



# Gujarat Alkalies and Chemicals Limited

(Promoted by Govt. of Gujarat)

Regd. Office & Works : P.O. Petrochemicals - 391 346, Dist. Vadodara(Gujarat) INDIA

Phone : +91-265-2232681, 61111000 Fax : +91-265-2232130

Website : www.gacl.com CIN NO : L24110GJ1973PLC002247

Ref. : SEC/SE/2020/

25<sup>th</sup> August, 2020

The General Manager Corporate Relations Department BSE Ltd. 1 <sup>st</sup> Floor, New Trading Ring Phiroze Jeejeebhoy Towers Dalal Street MUMBAI : 400 001  <b>Company Code No. : 530001</b>	The General Manager Listing Department National Stock Exchange of India Ltd. "Exchange Plaza", C-1, Block 'G' Bandra-Kurla Complex Bandra (East) MUMBAI : 400 051  <b>Company Code No. : GUJALKALI</b>
---	--

Dear Sir,

**Reg.: 47<sup>th</sup> Annual Report of the Company for the Financial Year 2019-20 together with the Notice of 47<sup>th</sup> Annual General Meeting of the Company scheduled to be held on 25.09.2020.**

We submit herewith 47<sup>th</sup> Annual Report of the Company for the Financial Year 2019-20 together with the Notice of 47<sup>th</sup> Annual General Meeting of the Company scheduled to be held on Friday, the 25<sup>th</sup> September 2020 at 11.30 a.m. through Video Conference (VC) / Other Audio Visual Means (OAVM).

The said Annual Report together with the Notice is also available on the Website of the Company at [www.gacl.com](http://www.gacl.com)

A copy of 47<sup>th</sup> Annual Report is being emailed to all the Shareholders of the Company whose email ids are registered with the Company or R&T Agent or DPs.

This is for your information and record.

Thanking you,

Yours faithfully,  
For GUJARAT ALKALIES AND CHEMICALS LTD.

*Washing*  
for (S S BHATT)  
COMPANY SECRETARY & CGM (LEGAL & CC)

Encl.: as above



Dahej Complex : P.O. Dahej - 392130, Tal. Vagra, Dist. Bharuch (Gujarat) INDIA  
Phone : +91-2641-256315/ 6 / 7. Fax : +91-2641-256220.





# Taking India Ahead

47<sup>th</sup> Annual Report 2019-20

**Gujarat Alkalies and Chemicals Limited**  
An ISO Certified Company (Promoted by Govt. of Gujarat)



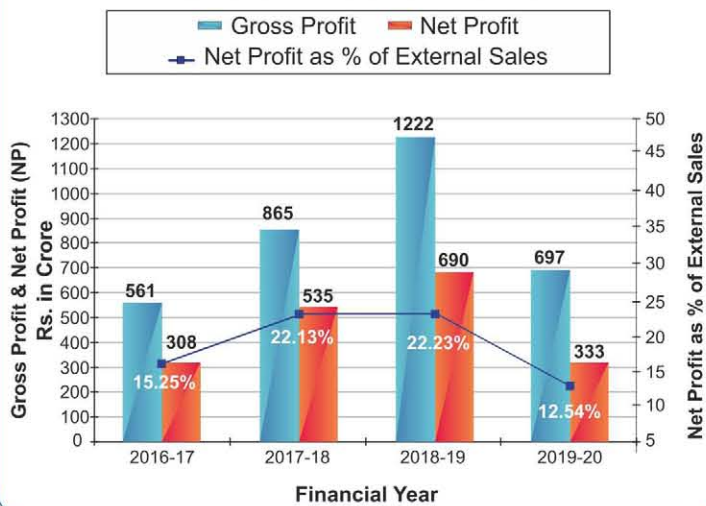
## MAIN PRODUCTS AND THEIR USERS

SR. NO.	PRODUCTS	PRODUCTION (MT)		INCREASE / (DECREASE) %	POTENTIAL END USERS
		2019-20	2018-19		
1.	Caustic Soda Lye	4,36,445	4,32,407	0.93	Soaps and Detergents, Rayon, Textiles, Pulp and Paper, Chemicals.
2.	Caustic Soda Flakes / Prills	1,41,350	1,33,597	5.80	
3.	Potassium Hydroxide	30,615	24,761	23.64	
4.	Potassium Carbonate	8,782	7,872	11.56	
5.	Caustic Potash Flakes	16,983	13,508	25.73	
6.	Chlorine Gas / Liquid	4,06,039	3,98,762	1.82	Plastics (including PVC), Chlorinated Paraffins, Pesticides and other chemicals, Hydrochloric Acid, Chloromethanes and Water Treatment.
7.	Hydrochloric Acid (30%)	3,24,769	3,10,216	4.69	Chemicals, Fertilizers, Water Treatment and Phosphoric Acid.
8.	Chloromethanes	58,020	51,325	13.04	Solvent, Fluorocarbon refrigerants, Pharmaceuticals, Aerosol Propellants.
9.	Phosphoric Acid (85%)	27,700	27,555	0.53	Phosphate salts and phosphating of metals, Pharmaceuticals, Sugar refining and Fine Chemicals.
10.	Hydrogen Peroxide (100%)	55,819	48,414	15.30	Textiles, Pulp and Paper, Chemicals, Pharmaceuticals, Pesticides, Dyes and Effluent Treatment.
11.	Aluminium Chloride	37,417	37,494	(0.21)	Pesticides and Pharmaceuticals, Aromatic Chemicals, Reforming Hydrocarbons, Electrolysis Production of Aluminium.
12.	Poly Aluminium Chloride	66,198	51,919	27.50	Water Treatment, Separation of slurry, Sizing in Paper Industry, Decolorisation & Decontamination of Dyes in Textile Industry and Sewage Water Treatment.
13.	Chlorinated Paraffin Wax	5,370	5,621	(4.47)	Secondary Plasticiser in PVC compounding for Pipes, Hoses, Cables, etc., Additive in Lubricating Oils and Paints.
14.	Chlorotoluene Products	10,010	11,606	(13.75)	As general solvent for inks, paints, lacquers and epoxyresin, medication solution as preservative and photography industries, Vat Dyes, Pharmaceuticals.
15.	Stable Bleaching Powder	17,107	17,030	0.45	Bleaching agent in paper, textiles and soap industry, Household Bleaching / cleaning applications, Waste water Treatment and Sewage disposal, Oxidizing Agent and Disinfecting Agent.
16.	Sodium Chlorate	19,200	20,006	(4.03)	Bleaching agent in paper industry & water treatment industry.
17.	Anhydrous Sodium Sulphate	1,019	-	-	Detergent industry, Pulp & Paper processing, Food industry, Textile industry, Glass industry, Pharma industry.
<b>TOTAL (1) to (17)</b>		<b>16,62,843</b>	<b>15,92,093</b>	<b>4.44</b>	

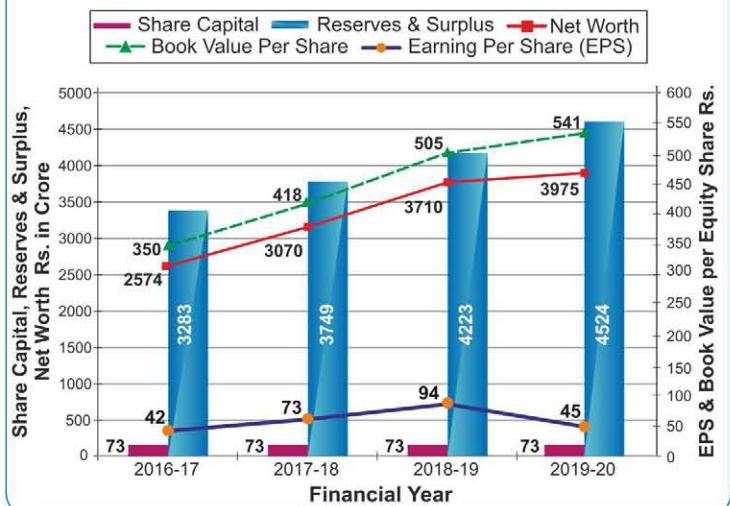
## Financial Highlights (on Standalone basis)

- Net External Sales of Rs. 2,654.20 crores during the year 2019-20 as against Rs. 3,102.32 crores in the previous year.
- EBIDTA has decreased by 43.24% to Rs. 667.49 crores during the year 2019-20 from Rs. 1,175.93 crores in previous year.
- Profit before tax (PBT) has decreased by 51.57% to Rs. 491.62 crores during the year 2019-20 from Rs. 1,015.02 crores in previous year.
- Profit after tax (PAT) has decreased by 51.74% to Rs. 332.84 crores during the year 2019-20 from Rs. 689.65 crores in previous year.

