwadeshwar Mishra	0.62	0.52
Total compensation paid to key management personnel	27.09	11.64
Short-term employee benefits	24.90	11.22
Post-employment gratuity and medical benefits	0.48	0.42
Share-based payment transactions (Taxable component of ESOS)	1.71	-
Total compensation paid to key management personnel	27.09	11.64

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

36 Related party transactions (Contd.)

e) Transactions with non-whole-time directors

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Sitting Fees	Commission	Sitting Fees	Commission
Mr. Sanjay Dalmia	0.036	0.900	0.020	0.450
Mr. Anurag Dalmia	0.036	0.750	0.024	0.375
Dr. Manoj Vaish	0.064	0.390	0.040	0.195
Justice Ravindra Singh	0.064	0.375	0.040	0.188
Mrs. Vijaylaxmi Joshi	0.072	0.375	0.048	0.188
Mr. Arun Kumar Jain	0.060	0.375	0.040	0.188
Dr. Lavanya Rastogi	0.032	0.375	0.020	0.188
	0.36	3.54	0.23	1.77

f) Disclosure required under Sec 186(4) of the Companies Act 2013 (refer note 6A)

Name of the Loanee	As at March 31, 2022	As at March 31, 2021
GHCL Employee Stock Option Trust	5.53	5.70

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.

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 the year ended March 31, 2022

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
Total revenue	2,857.87	920.49	-	3,778.36
Inter-segment adjustment and elimination	-	-	-	-
Total revenue from contracts with customers	2,857.87	920.49	-	3,778.36
Segment profit	693.66	225.03	(1.14)	917.55
Total assets	2,973.16	1,315.37	115.41	4,403.94
Total liabilities	1,212.56	303.48	311.27	1,827.31
Capital expenditure	83.88	29.85	-	113.73
Depreciation and amortization	86.93	29.85	-	116.78



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

37 Segment information (Contd.)

For the year ended March 31, 2021

Particulars	Inorganic Chemicals	Textiles	Others / unallocated	Total
Revenue				
Total revenue	1,881.95	609.23	-	2,491.18
Inter-segment adjustment and elimination	-	-	-	-
Total revenue from contracts with customers	1,881.95	609.23	-	2,491.18
Segment profit	431.54	86.46	(0.16)	517.84
Total assets	2,373.29	978.00	67.03	3,418.32
Total liabilities	780.30	258.85	279.71	1,318.86
Capital expenditure	112.99	10.92	-	123.91
Depreciation and amortization	81.61	29.79	-	111.40

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, 2022	For the year ended March 31, 2021
Segment profit	917.55	517.84
Un-allocated expenditure	(43.18)	(25.34)
Other finance costs	(63.57)	(74.32)
Profit before tax	810.80	418.18

Inorganic chemicals	As at March 31, 2022	As at March 31, 2021
Home textiles	2,973.16	2,373.29
Un-allocated	1,315.37	978.00
Total assets	115.41	67.03
Total assets	4,403.94	3,418.32

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

37 Segment information (Contd.)

Reconciliation of liabilities	As at March 31, 2022	As at March 31, 2021
Inorganic chemicals	1,212.56	780.3
Home textiles	303.48	258.85
Un-allocated	311.27	279.71
Total liabilities	1,827.31	1,318.86

Revenue from external customers	For the year ended March 31, 2022	For the year ended March 31, 2021
India	3,513.27	2,385.45
Outside India	265.09	105.73
Total revenue per statement of profit and loss	3,778.36	2,491.18

Trade receivable	As at March 31, 2022	As at March 31, 2021
India	193.66	161.34
Outside India	35.78	67.02
Total Trade Receivable	229.44	228.36

The segment information stated above does not include the following information relating to discontinued operations

Trade receivable	As at March 31, 2022	As at March 31, 2021
Segment Revenue *	819.73	512.41
Segment Results	70.37	20.39
Segment Assets	591.43	559.54
Segment Liabilities	82.49	174.76

* For the purpose of disclosure, segment revenue of discontinued operations has been considered on a stand-alone basis without considering the reversal of inter-unit transfers to the division.