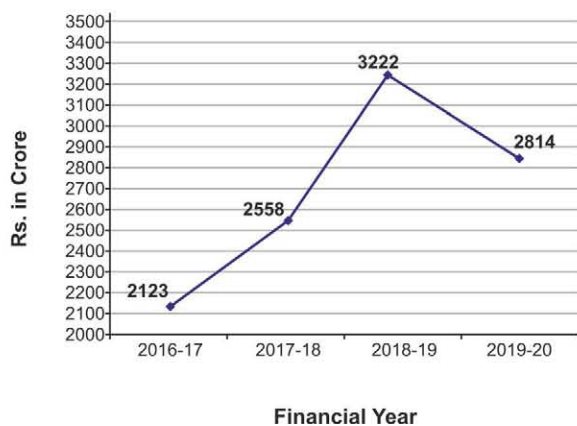
**GROSS PROFIT - NET PROFIT(NP) AND NP AS % OF EXTERNAL SALES**



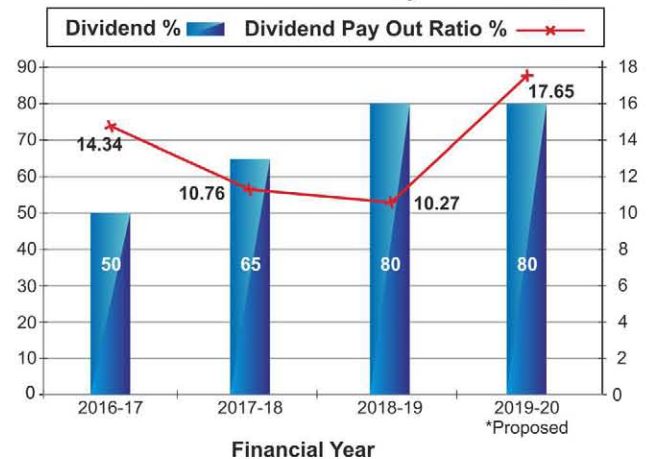
**SHARE CAPITAL, RESERVES & SURPLUS, NET WORTH, BOOK VALUE PER EQUITY SHARE & EPS**



**Total Revenue**



**Dividend % & Dividend Pay Out Ratio %**





## Expanding possibilities and progress

We are continuously expanding our production capacity and opening up new dimensions to our growth. During the last financial year, we commissioned 10.80 TPD Anhydrous Sodium Sulphate, 50 TPD Anhydrous Aluminium Chloride, 45 TPD Stable Bleaching Powder and Wastewater Treatment Plants at Dahej Complex and 20 MW Solar Power Plant at Charanka in Patan, Gujarat. We have also established a Joint Venture with M/s. NALCO for setting up a new 800 TPD Caustic Soda Plant integrated with a 130 MW Coal based power plant at Dahej. The execution work of this project and our own standalone projects viz. Chloromethanes, Food grade Phosphoric Acid and Hydrazine Hydrate projects are going on at full pace.



## Surging ahead with Alternative Energy



We have always believed in growing with environment-friendly technologies. To reduce the burden on conventional sources of energy, we started investing in alternative sources of energy. It began with Wind Energy and later on we also switched over to Solar power. Today, our installed Wind power capacity stands at 171.45 MW. We have commissioned 35 MW Solar Power Project in Charanka, Dist. Patan, Gujarat.

## BOARD OF DIRECTORS (AS ON 11.08.2020)

**Shri Anil Mukim, IAS.....Chairman**  
(from 11.12.2019)

**Shri Pankaj Joshi, IAS**  
(from 27.12.2019)

**Shri M K Das, IAS**

**Shri Rajiv Lochan Jain.....Independent Director**

**Smt. Vasuben Trivedi.....Independent Director**

**Shri S B Dangayach.....Independent Director**  
(from 09.08.2019)

**Shri Rohitbhai J Patel.....Independent Director**  
(from 27.11.2019)

**Shri P K Gera, IAS (Retd.).....Managing Director**

### COMPANY SECRETARY

Shri Sanjay S. Bhatt

### CHIEF FINANCIAL OFFICER

Shri Vinayak Kudtarkar

### AUDITORS

Messrs K C Mehta & Co.,  
Chartered Accountants  
Vadodara

### COST AUDITORS

Messrs R K Patel & Co.  
Cost Accountants in Practice  
Vadodara

### SECRETARIAL AUDITORS

Messrs Samdani Shah & Kabra  
Company Secretaries in Practice  
Vadodara

### BANKERS

State Bank of India  
IDBI Bank Ltd.  
HDFC Bank Ltd.  
Central Bank of India  
AXIS Bank Ltd.  
UCO Bank  
Indian Bank

**CIN : L24110GJ1973PLC002247**

### REGISTERED OFFICE

#### VADODARA COMPLEX AND COELHO COMPLEX :

P.O. : Petrochemicals - 391 346  
Dist. : Vadodara  
GUJARAT (INDIA)  
Phone : (0265) - 3991000 / 6111000

#### DAHEJ COMPLEX :

Village : Dahej - 392 130  
Tal. : Vagra, Dist. : Bharuch  
GUJARAT (INDIA)  
Phone : (02641) - 256315 -16/17

**Company's Website : [www.gacl.com](http://www.gacl.com)**

### REGISTRAR & SHARE TRANSFER AGENT :

Link Intime India Pvt. Ltd. (Unit : GACL)  
B-102 & 103, Shangrila Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota  
Vadodara : 390 020, GUJARAT (INDIA)  
Phone : (0265) - 2356573  
E-mail : vadodara@linkintime.co.in

**47<sup>th</sup> Annual General Meeting**Date : 25<sup>th</sup> September, 2020

Day : Friday

Time : 11.30 a.m.

Through Video Conference/Other  
Audio-Visual Means**Registered Office:**

P.O. : Petrochemicals : 391 346

Dist. : Vadodara

**Vision**

To continue to be identified and recognized as a dynamic, modern and eco-friendly chemical company with enduring ethics and values.

**Mission**

- To manage our business responsibly and sensitively, in order to address the needs of our customers and stakeholders.
- To strive for continuous improvement in performance, measuring results precisely and ensuring GACL's growth and profitability through innovations.
- To demand from ourselves and others the highest ethical standards and to ensure products and processes to be of the highest quality.

**CONTENTS**

Particulars	Page No.	Particulars	Stand-alone	Conso- lidated
Notice .....	03			
E-Voting Instructions / Process for joining AGM through VC / OAVM .....	09			
Board's Report .....	15			
Management Discussion and Analysis .....	58			
Product Flow Chart .....	66			
Standalone Financial Highlights of Ten Years .....	68			
Corporate Governance Report .....	69			
General Information for Members .....	88			
Certificate by CEO & CFO .....	94			
			<b>Stand- alone</b>	<b>Conso- lidated</b>
Independent Auditors' Report .....	95		154	
Balance Sheet .....	102		160	
Statement of Profit and Loss .....	104		162	
Cash Flow Statement .....	105		163	
<b>Notes :</b>				
01. General Information .....	108		166	
02. Significant Accounting Policies .....	108		166	
03. Property, Plant and Equipment .....	118		176	
and Capital Work-in-Progress				
04. Other Intangible Assets and .....	120		178	
Intangible Assets under Development				
05. Investment in Joint Venture .....	121		179	
06. Other Investments .....	122		180	
07. Loans .....	123		181	
08. Other Financial Assets .....	123		181	
09. Non-current Tax Assets (Net) & .....	123		181	
Current Tax Liabilities (Net)				
10. Other Assets .....	124		182	
11. Inventories .....	125		183	
12. Trade Receivables .....	125		183	
13. Cash and Cash Equivalents .....	127		185	
14. Other Balances with Banks .....	128		186	
15. Share Capital .....	128		186	
16. Other Equity .....	129		187	
17. Borrowings .....	130		188	
18. Provisions .....	130		188	
19. Deferred Tax Liabilities (Net) .....	131		189	
20. Trade Payables .....	131		189	
21. Other Financial Liabilities .....	132		190	
22. Other Current Liabilities .....	133		191	
23. Revenue from Operations .....	133		191	
24. Other Income .....	134		192	
25. Cost of Materials Consumed .....	134		192	
26. Changes in Inventories of Finished .....	135		193	
Goods, Work-in-progress & Stock-in-trade				
27. Employee Benefits Expense .....	135		193	
28. Finance Costs .....	135		193	
29. Depreciation and Amortisation Expense ..	136		194	
30. Power, Fuel & Other Utilities .....	136		194	
31. Other Expenses .....	136		194	
32-49. Other Notes .....	137		195	



# NOTICE

**NOTICE IS HEREBY** given that the Forty Seventh Annual General Meeting of the Shareholders of **GUJARAT ALKALIES AND CHEMICALS LIMITED (GACL)** will be held on Friday, the 25<sup>th</sup> September, 2020 at 11:30 a.m. through Video Conferencing (“VC”)/ Other Audio Visual Means (“OAVM”) to transact the following business:

## ORDINARY BUSINESS :

1. To consider and adopt the (i) Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and Auditors thereon; (ii) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 and the Report of Auditors thereon and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolutions as **Ordinary Resolutions** :
  - (i) **“RESOLVED THAT** the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 together with the Reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”
  - (ii) **“RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2020 and the Report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”
2. To declare Dividend on Equity Shares for the Financial Year ended 31<sup>st</sup> March, 2020 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :
 

**“RESOLVED THAT** as recommended by the Board of Directors of the Company, a dividend at the rate of Rs. 8.00 per Equity Share (@80%) of Rs. 10/- each fully paid-up, be and is hereby declared for the Financial Year ended 31<sup>st</sup> March, 2020 and the same be paid out of the profits of the Company for the Financial Year ended 31<sup>st</sup> March, 2020.”
3. To appoint a Director in place of Shri M K Das, IAS (DIN 06530792) who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :
 

**“RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Shri M K Das, IAS (DIN 06530792), who retires by rotation at this Annual General Meeting, be and is hereby appointed as a Director of the Company.”

## SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Shri Rohitbhai J Patel, Director (DIN 00088482) who was appointed as an Independent Director by the Board of Directors of the Company w.e.f. 27<sup>th</sup> November, 2019 and in respect of whom the Company has received a notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Shri Rohitbhai J Patel for the office of Independent Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five (5) years, effective from 27<sup>th</sup> November, 2019.”
5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution** :
 

**“RESOLVED THAT** pursuant to the provisions of Section 161(1) of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Pankaj Joshi, IAS (DIN 01532892) who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. 27<sup>th</sup> December, 2019 and who holds office upto the date of this Annual General Meeting (AGM) and being eligible offers himself for appointment and in respect of whom the Company has received a notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Shri Pankaj Joshi, IAS for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”
6. To consider and if thought fit, to pass with or without modification(s), the following resolutions as an **Ordinary Resolution**:
 

**“RESOLVED THAT** the appointment of Shri P K Gera, IAS (Retd.) (DIN 05323992) as Non Rotational Government Director and Managing Director of the Company pursuant to the Notification No. AIS/35.2019/51/G dated 7<sup>th</sup> December, 2019 received from General Administration Department, Government of Gujarat and Notification No. : GAC-11-2006/4253/E dated 12<sup>th</sup> December, 2019 received from Energy & Petrochemicals Department, Government of Gujarat, on contractual basis for a period of one year from the date he assumed the charge of that post (i.e. w.e.f. 1<sup>st</sup> December, 2019) or until further orders



whichever is earlier on remuneration on the basis of formula of "Last Pay Drawn Minus Pension" plus perquisites as per Company Rules/Policy and the terms and conditions as conveyed by Government of Gujarat, as the Managing Director of the Company pursuant to the provisions of Sections 2(78), 196, 197, 203 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder or any modification(s) / re-enactment(s) thereof for the time being in force and pursuant to Articles 11 and 14-A of the Articles of Association of the Company, and in respect of whom the Company has received a notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Shri P K Gera, IAS (Retd.), be and is hereby approved."

**"RESOLVED FURTHER THAT** approval of the Members be and is hereby given to pay the remuneration of Rs.30.68 Lakhs p.a. on the formula of "Last Pay Drawn Minus Pension" (i.e. Rs.41.08 Lakhs p.a. – Rs.10.40 Lakhs p.a. = Rs.30.68 Lakhs p.a.) plus perquisites as per Company Rules/Policy w.e.f. 1<sup>st</sup> December, 2019 to Shri P K Gera, IAS (Retd.), Managing Director of the Company and/or such higher remuneration as may be conveyed by the Government of Gujarat and/or approved by the Board of Directors, from time to time, during the period Shri P K Gera, IAS (Retd.) holds the post of the Managing Director of the Company."

**"RESOLVED FURTHER THAT** approval of the Members be and is hereby given and the Board of Directors of the Company be and is hereby authorized to agree, to any revision, increase, variation, modification or amendment as may be decided from time to time and as may be conveyed by the Government of Gujarat in the terms and conditions of appointment and as may be approved by the Board of Directors of the Company from time to time or such other amount and providing of perquisites by the Company as per the Company Rules/Policy to the Managing Director, in accordance with the Articles of Association of the Company and to the extent permissible under Schedule V of the Companies Act, 2013 or as may be prescribed / approved by the Central Government, if such approval of Central Government is required."

**"RESOLVED FURTHER THAT** approval of the Members be and is hereby given that the aforesaid remuneration so fixed or to be fixed by the Government of Gujarat from time to time pursuant to Article 14-A of the Articles of Association of the Company, shall be paid to the Managing Director as minimum remuneration subject to ceiling prescribed under Sections 2(78), 197 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, in the event of absence or inadequacy of profits during his tenure as Managing Director."

**"RESOLVED FURTHER THAT** Shri P K Gera, IAS (Retd.), Managing Director of the Company, be and is hereby authorized to exercise substantial powers of management and shall be responsible for the day to day management of the affairs of the Company subject to the superintendence,

direction and control of the Board of Directors and shall carry out such duties as entrusted and/or delegated / to be delegated to him from time to time by the Board of Directors of the Company since he assumed the charge as Managing Director of the Company i.e. w.e.f. 1<sup>st</sup> December, 2019."

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) and/ or re-enactment(s) thereof for the time being in force), Shri Rajiv Lochan Jain (DIN 00161022) who was appointed as an Independent Director by the Members at the 43<sup>rd</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2016 to hold office for the first term of five (5) years, effective from 6<sup>th</sup> January, 2016 and in respect of whom the Company has received a notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013 proposing the candidature of Shri Rajiv Lochan Jain for the office of Independent Director, be and is hereby reappointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for the second term i.e. from 6<sup>th</sup> January, 2021 to 31<sup>st</sup> December, 2025 (not exceeding 5 years)."

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

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), the remuneration payable to M/s. R K Patel & Co., Cost Accountants, Vadodara (Firm Registration No. 14115) as Cost Auditors of the Company whose appointment and remuneration has been recommended by the Audit Committee and approved by the Board, to conduct the Audit of the Cost Accounting Records maintained by the Company for the Financial Year ending 31<sup>st</sup> March, 2021 at a total fee of Rs.4,95,000/- plus applicable GST, be and is hereby ratified and approved."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**By Order of the Board  
for GUJARAT ALKALIES AND CHEMICALS LIMITED**

**Sd/-  
SANJAY S. BHATT  
Company Secretary  
& Chief General Manager (Legal & CC)**

Place : Vadodara  
Date : 20<sup>th</sup> August, 2020

## ANNEXURE TO THE NOTICE OF THE 47<sup>TH</sup> ANNUAL GENERAL MEETING STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item No. 4

As recommended by the Nomination-cum-Remuneration Committee, the Board of Directors has approved to appoint Shri Rohitbhai J Patel (DIN 00088482) as an Independent Director of the Company effective from 27<sup>th</sup> November, 2019 not liable to retire by rotation for a term of five years, subject to approval of the Members of the Company.

Pursuant to Sections 149, 152, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made thereunder, it is proposed to seek approval of the Members for appointment of Shri Rohitbhai J Patel as an Independent Director of the Company for a term of five years effective from 27<sup>th</sup> November, 2019. He will not be liable to retire by rotation.

Pursuant to the provisions of Section 161 of the Act, being Independent Director, Shri Rohitbhai J Patel will hold office up to the date of the ensuing Annual General Meeting (AGM) and is eligible to be appointed as an Independent Director of the Company. The Company has received notice in writing under Section 160 of the Act from a Member proposing candidature of Shri Rohitbhai J Patel for the office of Director.

The Company has received from Shri Rohitbhai J Patel (i) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, (iii) A declaration to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Pursuant to Regulation 17(1A) of the SEBI Listing Regulations, approval of the members by way of Special Resolution is required for appointing or continuing the directorship by any person as a Non-Executive Director who has attained age of seventy five (75) years. The Company will seek approval of Members at relevant point of time by way of Special Resolution.

Shri Rohitbhai J Patel holds a Bachelor Degree in Mechanical Engineering from S.P. University, Vidyanagar and also holds L.L.B Degree from Gujarat University, Ahmedabad. He is the founder promoter of the Milcent Appliances Pvt. Ltd. which is engaged in manufacturing and marketing of kitchen appliances. He is also associated with Amanta Healthcare Ltd. since its incorporation, which is engaged in pharmaceutical business and at present, he is the Chairman of Amanta Healthcare Ltd. Brief profile of Shri Rohitbhai J Patel along with other details as required pursuant to Regulations 26 (4) & 36 (3) of SEBI Listing Regulations and Secretarial Standards as applicable is given in the Annexure-I forming part of this Notice.

In the opinion of the Board, Shri Rohitbhai J Patel fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of the management. Shri Rohitbhai J Patel's association would be of immense benefit to the Company and it is desirable to avail the services of Shri Rohitbhai J Patel as an Independent Director.

The terms and conditions of appointment of Independent Director applicable to Shri Rohitbhai J Patel are available on the Website of the Company at [www.gacl.com](http://www.gacl.com).

Except Shri Rohitbhai J Patel, none of the other Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No.4 of the Notice. This Statement may also be regarded as a disclosure under Regulation 36 (3) of the SEBI Listing Regulations.

The Board recommends the Resolution at Item No. 4 of the Notice for your approval.

### Item No. 5

As recommended by the Nomination-cum-Remuneration Committee at its Meeting held on 27<sup>th</sup> December, 2019, the Board of Directors of the Company has appointed Shri Pankaj Joshi, IAS (DIN 01532892) as an Additional Director on the Board of the Company w.e.f. 27<sup>th</sup> December, 2019.

Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), he holds office upto the date of this Annual General Meeting. The Company has received a Notice in writing under Section 160 of the Act from a Member of the Company proposing the appointment of Shri Pankaj Joshi, IAS as a Director, liable to retire by rotation.

The Company has received from Shri Pankaj Joshi, IAS (i) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

Shri Pankaj Joshi, is a senior IAS Officer, with distinguished academic background of B. Tech in Civil Engineering, M. Tech in Water Resource Engineering, IIT, New Delhi and M. Phil in Defence & Strategic Studies. Having joined the Indian Administrative Service in 1989, he has held various important positions in the Government of Gujarat in various departments like Land Revenue, Personnel and General Administration, Urban Development and Education Department for about 20 years. He was Principal Secretary, Energy & Petrochemicals Department, Government of Gujarat. Presently, he is Additional Chief Secretary, Finance Department, Government of Gujarat. Brief profile of Shri Pankaj Joshi, IAS along with other details as required pursuant to Regulations 26 (4) & 36 (3) of SEBI Listing Regulations and Secretarial Standards as applicable is given in the Annexure-I forming part of this Notice. It is considered desirable that the Company should continue to avail the services of Shri Pankaj Joshi, IAS and accordingly, your Directors recommend his appointment as a Director of the Company, liable to retire by rotation.