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.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

38 Hedging activities and derivatives (Contd.)

Particulars	Currency	Continuing Operation		Discontinued Operation		Unhedged Exposure	
		Unhedged Exposure		Unhedged Exposure		As at March 31, 2021	
		As at March 31, 2022		As at March 31, 2022		As at March 31, 2021	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
Trade Receivables							
	USD	0.52	39.92	0.67	50.60	-	-
	NZD	-	-			0.03	1.69
Current Liabilities							
	USD	0.05	4.00	0.02	1.45	1.02	74.85
	EUR	0.00	0.04			0.02	1.40
	CHF	0.07	5.79			0.00	0.14
	GBP	-	-	0.00	0.19	0.00	0.15
Non-Current Liabilities							
	USD	0.12	9.46			0.18	12.98

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
	As at March 31, 2022	As at March 31, 2022	As at March 31, 2021	As at March 31, 2021
Financial assets measured at fair value				
Investments (refer note 5)	16.56	16.56	15.15	15.15
Derivative instruments	-	-	4.14	4.14
Financial assets measured at amortised cost				
Loan to ESOS trust (refer note 11A)	5.53	5.53	5.70	5.70
Security deposits (refer note 6A)	18.02	18.02	9.03	9.03
On escrow account (refer note 6B)	12.08	12.08	9.79	9.79
On account of margin money deposited (refer note 6B)	0.15	0.15	0.80	0.80
Subvention receivable (refer note 6B)	-	-	-	0.00
Loan to employees (refer note 11A)	2.01	2.01	2.23	2.23
Others * (refer note 11)	0.60	0.60	1.01	1.01
Financial liabilities at fair value				
Derivative instruments (refer note 19A)	1.46	1.46	-	-
Financial liabilities not measured at fair value				
Term loans (refer note 16A)	559.40	559.40	726.75	726.75
Short term borrowings (refer note 16B)	208.05	208.05	41.35	41.35

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

39 Fair values (Contd.)

The management assessed that cash and cash equivalents, Bank balances other than cash and cash equivalents, trade receivables, Export incentives receivable, GST receivable, Subvention 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.

*The other non-current financial assets represents bank deposits and Insurance claim receivable

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

- 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.
- 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, 2022:

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, 2022	15.13	15.13		
	March 31, 2021	13.82	13.82		
Unquoted equity shares (refer note 5)	March 31, 2022	0.16			0.16
	March 31, 2021	0.08			0.08
Unquoted debt securities (Refer Note 5)	March 31, 2022	0.04			0.04
	March 31, 2021	0.04			0.04
Financial assets measured at fair value through profit and loss					
Derivative instruments	March 31, 2022	-		-	
	March 31, 2021	4.14		4.14	
Financial assets measured at amortised cost					
Security deposits (refer note 6A)	March 31, 2022	9.84		9.84	
	March 31, 2021	8.65		8.65	
Loan to ESOS trust (refer note 11A)	March 31, 2022	5.53		5.53	
	March 31, 2021	5.70		5.70	
Demand deposits (Refer Note 6B)	March 31, 2022	0.00		0.00	
	March 31, 2021	0.00		0.00	
On escrow account (refer note 6B)	March 31, 2022	12.08		12.08	
	March 31, 2021	9.79		9.79	
On account of margin money deposited (refer note 6B)	March 31, 2022	0.15		0.15	

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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)
	March 31, 2021	0.80		0.80	
Subvention receivable (refer note 6B)	March 31, 2022	0.00		0.00	
	March 31, 2021	0.00		0.00	
Loan to employees (refer note 11A)	March 31, 2022	2.01		2.01	
	March 31, 2021	2.23		2.23	
Others (refer note 11C)	March 31, 2022	0.60		0.60	
	March 31, 2021	1.01		1.01	
Financial liabilities measured at fair value					
Derivative instruments (refer note 19A)	March 31, 2022	1.46		1.46	
	March 31, 2021	-		-	
Financial liabilities carried at amortised cost					
Floating rate borrowings (India)	March 31, 2022	767.45		767.45	
	March 31, 2021	768.10		768.10	

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

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			
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 not measured at fair value			
Floating rate borrowings (India)	Level 2	Amortised Cost	Prevailing interest rates in the market, Future payout

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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.