Except Shri Pankaj Joshi, IAS, none of the other Directors / Key Managerial Personnel of the Company and their relatives is /are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 5 of the Notice. This Statement may also be regarded as a disclosure under Regulation 36 (3) of the SEBI Listing Regulations.

The Board recommends the Resolution at Item No. 5 of the Notice for your approval.



**Item No. 6**

Shri P K Gera, IAS had retired from the Indian Administrative Services on 30<sup>th</sup> November, 2019. Since Energy & Petrochemicals Department, Government of Gujarat had not issued an order to appoint his successor, he continued working as Managing Director of the Company after his retirement as per the earlier Resolution No. : GAC/11-2006/4253/E dated 5<sup>th</sup> March, 2016 received from Energy & Petrochemicals Department, Government of Gujarat that had given him this appointment 'till further orders'.

As per the provisions of the Articles 7 & 14-A of the Articles of Associations of the Company, the Government of Gujarat is empowered to appoint Managing Director of the Company. The General Administration Department, Government of Gujarat vide Notification No. AIS/35.2019/51/G dated 7<sup>th</sup> December, 2019 and Energy & Petrochemicals Department, Government of Gujarat vide Notification No. : GAC-11-2006/4253/E dated 12<sup>th</sup> December, 2019, have appointed Shri P K Gera, IAS (Retd.) as Managing Director of the Company on contractual basis for a period of one year from the date he assumed the charge of that post (i.e. w.e.f. 1<sup>st</sup> December, 2019) or until further order whichever is earlier on remuneration on the basis of formula of "Last Pay Drawn Minus Pension". Therefore, as per the aforesaid Notifications, the term of Shri P K Gera, IAS (Retd.) as Managing Director continued after his retirement from Indian Administrative Services for a period of one year i.e. from 01.12.2019 to 30.11.2020 or until further order, whichever is earlier.

Further, the Company has received Resolutions No. AIS/35.2019/51/G dated 4<sup>th</sup> March, 2020 along with Notification dated 7<sup>th</sup> December, 2019 issued by General Administration Department, Government of Gujarat regarding terms and conditions of post-retirement Contractual Appointment of Shri P K Gera, IAS (Retd.) as Managing Director of the Company w.e.f. 1<sup>st</sup> December, 2019.

As per the aforesaid orders dated 7<sup>th</sup> December, 2019 and 4<sup>th</sup> March, 2020, the remuneration payable to Shri P K Gera, IAS (Retd.) is fixed on the basis of formula of "Last Pay Drawn Minus Pension" as per the seventh pay commission and as recommended by the Nomination-cum-Remuneration Committee at its Meeting held on 17<sup>th</sup> June, 2020 and noted, approved and confirmed by the Board of Directors at their Meeting held on 18<sup>th</sup> June, 2020. The details of remuneration and perquisites payable to Shri P K Gera, IAS (Retd.) as Managing Director of the Company are as under:

Component	Monthly (Rs.)	Annual (Rs.)
Last drawn Salary as on 30.11.2019	3,42,367	41,08,404
Less : Pension paid by Govt. to Shri P K Gera, IAS (Retd.)	86,625	10,39,500
Remuneration to be paid by the Company to Shri P K Gera, IAS (Retd.) as Managing Director on "Last Pay Drawn Minus Pension" formula.	2,55,742	30,68,904

Note: In addition to the above remuneration, Shri P K Gera, IAS (Retd.), Managing Director of the Company is eligible for perquisites as per Company Rules / Policy.

The aforesaid remuneration shall be paid as minimum remuneration in the event of absence or inadequacy of profits during his tenure as Managing Director subject to the limit prescribed in Schedule V of the Act.

The above may be treated as a written memorandum setting out terms and conditions of appointment of Shri P K Gera, IAS (Retd.) as Managing Director as per Section 190 of the Act. The Company has received notice in writing under Section 160 of the Act from a Member proposing the candidature of Shri P K Gera, IAS (Retd.) for the office of Director. Shri P K Gera's continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Shri P K Gera, IAS (Retd.) as Managing Director. The Directors have evaluated performance of Shri P K Gera, IAS (Retd.) as per the performance evaluation criteria laid down in the policy formulated by Nomination-cum-Remuneration Committee of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to appoint Shri P K Gera, IAS (Retd.) as the Managing Director of the Company. Brief profile of Shri P K Gera, IAS (Retd.) along with other details as required pursuant to Regulations 26 (4) & 36 (3) of SEBI Listing Regulations and Secretarial Standards as applicable is given in the Annexure-I forming part of this Notice. Details of remuneration paid to Shri P K Gera, IAS (Retd.) during Financial Year 2019-20 have been disclosed in the annexure to the Board's Report and Corporate Governance Report. Except Shri P K Gera, IAS (Retd.), none of the other Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 6 of the Notice. This Statement may also be regarded as a disclosure under Regulation 36 (3) of the SEBI Listing Regulations.

The Board recommends the Resolution at Item No. 6 of the Notice for your approval.

**Item No. 7**

Shri Rajiv Lochan Jain (DIN 00161022) was appointed as an Independent Director of the Company by the Members of the Company at their 43<sup>rd</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2016 to hold office for the first term of five (5) years effective from 6<sup>th</sup> January, 2016. Pursuant to the provisions of Section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment for second term of five years on passing of a special resolution by the Company. The Company has received notice in writing under Section 160 of the Act from a Member proposing candidature of Shri Rajiv Lochan Jain for the office of Director.

The Company has received from Shri Rajiv Lochan Jain (i) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act, (iii) A declaration to the effect that he meets the criteria of independence as provided in Section 149 (6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Company has received the permission from the Energy & Petrochemicals Department, Government of Gujarat vide letter no. GAC/11-2014/1397/E, dated 19.08.2020 for reappointment of Shri Rajiv Lochan Jain as an Independent Director of the Company for a second term i.e. from 6<sup>th</sup> January, 2021 to 31<sup>st</sup> December, 2025.

Pursuant to Sections 149, 152 and Schedule IV of the Companies Act, 2013 and any other applicable provisions thereof or Rules / Regulations made thereunder and as recommended by the

Nomination-cum-Remuneration Committee, the Board of Directors has approved to re-appoint Shri Rajiv Lochan Jain as an Independent Director on the Board of the Company for a second term i.e. from 6<sup>th</sup> January, 2021 to 31<sup>st</sup> December, 2025 (not exceeding 5 years), not liable to retire by rotation, subject to approval of the Members of the Company at this AGM by way of Special Resolution.

Shri Rajiv Lochan Jain is B. Tech. (Hons.) in Chemical Engineering from IIT, Kharagpur and MBA from the University of New Hampshire, USA. He served as Chief Executive Officer and Managing Director of Akzo Nobel India Ltd. from April, 2003 to May, 2009. He successfully led the portfolio of reshaping of ICI India Ltd. from a diversified chemical Company to a focused and fastest growing player in the paints business. Brief profile of Shri Rajiv Lochan Jain along with other details as required pursuant to Regulations 26 (4) & 36 (3) of SEBI Listing Regulations and Secretarial Standards as applicable is given in the Annexure-I forming part of this Notice.

The Directors have evaluated performance of Shri Rajiv Lochan Jain as per the performance evaluation criteria laid down in the policy formulated by Nomination-cum-Remuneration Committee of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to re-appoint Shri Rajiv Lochan Jain as Independent Director of the Company. In the opinion of the Board, Shri Rajiv Lochan Jain fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of management. Shri Rajiv Lochan Jain's association would be of immense benefit to the Company and it is desirable to avail the services of Shri Rajiv Lochan Jain as an Independent Director.

The terms and conditions of appointment of Independent Director applicable to Shri Rajiv Lochan Jain is available on the Website of the Company at [www.gacl.com](http://www.gacl.com).

Except Shri Rajiv Lochan Jain, none of the other Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid

Resolution No. 7 of the Notice. This Statement may also be regarded as a disclosure under Regulation 36 (3) of the SEBI Listing Regulations.

The Board recommends the Resolution at Item No. 7 of the Notice for your approval.

#### Item No. 8

The Board of Directors at its Meeting held on 18<sup>th</sup> June, 2020 on the recommendation of the Audit Committee at its Meeting held on 17<sup>th</sup> June, 2020 and subject to any other approval, appointed M/s. R K Patel & Co., Cost Accountants, Vadodara (Firm Registration No. 14115) as Cost Auditors to conduct the Audit of the Cost Records maintained by the Company for the Financial Year 2020-21 at the remuneration of Rs.4,95,000/- plus applicable GST.

In accordance with the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the said remuneration payable for Financial Year 2020-21 to M/s. R K Patel & Co. as Cost Auditors is required to be ratified by the Members of the Company.

None of the Directors / Key Managerial Personnel of the Company and their relatives is/are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution.

The Board recommends the Resolution at Item No. 8 of the Notice for your ratification / approval.