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, 2022 and March 31, 2021. 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 to 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, 2022	+ / (-).50%	'(-) / + 3.84

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2021	+ / (-).50%	'(-) / + 3.84

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

40 Financial risk management objectives and policies (Contd.)

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, 2022	+ / (-) 1%	'(-) / + 1.29

Particulars	Change in USD rate	Effect on PBT in Rs
March 31, 2021	+ / (-) 1%	'(-) / + 0.81

Particulars	Change in NZD rate	Effect on PBT
March 31, 2022	+ / (-) 1%	'+ / (-) 0.00

Particulars	Change in NZD rate	Effect on PBT
March 31, 2021	+ / (-) 1%	'+ / (-) 0.02

Particulars	Change in CHF rate	Effect on PBT
March 31, 2022	+ / (-) 1%	'(-) / + 0.06

Particulars	Change in CHF rate	Effect on PBT
March 31, 2021	+ / (-) 1%	'(-) / + 0.00

Particulars	Change in EUR rate	Effect on PBT
March 31, 2022	+ / (-) 1%	'(-) / + 0.00

Particulars	Change in EUR rate	Effect on PBT
March 31, 2021	+ / (-) 1%	'(-) / + 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 1.37 crores as on March 31, 2022 (INR 1.29 crores as on March 31, 2021).

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

40 Financial risk management objectives and policies (Contd.)

At the reporting date, the exposure to listed equity securities at fair value was INR 15.14 Crore as on March 31, 2022 (INR 13.82 as on March 31, 2021). A decrease of 10% on the NSE/BSE market index could have an impact of approximately INR 1.51 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 and cotton. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Cotton is the key raw material for the spinning unit. Due to the significant volatility of the price of coal and cotton 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 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 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.

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, 2022 and March 31, 2021 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, 2022 (INR in crores)

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 at March 31, 2022	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	208.05	135.83	388.29	35.28	767.45
Trade and other payables	-	342.84	-	-	342.84
Lease Liabilities	-	2.21	9.62	8.28	20.11
Other financial liabilities	9.54	328.92	0.95	-	339.41
	217.59	809.80	398.86	43.56	1,469.81

As at March 31, 2021	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	41.35	162.93	466.88	96.94	768.10
Trade and other payables	-	376.62	-	-	376.62
Lease Liabilities	-	0.68	2.14	11.19	14.01
Other financial liabilities	-	27.75	0.87	-	28.62
	41.35	567.98	469.89	108.13	1,187.35

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, 2022	As at March 31, 2021
Borrowings	767.45	768.10
Trade payables	342.84	376.62
Lease liabilities	20.11	14.01
Other financial liabilities	391.81	56.64
Less: Cash and bank balances	(243.58)	(34.97)
Net debt	1,278.63	1,180.40
Equity	3,085.57	2,484.25
Capital and net debt	4,364.20	3,664.65
Gearing ratio	29%	32%

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, 2022.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Manufacturing expenses*	201.44	132.98
Stores and spares consumed	1.84	1.43
Power and fuel	3.60	3.94
Excise duty, cess and royalty	4.98	4.66
Repairs and maintenance	-	-
Building	0.84	0.24
Plant and machinery	1.09	0.70
Earth work	13.67	6.64
Others	0.63	0.45
Salaries and wages (refer Note no 32)	8.61	8.24
Travelling & conveyance	0.80	0.69
Lease rent	0.88	0.91
Rates and taxes	0.20	0.13
Insurance	2.25	1.38
Misc. expenses (including deferred revenue & intangible expenses)	3.61	0.90
Less: Other misc. income	(9.88)	(0.84)
Total	234.56	162.45

*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 earlier year, 4,66,273 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 Remittances during the year in Foreign currency on account of

a) Dividend for the financial year ended

Dividend for the financial year ended	2021-22	2020-21
Dividends to non-resident shareholders	25,474,518	-
Number of non-resident shareholders	549	-
Number of shares	5,877,108	-



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

45 Non-Current Assets held for Sale

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Assets classified as held for Sale and discontinued operations		
Discontinued operations (footnote"i)	591.43	-
Assets held for Sale (footnote"ii)	3.61	10.90
(b) Liabilities directly associated with discontinued operations		
Discontinued operations (footnote"i)	82.49	-

Particulars	As at March 31, 2022		As at March 31, 2021	
	Acres	Amount	Acres	Amount
Opening balance	24.74	10.90	48.33	31.46
Add: Transferred from Property, plant and Equipment	2.42	1.65	-	-
Add: Transferred from Investment property			21.85	8.56
Less: Sold	22.32	8.94	12.25	9.92
Less: Transferred to Property, plant and Equipment	-	-	33.19	19.20
Closing balance	4.84	3.61	24.74	10.90