**By Order of the Board  
for GUJARAT ALKALIES AND CHEMICALS LIMITED**

**Sd/-  
SANJAY S. BHATT  
Company Secretary  
& Chief General Manager (Legal & CC)**

Place : Vadodara  
Date : 20<sup>th</sup> August, 2020

#### NOTES:

- In view of the continuing present Covid-19 pandemic situation, the Ministry of Corporate Affairs ("MCA") has vide its Circular dated May 5, 2020 read together with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without the physical presence of the members at a common venue. In accordance with the aforementioned MCA Circulars, provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the 47<sup>th</sup> AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- A Member entitled to attend and vote at the Annual General Meeting ("the meeting") is also entitled to appoint a proxy to attend and vote on a poll instead of himself and a proxy need not be a member of the Company. **Since, this AGM is being held pursuant to the MCA Circulars through VC/OAVM, Physical attendance of Members have been dispensed with. Accordingly, the facility for appointment of**

**proxies by the Members will not be available for AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

Institutional / Corporate Members are requested to send a scanned copy (PDF / JPEG format) of the Board Resolution authorizing its representatives to attend and vote at the AGM, pursuant to Section 113 of the Companies Act, 2013, at [cosec@gacl.co.in](mailto:cosec@gacl.co.in)

- In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice along with Annual Report 2019-20 has been uploaded on the website of the Company at [www.gacl.com](http://www.gacl.com) and on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com).
- Members attending AGM through VC/OAVM shall be counted for the purpose of reckoning quorum under Section 103 of the Act.
- Since the AGM will be held through VC/OAVM, the route map of the venue of the meeting is not annexed hereto.



6. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of business under Item Nos. 4 to 8 is annexed to the Notice.

The particulars of qualification, experience and other Directorships etc. of the Directors proposed to be appointed / reappointed are given in the Annexure - I forming part of this Notice.

7. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 19<sup>th</sup> September, 2020 to Friday, the 25<sup>th</sup> September, 2020 (both days inclusive).

8. The dividend on equity shares, if declared at the AGM, will be paid on or after 1<sup>st</sup> October, 2020 to those shareholders holding shares in physical form and whose names appear on the Register of Members of the Company on 25<sup>th</sup> September, 2020. In respect of shares held in electronic form, the dividend will be payable to those who are the beneficial owners of shares after close of business hours on the 18<sup>th</sup> September, 2020 as per details furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). Dividend Warrants/Demand Drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.

9. (a) Members holding shares in electronic form may note that their bank details as may be furnished to the Company by respective Depositories will only be considered for remittance of dividend through NECS/ECS or through Dividend Warrants. Beneficial Owners holding Shares in demat form are requested to get in touch with their Depository Participants (DP) to update / correct their NECS/ ECS details - Bank Code (9 digits) and Bank Account No. (11 to 16 digits) to avoid any rejections and also give instructions regarding change of address, if any, to their DPs. It is requested to attach a photocopy of a cancelled cheque with your instructions to your DP.

- (b) The Company has appointed Link Intime India Pvt. Ltd. as Registrar and Share Transfer Agent (R&T Agent). Members are requested to send all future correspondence to Link Intime India Pvt. Ltd. at B-102 & 103, Shangrila Complex, 1<sup>st</sup> Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020. Members holding shares in physical mode are requested to notify immediately any change in their addresses, the Bank mandate or Bank details along with photocopy of the cancelled cheque or bank passbook/ statement attested by the bank to the R&T Agent of the Company.

- (c) Shareholders of the Company holding shares in physical mode are requested to register their E-mail address with Registrar and Share Transfer Agent (RTA) of the Company viz. Link Intime India Pvt. Ltd. at [https://www.linkintime.co.in/EmailReg/Email\\_Register.html](https://www.linkintime.co.in/EmailReg/Email_Register.html) by entering the details of Folio No. / Demat A/c. No., Certificate No. (for Physical Folios only), Shareholder Name, PAN, Mobile No. and E-mail address with OTP Verification or Shareholders may send such details through E-mail at [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in). While uploading / sending the said details, self-certified copy

of PAN and copy of Aadhar Card or valid Passport are required to be attached for verification purpose.

Shareholders who hold shares in dematerialised form can also register their e-mail address, PAN, Mobile Number etc. with their Depository Participant or with the RTA of the Company on the aforesaid link.

10. In addition to the updation of E-mail address of the shareholders of the Company, those shareholders who hold shares in physical mode may also register / update their Bank Account details at the aforesaid link or can send an E-mail, mentioning the Folio No. to the RTA of the Company by attaching copy of their cancelled cheque or bank passbook / statement attested by the bank.

11. The Shareholders are advised to encash their dividend warrants within validity period. Thereafter, the payment of unencashed dividend warrants shall be made only after receipt of final list of unclaimed dividend warrants and reconciliation of Dividend Account from Bank. The payment of unclaimed dividend will be made by electronic bank transfer or in case of failure, by issuing banker's cheque or Demand Draft incorporating the bank accounts details of security holder upon furnishing Indemnity-cum-Request letter by the Shareholder and verification by the Company.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of shareholders w.e.f. 1<sup>st</sup> April, 2020 and Company is required to deduct tax at source on payment of dividend at the prescribed rates. The shareholders are requested to refer the Finance Act, 2020 and amendments thereof for prescribed rates for various categories of shareholders. Shareholders may submit their forms for non deduction of tax at source (TDS) viz. 15G/15H/10F and other relevant documents with RTA of the Company at <https://www.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or Shareholders may send such documents through E-mail at [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in) latest by 10<sup>th</sup> September, 2020.

12. (a) Pursuant to the provisions of Section 124(5) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (hereinafter referred to as "IEPF Rules"), the Company has transferred the unclaimed dividend under Section 124 (5) of the Act to Investor Education and Protection Fund (IEPF) as detailed below:

Financial Year	Date of			
	Declaration of Dividend	Transferred to Un-paid Dividend A/c.	Transferred to IEPF	Amount Transferred (Rs.)
2011-12	21.09.2012	25.10.2012	05.11.2019	11,94,444.00

- (b) Attention of the Members is drawn to the provisions of Section 124 (6) of the Act which requires a Company to transfer all Shares in respect of which dividend has not been paid or claimed for seven (07) consecutive years or more to IEPF Authority.

In accordance with the aforesaid provision of the Act read with the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 20,308 shares of 308 Shareholders of the Company in respect of which dividend declared for the Financial Year 2011-12 had remained unclaimed or unpaid for a period of seven (07) consecutive years or more through Corporate Actions to the Demat Account of IEPF Authority.

- (c) The Members who have not encashed dividend warrant(s) for the years 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 are requested to claim payment immediately by writing to the Company's R&T Agent, Link Intime India Pvt. Ltd. at the address given above. After seven years, unclaimed dividend shall be transferred to the Investor Education and Protection Fund. Pursuant to provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the details of unclaimed dividend amount lying with the Company as on 31.03.2019 has been uploaded on the Company's website ( www.gacl.com ) and also filed with the Ministry of Corporate Affairs.
13. Any person, whose unclaimed dividend or shares have been transferred to the IEPF Authority may claim back the same by making an application in Form IEPF 5 to the IEPF Authority, which is available on Website of IEPF Authority at www.iepf.gov.in.
  14. As on 31.03.2020, Share Certificates for 1,145 shares of 29 shareholders / allottees (returned undelivered by Post) are lying in unclaimed Shares Suspense Account with the Stock Holding Corporation of India Ltd. (SHCIL), Vadodara in Demat form. As per SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and SEBI Circular No. PR No.: 51/2018 dated 3<sup>rd</sup> December, 2018 transfer of shares in physical mode were allowed up to 31.03.2019 and w.e.f. 01.04.2019, transfer of shares of Listed Company can only be effected in the dematerialized form.
  15. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders are entitled to make nomination in respect of the shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH-13 (which is available on the Company's Website : www.gacl.com ) to the R&T Agent, Link Intime India Pvt. Ltd. at the address given above.
  16. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
  17. Members who would like to seek any information on any matter to be placed at AGM with regard to Audited Annual Accounts or any other proposed Resolution(s) during the Meeting or would like to express their views, may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID/Client ID/ Folio number, PAN, mobile number at cosec@gacl.co.in on or before 17<sup>th</sup> September, 2020. Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Members who do not wish to speak during the AGM but have queries may send their queries in advance on or before 17<sup>th</sup> September, 2020 mentioning their name, demat account number/folio number, email id, mobile number at cosec@gacl.co.in. The Company will reply to these queries suitably.
- Inspection of documents:**
- All documents referred to in this Notice and Statement u/s. 102 of the Act will be available for inspection electronically by the members of the Company from the date of circulation of this Notice upto the date of the AGM. Members seeking to inspect such documents can send an e-mail to cosec@gacl.co.in.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form should submit their PAN to the Company / R&T Agent.
  19. Procedure for Remote E-Voting, Attending the AGM through Video Conference/Other Audio Visual Means (VC/OAVM) and E-Voting facility during the AGM: The detailed process, instructions and manner for availing Remote e-Voting, attending AGM through VC/OAVM and E-Voting facility during the AGM is shown hereunder:
    - I. As per Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility for voting by electronic means ("e-Voting") and the business in respect of all Shareholders' Resolutions may be transacted through such e-Voting. The facility is provided to the Shareholders to exercise their right to vote by electronic means from a place other than the venue of AGM ("remote e- Voting") as well as e-voting system on the date of AGM through e-Voting services provided by Central Depository Services (India) Limited (CDSL).





**The Members who would have already cast their votes by remote e-Voting prior to the AGM date may attend the meeting through VC/OAVM but shall not be entitled to cast their votes again.**

- II. The Company has fixed Friday, 18<sup>th</sup> September, 2020 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically by remote e-Voting as well as by e-voting system on the date of AGM.
- III. **The remote e-Voting period commences on Tuesday, 22<sup>nd</sup> September, 2020 (09:00 a.m.) and ends on Thursday, 24<sup>th</sup> September, 2020 (05:00 p.m.). During this period, Shareholders of the Company holding shares either in physical form or in dematerialized form as on the cut-off date, i.e. 18<sup>th</sup> September, 2020 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting after 5.00 p.m. on 24<sup>th</sup> September, 2020. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.**

Any person, who becomes Member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. **Friday, 18<sup>th</sup> September, 2020** may obtain USER ID and password by following e-Voting instructions which is part of Notice and the same is also placed in e-Voting Section of CDSL Website i.e. [www.evotingindia.com](http://www.evotingindia.com) and Company's Website i.e. [www.gacl.com](http://www.gacl.com). For further guidance, Members are requested to send their query by email at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Members can also cast their vote using CDSL's mobile app m-Voting available for android based phones. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**A. Procedure for Remote E-voting:**

Below mentioned steps should be followed to cast vote(s) electronically:

- (a) The Shareholders should log on to the e-Voting Website: [www.evotingindia.com](http://www.evotingindia.com).
- (b) Click on "Shareholders" tab.
- (c) Now, Enter your User ID:
  - i For CDSL: 16 digits beneficiary ID.
  - ii For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - iii Members holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (d) Next enter the Image Verification Code as displayed and Click on Login.
- (e) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (f) If you are a first time user, please follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>Permanent Account Number (PAN)</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both shareholders holding shares in demat as well as physical). Members who have not updated their PAN with the Company/Depository Participant are requested to use the 10 Digits Sequence Number. The Sequence Number is communicated by e-mail indicated in the PAN field.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth in dd/mm/yyyy format as recorded in your demat account or in the company records in order to login. If both the details (i.e. Dividend Bank Details and Date of Birth) are not registered with the Company or Depository, please enter the Member ID / Folio No. in the Dividend Bank details field mentioned in instruction (c) herein above.

- (g) After entering these details appropriately, click on "SUBMIT" tab.
- (h) Members holding shares in physical form will then directly reach 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.

- (i) For Members holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (j) Click on the EVSN 200814007 for the relevant company i.e. GUJARAT ALKALIES AND CHEMICALS LIMITED for which you choose to vote.
- (k) 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 may be desired by you. The option “YES” implies that you assent to the Resolution and option “NO” implies that you dissent to the Resolution.
- (l) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (m) 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.
- (n) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (o) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (p) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (q) Members can also use Mobile app – “m-Voting” for e voting. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the Company resolution(s).
- (r) Note for Non-Individual Shareholders and Custodians:
- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, users would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- 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.
- (s) You can also update your mobile number and e-mail ID records with R&T Agent/Company (for physical shares) and with DP (for Demat Shares) before cut-off date i.e 18.09.2020, for e-Voting.
- (t) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions (“FAQs”) and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under ‘Help Section’ or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- 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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.
- B. Instructions for Shareholders for E-Voting during the AGM:**
1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned in Point A above for Remote e-voting.
  2. Only those Shareholders, who are 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.
  3. If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders participating in the meeting.
  4. Shareholders 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.
  5. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 18<sup>th</sup> September, 2020.



6. Mr. Niraj Trivedi, Practicing Company Secretary, 218-219, Saffron Complex, Fatehgunj, Vadodara: 390 002 (Gujarat) has been appointed as Scrutinizer to scrutinize the remote e-voting process as well as the e-voting system on the date of the AGM.
7. The result of the voting will be announced by the Chairman of the meeting within stipulated time as per the Scrutinizer's Report to be submitted to the Chairman. The results of voting will be communicated to the stock exchanges and will be placed on the CDSL's Website (under "Notices – Results section") i.e. [www.evotingindia.com](http://www.evotingindia.com); on the Website of the Company i.e. [www.gacl.com](http://www.gacl.com) and also on the notice board of the Company.

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

- i. For members holding shares in Physical mode - please provide necessary details like Folio No., Name of Shareholder by email to [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in).
- ii. Members holding shares in Demat mode can get their email id registered by contacting their respective Depository Participant or by email to [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in).

**D. Procedure for joining the AGM through VC / OAVM :**

1. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
2. Members will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Members may access the same at <https://www.evotingindia.com> under shareholders' / members' login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. 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.

**Contact Details**

**Company : Gujarat Alkalies and Chemicals Limited**

P.O. : Petrochemicals - 391 346  
DIST. : VADODARA (GUJARAT)  
Phone: (0265) 6111369, Extn. 453/255  
E-mail : [cosec@gacl.co.in](mailto:cosec@gacl.co.in)

**Registrar & Share Transfer Agent : Link Intime India Private Limited (Unit : GACL)**

B -102 &103, Shangrila Complex, 1<sup>st</sup> Floor, Opp. HDFC Bank,  
Near Radhakrishna Char Rasta, Akota,  
VADODARA : 390 020 (GUJARAT)  
Phone: (0265) 2356573  
E-mail : [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

**e-Voting Agency : Central Depository Services (India) Limited**

E-mail : [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)  
Phone: +91-22-22723333/8588

**Scrutinizer : Mr. Niraj Trivedi**

Practicing Company Secretary  
218-219, Saffron Complex, Fatehgunj,  
VADODARA : 390 002 (GUJARAT)  
E-mail: [csneerajtrivedi@gmail.com](mailto:csneerajtrivedi@gmail.com)



## ANNEXURE - I

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING IN PURSUANCE OF REGULATION 26 (4) & 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND APPLICABLE SECRETARIAL STANDARDS**

Name of Director	Shri M K Das, IAS	Shri Rohitbhai J Patel	Shri Pankaj Joshi, IAS
DIN	06530792	00088482	01532892
Date of Birth	20.12.1966	22.09.1946	19.10.1965
Date of first appointment on the Board	03.08.2017	27.11.2019	27.12.2019
No. of Shares held in GACL either by self or any beneficial basis for any other person	NIL	NIL	NIL
Relationship with other Directors / Key Managerial Personnel	No relationship with other Directors / Key Managerial Personnel.	No relationship with other Directors / Key Managerial Personnel.	No relationship with other Directors / Key Managerial Personnel.
Qualifications	B. Tech (Computer Science) from IIT- Kharagpur, IAS	BE (Mech. Eng.) from S.P.University, Vidyanagar L.L.B from Gujarat University, Ahmedabad.	B. Tech in Civil Engineering, M. Tech in Water Resource Engineering, IIT, New Delhi, M. Phil in Defence & Strategic Studies, IAS
Nature of Expertise in specific functional areas/ Experience	<p>Shri M K Das is a Senior IAS Officer of 1990 batch. He has done specialization in Revenue administration, Urban Management &amp; Civic Issues, Law &amp; Order and Disaster Management. He is Additional Chief Secretary to Chief Minister, Government of Gujarat. He is also Chairman of Gujarat Industrial Investment Corporation Limited (GIIC).</p> <p>He has very rich and varied experience in different capacities viz. District Development Officer, Junagadh; District Collector, Porbandar, Palanpur &amp; Surat; Deputy Municipal Commissioner, Ahmedabad; Municipal Commissioner, Surat &amp; Vadodara; District (J&amp;K Affairs), Home Ministry, Government of India; Principal Secretary, Food, Civil Supplies &amp; Consumer Affairs Dept.</p>	<p>Shri Rohitbhai J Patel is the founder, promoter of the Milcent Appliances Pvt. Ltd., which is engaged in manufacturing and marketing of kitchen appliances. He is also associated with Amanta Healthcare Ltd. since its incorporation, which is engaged in pharmaceutical business and at present, he is the Chairman of Amanta Healthcare Ltd. He has served as MLA of Anand, Gujarat State Constituency from August, 2014 upto December, 2017. He has also served as State Minister of Gujarat for Industries, Finance and Mines &amp; Minerals from August, 2016 upto December, 2017.</p> <p>He has rich and varied experience of over 40 years in various functional areas including product development, administration, finance and legal. His contribution towards society has remained enormous. He is founder donor of the Jash Kamal Management Training Centre (JMTC) run by Charotar Moti Sattavis Kelavani Mandal since 1994. He is also founder donor of Primary Health Centre (PHC) and Maternity Centre at Bakrol, Anand District, established in 1980 and founder donor of Jash Kamal OPD Centre in 1991 by Anand Red Cross Society.</p>	<p>Shri Pankaj Joshi is a Senior IAS Officer of 1989 batch. He has held various important positions in the Government of Gujarat in various departments like Land revenue, Personnel and General Administration, Urban Development and Education Department for about 20 years. He has also worked with the Union Government in various Departments like Urban Development, Social Justice and Empowerment, Public Transport etc. for about 6 years. He has wide experience at the senior level in the public administration and policy in various areas. He was Principal Secretary, Energy &amp; Petrochemicals Department, Govt. of Gujarat. Presently, he is Additional Chief Secretary, Finance Department, Government of Gujarat.</p>
Names of other Companies in which Directorship is held	<ol style="list-style-type: none"> <li>Gujarat Gas Financial Services Ltd. (amalgamated)</li> <li>Dahej SEZ Ltd.</li> <li>Gandhinagar Railway and Urban Development Corporation Ltd.</li> <li>Gujarat Industrial Investment Corporation Ltd.</li> <li>Gujarat Mineral Development Corpn. Ltd.</li> <li>Dholera International Airport Co. Ltd.</li> <li>Gujarat Rail Infrastructure Development Corpn. Ltd.</li> <li>Dholera Industrial City Development Ltd.</li> <li>Gujarat Industrial Corridor Corpn. Ltd.</li> <li>Gujarat Informatics Ltd.</li> <li>Gujarat Foundation for Entrepreneurial Excellence</li> </ol>	<ol style="list-style-type: none"> <li>Magneto Induction Pvt. Ltd.</li> <li>Marck Remedies Pvt. Ltd. (amalgamated)</li> <li>Amanta Healthcare Ltd.</li> <li>Milcent Appliances Pvt. Ltd.</li> <li>Magtech Motors Pvt. Ltd.</li> <li>Avanta Lifesciences Pvt. Ltd.</li> <li>Amanta Lifesciences Pvt. Ltd.</li> <li>Amanta Hospitals Pvt. Ltd.</li> <li>Amanta Marketing Pvt. Ltd.</li> <li>Amanta Technologies Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>Gujarat State Fertilizers &amp; Chemicals Ltd.</li> <li>Gujarat State Petroleum Corporation Ltd.</li> <li>Sardar Sarovar Narmada Nigam Ltd.</li> <li>Gujarat International Finance Tech-City Company Ltd.</li> <li>Gujarat State Financial Services Ltd.</li> <li>Gujarat State Petronet Ltd.</li> <li>Gujarat State Investments Ltd.</li> <li>Gujarat Metro Rail Corporation (GMRC) Ltd.</li> <li>Gujarat Narmada Valley Fertilizers &amp; Chemicals Ltd.</li> </ol>
Names of the Committees of the Board of Companies in which Membership/ Chairmanship is held	<ol style="list-style-type: none"> <li>Gujarat Alkalies and Chemicals Ltd. Stakeholders' Relationship-cum-Investors' Grievance Committee - Member</li> <li>Nomination -cum- Remuneration Committee - Member</li> <li>Corporate Social Responsibility Committee -Member</li> <li>Project Committee - Member</li> </ol>	<ol style="list-style-type: none"> <li>Amanta Healthcare Ltd. Nomination Remuneration Committee - Member</li> <li>Audit Committee - Member</li> <li>CSR Committee - Member</li> </ol> <p><b>Gujarat Alkalies and Chemicals Ltd.</b></p> <ol style="list-style-type: none"> <li>Audit Committee - Member</li> <li>Stakeholders' Relationship-cum-Investors' Grievance Committee - Member</li> <li>Project Committee - Member</li> </ol>	<ol style="list-style-type: none"> <li>Gujarat Alkalies and Chemicals Ltd. Audit Committee - Member</li> <li>Corporate Social Responsibility Committee - Member</li> <li>Project Committee - Member</li> </ol> <p><b>Gujarat State Petronet Ltd.</b></p> <ol style="list-style-type: none"> <li>Audit Committee - Member</li> </ol>