- (i) For details relating Discontinued operations (Home Textiles business at Vapi, Gujarat) refer note no 47
- (ii) The management has balance excessive and surplus land of 50.75 acres (Previous Year 48.33 acres) outside the premises of factory at Madurai, that is being disposed off and balance is held as non current asset held for sale. During the year the group has sold 22.32 acres (Previous Year 12.25 acres) of land. Also the group has transferred 2.42 acres (Previous Year 33.19 acres) of land from/to Property, Plant and Equipment being to be sold after the approval of Board of directors.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

46 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 (continuing and discontinued operations)		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	5	6	7	8	9	10	11	12	13	14
(I) Parent													
	GHCL Limited	India	Parent Company		March 31, 2022	100.15%	3,090.25	98.03%	633.94	92.43%	1.65	98.01%	635.59
	(II) Indian Subsidiaries having no minority interests				March 31, 2021	100.71%	2,501.82	95.05%	309.98	62.32%	4.73	94.30%	314.71
1	GHCL Textiles Limited	India	WOS	100%	March 31, 2022	0.00%	0.00	0.01%	-	0.00%	-	0.00%	-
	(III) Foreign Subsidiaries having no minority interests				March 31, 2021	0.00%	0.01	0.00%	(0.01)	0.00%	0.00%	0.00%	0.00%
1	Grace Home Fashions LLC	USA	WOS	100%	March 31, 2022	-0.37%	(11.55)	0.88%	5.66	-90.74%	(1.62)	0.62%	4.04
2	Dan River Properties LLC	USA	WOS	100%	March 31, 2021	-0.63%	(15.59)	-0.32%	(1.03)	36.84%	2.80	0.53%	1.77
	Other consolidation adjustment				March 31, 2022	0.22%	6.83	-0.18%	(1.14)	96.08%	1.72	0.09%	0.57
					March 31, 2021	0.25%	6.25	-0.05%	(0.15)	0.92%	0.07	-0.02%	(0.08)
					March 31, 2022	0.00%	0.04	1.27%	8.24	0.53%	0.04		8.28
					March 31, 2021	-0.33%	(8.24)	5.31%	17.33	0.00%	0		17.33
	Total - March 31, 2022					100%	3,085.57	100%	646.70	98%	1.79	98%	648.48
	Total - March 31, 2021					100%	2,484.25	100%	326.12	100%	7.60	100%	333.72

Note

i) WOS refers to 'Wholly Owned Subsidiary'

(ii) In the consolidated financial statements, the figures of subsidiary Company ' Grace Home Fashions LLC, GHCL Textiles Limited and Dan River properties LLC' have been incorporated based on the audited financial statements as at March 31, 2022 and March 31, 2021 .



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

47 Note : Discontinued Operations

- A. The Board of Directors and shareholders of GHCL Limited ('Company') at their respective meetings held on December 6, 2021 and January 21, 2022 (through Postal Ballot), approved the sale and transfer of the Company's Home Textiles Business (comprising of weaving, processing and cutting and sewing of home textiles products) to Indo Count Industries Limited ("ICIL") on a going concern basis under a slump sale arrangement. Accordingly, a Business Transfer Agreement ('BTA') was executed on December 6, 2021 between the Company and ICIL (read with the Amendment agreement ('ABTA') dated March 30, 2022 entered into to record the amendment and substitution of certain provisions of the BTA). In addition, Grace Home Fashions LLP ('GHF'), a wholly owned subsidiary of the Company also entered into an Asset Transfer Agreement (ATA) on December 6, 2021 for transfer of its identified assets (i.e., inventory and intellectual property) to Indo Count Global Inc., USA (US subsidiary of ICIL), Indo Count Global Inc., USA together with "ICIL" known as "Purchaser" (read with the Amendment agreement ('AATA') dated March 30, 2022 entered into to record the amendment and substitution of certain provisions of the ATA).
- B. The transfer of Home Textile Business and identified assets of GHF ("Divestment") to the Purchaser was subject to the satisfaction of conditions precedent as stipulated in the BTA, AA and ATA and receipt of applicable permissions and consents from concerned authorities. The Company and GHF successfully completed the divestment on April 2, 2022 in accordance with the terms of BTA and ATA for a consolidated consideration of Rs. 592.8 Crores (subject to validation of customary closing date adjustment of working capital in terms of the BTA and ATA), in addition Company/GHF expects to realise Rs. 15.5 crores on its own account. The Company has received Rs. 300 crores as advance from the said consideration on March 30, 2022."
- C. In the Consolidated Financial Statements, Assets and liabilities of Home Textiles business and GHF covered by the BTA and ATA have been disclosed as held for sale and disclosed separately in the Balance Sheet as at March 31, 2022 as "Assets of discontinued operations classified as held for sale" and "Liabilities of discontinued operations classified as held for sale" respectively. As mandated by Indian Accounting Standard (Ind AS) 105 Asset Held for Sale and Discontinued Operations ("Ind AS 105"), assets and liabilities has not been reclassified or re-presented for prior period i.e. year ended March 31, 2021
- D. Further the net results of Home Textile Business and GHF has been disclosed separately as discontinued operation as required by Ind AS 105. Consequently, the Company's Statement of Profit and Loss for the year ended March 31, 2022 presented pertains to its continuing operations only and for that purpose the Statement of Profit and Loss for the year ended March 31, 2021 has been restated accordingly.
- E. The closing date being subsequent to the balance sheet date, no gain/loss with respect to the Divestment have been recognized in the Statement of Profit and Loss for the year ended March 31, 2022. The total assets and liabilities of the Home Textile business and GHF are Rs 591.43Cr and Rs 82.49 Cr respectively as at March 31, 2022"