Name of Director	Shri Rajiv Lochan Jain	Shri P K Gera, IAS (Retd.)
DIN	00161022	05323992
Date of Birth	01.01.1951	26.11.1959
Date of first appointment on the Board	06.01.2016	19.02.2016
No. of Shares held in GACL either by self or any beneficial basis for any other person	NIL	NIL
Relationship with other Directors / Key Managerial Personnel	No relationship with other Directors / Key Managerial Personnel.	No relationship with other Directors / Key Managerial Personnel.
Qualifications	B.Tech.(Hons.) in Chemical Engg. from, IIT, Kharagpur MBA from University of New Hampshire, USA	B. Sc. (Elect. Engg.) (Hons.), M. Sc. (Public Economy Management), M.Phil, Post Graduation in Economics, IAS
Nature of Expertise/ Experience	Shri Rajiv Lochan Jain has served as Chief Executive Officer and Managing Director of Akzo Nobel India Ltd. from April, 2003 to May, 2009. He had successfully led the portfolio of reshaping of ICI India Ltd. from a diversified chemical Company to a focused and fastest growing player in the paints business. He was also the Chairman of both ICI's Research Company in India and the joint-venture company of ICI with Orica, Australia. He advises global and local companies on their entry and growth strategies for India and served as Director on the Board of Tara Jewels Ltd. and at present, he serves as Director on the Board of Fresenius Kabi Oncology Ltd. and Goodyear India Ltd.	Shri Prem Kumar Gera is a Senior IAS Officer of 1985 batch (Retd.). He is having experience of more than 35 years in the Central and State Government holding various positions in Land Revenue Management, Rural Development, District Administration, Agriculture, Finance, Training, Personnel & General Administration, Textiles etc. His various postings under Government of India and Government of Gujarat include: 1. Registrar and Joint Secretary, Central Information Commission, New Delhi. 2. Director General, Sardar Patel Institute of Public Administration (SPIPA) & Ex. Officio, Secretariat, Government of Gujarat (Administrative Reforms and Training), Gandhinagar, Gujarat. 3. Resident Commissioner, Government of Gujarat, New Delhi. 4. Joint Director, Lal Bahadur Shastri National Academy of Administration (LBSNAA). 5. Director General, National Institute of Fashion Technology, New Delhi. 6. Managing Director, Gujarat Mineral Development Corporation Ltd. (GMDC).
Names of other Companies in which Directorship is held	1. Fresenius Kabi Oncology Ltd. 2. Goodyear India Ltd.	1. GACL-NALCO Alkalies & Chemicals Pvt. Ltd. 2. Gujarat Industries Power Company Ltd. 3. Gujarat Guardian Ltd. 4. Vadodara Jal Sanchay Pvt. Ltd.
Names of the Committees of the Board of Companies in which Membership/ Chairmanship is held	<b>Fresenius Kabi Oncology Ltd.</b> 1 Audit Committee - Member 2 Corporate Social Responsibility Committee - Member 3 Nomination-cum-Remuneration Committee - Member <b>Goodyear India Ltd.</b> 1 Audit Committee - Chairman 2 Nomination & Remuneration Committee - Member 3 Stakeholders' Relationship Committee - Chairman <b>Gujarat Alkalies and Chemicals Ltd.</b> 1 Audit Committee - Chairman 2 Stakeholders' Relationship-cum-Investors' Grievance Committee - Chairman 3 Nomination-cum-Remuneration Committee - Chairman 4 Risk Management-cum-Safety Committee - Chairman 5 Personnel Committee - Chairman 6 Project Committee - Member	<b>Gujarat Alkalies and Chemicals Ltd.</b> 1. Audit Committee - Member 2. Stakeholders' Relationship-cum-Investors' Grievance Committee - Member 3. Corporate Social Responsibility Committee - Member 4. Project Committee - Member 5. Personnel Committee - Member 6. Selection Committee - Member 7. Risk Management-cum-Safety Committee - Member

For details regarding the number of meetings of the Board / Committees attended by the above Directors during the year and remuneration drawn / sitting fees received, please refer to the Board's Report and the Corporate Governance Report forming part of this Annual Report.

## BOARD'S REPORT

To  
The Members,

Your Directors present this 47<sup>th</sup> Annual Report of the Company on the business and operations of the Company together with Standalone and Consolidated Audited Financial Statements (Ind AS based) for the Financial Year ended 31<sup>st</sup> March, 2020 and the report of the Auditors thereon.

### PERFORMANCE AND FINANCIAL RESULTS

The financial performance of the Company for the year ended 31<sup>st</sup> March, 2020 is summarized below:

### FINANCIAL RESULTS – SUMMARY AND HIGHLIGHTS

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	2,72,459	3,16,138	2,72,459	3,16,138
Other Income	8,978	6,077	8,978	6,077
Profit / (Loss) before Depreciation, Finance Cost and Tax Expense	66,749	1,17,593	66,749	1,17,593
Less: Depreciation / Amortisation / Impairment	16,183	13,997	16,183	13,997
Profit / (Loss) before Finance Cost and Tax Expense	50,566	1,03,596	50,566	1,03,596
Less: Finance Cost	1,404	2,094	1,404	2,094
Share of Profit / (Loss) of Joint Venture	-	-	(75)	123
Profit / (Loss) Before Tax Expense	49,162	1,01,502	49,087	1,01,625
Less: Tax Expense (Current & Deferred)	15,878	32,537	15,878	32,606
Profit / (Loss) for the year (1)	33,284	68,965	33,209	69,019
Total Comprehensive Income / (Loss) (2)	3,879	(15,808)	3,879	(15,808)
Total (1 + 2)	37,163	53,157	37,088	53,211
Balance of Profit / (Loss) for earlier years	1,37,055	1,08,413	1,36,947	1,08,251
Amount available for Appropriation	1,69,882	1,77,291	1,69,700	1,77,183
Less: Transfer to Reserves	16,642	34,482	16,642	34,482
Less: Dividend paid on Equity Shares	5,875	4,773	5,875	4,773
Less: Dividend Distribution Tax	1,208	981	1,208	981
Balance carried forward	1,46,157	1,37,055	1,45,975	1,36,947
Earning per Share	Rs.45.32	Rs.93.91	Rs. 45.22	Rs. 93.98
Dividend per Share	Rs.08.00	Rs.08.00	Rs.08.00	Rs.08.00
Book Value per Share	Rs. 541.31	Rs.505.26	Rs.541.06	Rs.505.11

### RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The highlights of the Company's performance for the year ended 31<sup>st</sup> March, 2020 are as under:

#### At Standalone Level

- The Company has achieved Net External Sales of Rs.2,654.20 crores during the year 2019-20 as against Rs.3,102.32 crores in the Previous Year.
- Total production of all the products has increased by 4.44% to 16,62,843 MT during the year 2019-20 as against 15,92,093 MT in previous year.