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue		
Revenue from operations	819.73	512.41
Other income	14.38	19.57
Total Income	834.11	531.98
Expenses		
Cost of raw materials consumed	500.04	290.45
Purchase of stock in trade	4.15	-
(Increase)/ Decrease in inventories of finished goods, stock-in-trade and work-in-progress	(14.75)	(14.14)
Power, fuel and water	66.1	43.54
Employee benefit expenses	46.28	45.92

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

47 Note : Discontinued Operations (Contd.)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation and amortization expense	15.09	22.01
Finance costs	7.04	16.86
Other expenses	139.79	106.95
Total expenses	763.74	511.59
Profit for the year	70.37	20.39

Major Class of assets and liabilities of HT are as follows :

Particulars	As at March 31, 2022
I. Assets	
(1) Non-current assets	
(a) Property, plant and equipment	271.97
(b) Capital work-in-progress	0.36
(c) Intangible assets	0.41
(d) Financial assets	
(i) Other non-current financial assets	0.31
(e) Other-non current assets	0.08
Total Non-Current Assets	273.13
(2) Current assets	
(a) Inventories	200.61
(b) Financial assets	
(i) Trade receivables	102.11
(ii) Cash and cash equivalents	0.17
(iii) Loans	0.20
(iv) Other current financial asset	2.30
(c) Other current assets	12.91
Total Current Assets	318.3
Total assets classified as held for sale	591.43
Liabilities	
(1) Current liabilities	
(a) Financial liabilities	
(i) Borrowings	17.96
(ii) Trade payables	
(a) Total outstanding dues of micro enterprises and small enterprises	14.04
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	47.22
(iii) Other financial liabilities	0.7
(b) Provisions	0.54
(c) Other current liabilities	
(i) Contract liabilities	0.97
(ii) Other liabilities	1.06
Total Current Liabilities	82.49
Liabilities directly associated with the assets held for sale	82.49
Net Assets	508.94



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

47 Note : Discontinued Operations (Contd.)

Net Cash flow attributable to HT business are as follows :

Particulars	For the year ended 31st March 2022
Net cash generated from operating activities (A)	53.79
Net cash used in investing activities (B)	3.40
Net cash used in financing activities (C)	(58.81)
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	(1.62)
Cash and cash equivalents at the beginning of the year	1.79
Cash and cash equivalents at the end of the year	0.17

48 Demerger

In view of the divestment of HT Business of the Company to ICIL pursuant to BTA (mentioned above), the Board of Directors of the Company, at their meeting held on December 06, 2021 approved withdrawal of the existing Scheme of Arrangement u/s 230-232 of the Companies Act 2013, involving demerger of its entire Textiles business into GHCL Textiles Limited ('Original Scheme') and correspondingly approved "Scheme of Arrangement consisting of demerger of Spinning Division of GHCL Limited ("Demerged Company") into GHCL Textiles Limited ('Resulting Company')" (the "Scheme"). Subsequently, on December 20, 2021, Hon'ble NCLT (Ahmedabad Bench) allowed the withdrawal petition. The Company has received the observation letter/ approval from BSE, NSE on March 03, 2022 and competition commission of india on March 24, 2022. The Company is in process of filing the 1st motion petition along with requisite documents with the Ahmedabad jurisdiction of NCLT.

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 Spinning division. 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.

49 Other Statutory Information

- The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- The Group do not have any transactions with companies struck off.
- The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

49 Other Statutory Information

- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- 6 The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (B) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 7 The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- 8 Ratio (Continuing operations) :

Particulars	Numerator	Denominator	Mar 31, 2022	Mar 31, 2021	Variation	Reason for variance
(a) Current Ratio,	Current Assets	Current Liabilities	1.42	1.70	-16%	
(b) Debt-Equity Ratio,	Total Debt	Shareholders Equity	0.25	0.31	-20%	
(c) Debt Service Coverage Ratio,	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	2.45	1.45	69%	On account of higher cash profit earned during the year there is significant improvement in the ratio
(d) Return on Equity Ratio,	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	0.21	0.13	62%	On account of higher Net profit earned during the year there is significant improvement in the ratio
(e) Inventory turnover ratio,	Cost of goods sold	Average Inventory	1.93	1.45	33%	Majorly on account of higher sales in the current year as compare to previous year due to which there is favourable movement in the ratio.
(f) Trade Receivables turnover ratio,	Net credit sales = Gross credit sales - sales return	Avg. Accounts Receivable	18.14	15.54	17%	
(g) Trade payables turnover ratio,	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	6.13	3.24	89%	Majorly on account of higher purchase in the current year as compare to previous year due to higher sales thereby leading to a significant change in the ratio.



Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

49 Other Statutory Information

Particulars	Numerator	Denominator	Mar 31, 2022	Mar 31, 2021	Variation	Reason for variance
(h) Net capital turnover ratio,	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	8.07	8.17	-1%	
(i) Net profit ratio,	Net Profit	Net sales = Total sales - sales return	0.16	0.12	29%	On account of higher Net profit earned during the year there is significant improvement in the ratio
(j) Return on Capital employed,	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.20	0.11	91%	On account of higher earning before interest and taxes earned during the year there is significant improvement in the ratio
(k) Return on investment- Mutual fund	Interest (Finance Income)	Investment	3.53%	4.15%	-15%	
L) Operating profit Margin (%)	Earning before interest and taxes	Revenue from operations	23%	20%	17%	
m) Return on Net Worth (%)	Total comprehensive income for the year, net of tax	Net worth	21%	13%	56%	On account of higher total comprehensive income earned during the year there is significant improvement in the ratio

50 Coronavirus (COVID-19) Impact on Financial Reporting – Accounting Year Ending March 31, 2022

The Group has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year performance and estimates arrived at using internal and external sources of information, the group does not expect any material impact on such carrying values. Based on the projected cash flows for the next one year the management is confident of liquidating its liabilities as and when they fall due and the Going concern assumption used for preparation of these financial statements is appropriate.

51 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The group is in the process of assessing the impact of the code and will record the same, if any, in the year the Code becomes effective.

52 There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group financial statements.

Notes to the Consolidated Financial Statements

for the year ended March 31, 2022 (INR in crores)

- 53** As per the Transfer Pricing Rules of the Income Tax Act, 1961 every company is required to get a transfer pricing study conducted to determine whether the transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transaction pertaining to the year ended March 31, 2022 is currently in progress and hence adjustments if any which may arise there from have not been taken into account in these financial statements for the year ended March 31, 2022 and will be effective in the financial statements for the year ended March 31, 2023. However, in the opinion of the Company's management, adjustments, if any, are not expected to be material.
- 54** Previous year's figures have been regrouped / rearranged wherever necessary, to conform to current year's presentation. As required by Indian Accounting Standard (Ind AS) 105 "Asset Held for Sale and Discontinued Operations", the Statement of Profit and Loss for the year ended March 31, 2021 has been restated to make it comparable however Balance Sheet as at March 31, 2021 has not been reclassified or re-presented.

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 30, 2022

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

Sanjay Dalmia

Chairman

DIN: 00206992

R. S. Jalan

Managing Director

DIN: 00121260

Place : New Delhi

Date: April 30, 2022

Manoj Vaish

Director

DIN: 00157082

Raman Chopra

CFO & Executive Director-Finance

DIN: 00954190

Bhuwneshwar Mishra

Sr. GM- Sustainability &

Company Secretary

Membership No.: FCS 5330



GHCL Limited



A Dalmia Brothers Enterprise

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