- Other Operating income has increased by 19.18% to Rs.70.39 crores during the year 2019-20 as against Rs.59.06 crores in previous year.
- Other income has increased by 47.74% to Rs.89.78 crores during the year 2019-20 as against Rs.60.77 crores in previous year.
- EBIDTA has decreased by 43.24% to Rs.667.49 crores during the year 2019-20 from Rs.1,175.93 crores in previous year.
- Profit Before Tax has decreased by 51.57% to Rs.491.62 crores during the year 2019-20 from Rs.1,015.02 crores in previous year.
- Profit After Tax has decreased by 51.74% to Rs.332.84 crores during the year 2019-20 from Rs.689.65 crores in previous year.

#### At Consolidated Level

- EBIDTA has decreased by 43.36% to Rs.666.74 crores during the year 2019-20 from Rs.1,177.16 crores in previous year.
- Profit Before Tax has decreased by 51.70% to Rs.490.87 crores during the year 2019-20 from Rs.1,016.25 crores in previous year.
- Profit After Tax has decreased by 51.88% to Rs.332.09 crores during the year 2019-20 from Rs.690.19 crores in previous year.

In spite of the stiff competition and unstable market conditions during the year, the Company had achieved the Sales Turnover of Rs.2,654.20 Crores, Profit Before Tax of Rs.491.62 Crores and Profit After Tax of Rs.332.84 Crores. The Company has been consistently striving towards the cost reduction. The Company has been able to maintain the production levels and sell its quality products at very competitive rates.

#### TRANSFER TO RESERVES

The Company has transferred Rs.16,642 Lakhs to the General Reserves Account subject to approval of Annual Accounts by the Shareholders at this Annual General Meeting (hereinafter referred to as "AGM").

#### DIVIDEND

Your Directors are glad to recommend Dividend @ Rs.8.00 per share (i.e. 80%) on 7,34,36,928 Equity Shares of Rs.10/- each fully paid up for the year ended 31<sup>st</sup> March, 2020 (Previous Year - Dividend @ Rs.8.00 per share). Dividend is subject to approval of members at the ensuing AGM and shall be subject to deduction of income tax at source.

The dividend recommended is in accordance with the Company's "Dividend Distribution Policy".

## MATERIAL CHANGES AND COMMITMENTS

### Global Pandemic COVID-19

This year Novel Coronavirus (Covid-19) Pandemic has affected the majority of the countries globally including India. Apart from human suffering, it has also caused major economic disruptions. The Government of India has issued various Advisories/Guidelines on preventive measures to contain the spread of Covid-19. The lockdowns and restrictions imposed on various activities due to Covid-19 pandemic have posed challenges to the businesses of the Company. In order to control the spread of Covid-19, the Government had issued various guidelines including nation-wide lockdown with effect from 25<sup>th</sup> March 2020 for 21 days which was further extended upto May 2020. Initially, the Company reduced its manufacturing operations of its various plants at Vadodara and Dahej Complexes with effect from 25<sup>th</sup> March 2020, resulting into significant reduction in economic activities. Later on, the Company had taken complete shut-down of its plants at Vadodara and Dahej Complexes in line with the Government of India's announcement from time to time to observe nation-wide lockdown. From 3<sup>rd</sup> April, 2020 onwards, the Company resumed partial operation of its various plants at Vadodara and Dahej Complexes in phased manner considering the requirements of various municipal corporations and other essential industries after obtaining necessary permissions from the concerned Authorities. As many of the Company's products are categorized under essential items, the plant operations were resumed after a few days of lockdown at minimum capacity due to manpower and demand constraints. The Company continued with plant operations with minimum of manpower, exercising precautions of social distancing in compliance with Central and State Government Authorities' guidelines. The Company had adopted "Work from Home Policy" for its employees. Effective from 1<sup>st</sup> May, 2020, all plants at Vadodara Complex have started operating at full capacity, whereas, plants at Dahej Complex have started operating at full capacity effective from 15<sup>th</sup> July, 2020. All these factors have also adversely affected the progress of ongoing projects under execution which may result into delay in completion of these projects by about 4 to 6 months. However, all efforts are being made to minimize the delay in completion of these projects.

Due to the ongoing disruption in manufacturing operations and supply chain, the Company's business has been impacted, beginning from the latter part of March, 2020. The demand from various sectors like textile, pulp and paper, dyes and intermediates, construction chemicals, which uses Company's products

have remained weak during the first quarter. Other sectors like Agro, Pharma, Alumina, Organic Chemicals have been found normal from their demand perspective and would be key drivers for the business this year.

In assessing the recoverability of Company's assets such as investments, loans, advances and other financial and non-financial assets, the Company has considered internal and external information and has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets. The management has evaluated the various financial ratios, expected ageing and maturities of assets and liabilities and the various internal and external information available. The management does not see any risks to Company's ability to continue as a going concern and expects that the Company will be able to meet its liabilities in the foreseeable future, as and when the same fall due.

There has been no other material changes and commitments, which affect the financial position of the Company which have occurred between the end of the Financial Year 2019-20 and the date of this Report. There has been no change in the nature of business of the Company.

#### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in the **Annexure - 1** to this report.

#### **SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANY**

The Company and National Aluminium Company Limited (NALCO), a Government of India Enterprise (a Navratna Company) have jointly incorporated a Joint Venture Company, viz., GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (GNAL) (CIN U24100GJ2015PTC085247) on 4<sup>th</sup> December, 2015 for setting up 2,66,667 MTPA (100%) Caustic Soda Plant and 130 MW Coal based Power Plant at Dahej, Gujarat.

The Company holds 60% and NALCO holds 40% in GNAL. Accordingly, GNAL is a subsidiary of the Company. As on 31<sup>st</sup> March, 2020, GNAL is not a material subsidiary company of the Company. However, during the current year 2020-21, GNAL has become material subsidiary of the Company.

The Managing Director of the GACL is the Chairman of GNAL. The Managing Director of the GACL does not draw any commission or any remuneration from GNAL except incidental expenses upto Rs.2,500/- for attending the meetings of the Board of Directors or Committees thereof.

As per Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a separate statement containing the salient features of financial statement of the Joint Venture / Subsidiary Company in Form AOC-1 forms part of the Annual Report.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Annual Report of the Company, containing Standalone and Consolidated Financial Statements have been placed on the Website of the Company at [www.gacl.com](http://www.gacl.com). Further, the Audited Financial Statements of the GNAL for the year ended 31<sup>st</sup> March, 2020 are also placed on the Website of the Company at [www.gacl.com](http://www.gacl.com) and also at Website of GNAL at [www.gnal.co.in](http://www.gnal.co.in). The Interested Shareholders may obtain a physical copy of the audited financial statements of the Subsidiary Company by sending a request to the Company Secretary at the Company's Registered Office.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has in place adequate internal financial controls commensurate with the size and nature of its business. The Company periodically reviews the internal financial controls in the light of new statutes, changes in business models, adoption of new technology solutions and suggestions for improvements received from employees. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

For all amendments to Accounting Standards and the new standards notified, the Company carries out a detailed analysis and presents the impact on accounting policies, financial results including revised disclosures to the Audit Committee. The approach and changes in policies are also validated with the Statutory Auditors.

The Company has a stated process and periodicity for physical verification of its inventory and fixed assets. Any variances are analyzed and accounted post necessary approvals.

The Company gets its financial statements reviewed every quarter by its Statutory Auditors. The accounts of GNAL are audited and certified by their Statutory Auditors for consolidation.

None of the auditors of the Company have reported any fraud as specified under second proviso of Section 143(12) of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force.

**CREDIT RATING**

Your Company’s financial discipline and prudence is reflected in the strong credit rating described by rating agency as per the following particulars:

Instrument	Rating Agency	Rating	Date of Rating
Long Term Bank Facilities	CARE Ratings Limited (CARE)	CARE AA+ (Double A Plus)	CARE Letter No. CARE/ARO/RL/2019-20/1942 dated 30 <sup>th</sup> September, 2019
Short Term Bank Facilities		CARE A1+ (A One Plus)	
Commercial Paper Issue aggregating to Rs.100 Crore	CARE Ratings Limited (CARE)	CARE A1+ (A One Plus)	CARE Letter No. CARE/ARO/RL/2019-20/1943 dated 30 <sup>th</sup> September, 2019

During the year under review, CARE reaffirmed the above credit ratings and the same has been informed to the Stock Exchanges (BSE & NSE) vide letter dated 4<sup>th</sup> October, 2019 and also placed on the Company’s Website at [www.gacl.com](http://www.gacl.com).

**RISK MANAGEMENT**

The Company has constituted the Risk Management Committee of Directors w.e.f. 11<sup>th</sup> February, 2016. Shri Rajiv Lochan Jain had been appointed as the Chairman of the said Committee w.e.f. 28<sup>th</sup> September, 2018. As on 31<sup>st</sup> March, 2020, below are the Members of the Risk Management Committee :

1. Shri Rajiv Lochan Jain, Chairman;
2. Shri S B Dangayach; and
3. Shri P K Gera, IAS (Retd.).

The Company has also constituted Internal Risk Management Committee comprising of Senior Executives of the Company who are heading respective departments viz. Finance, Manufacturing, Marketing, Purchase, Project, Safety, Information Technology, HR, Secretarial and Legal functions. The Managing Director is the Chairman of the Internal Risk Management Committee. The Internal Risk Management Committee reports to the Managing Director and the risks identified by the said Committee along with proposed mitigation

actions are discussed periodically on quarterly basis with the Managing Director.

The said Risk Management Committee of Directors was renamed as “Risk Management-cum-Safety Committee” w.e.f. 10<sup>th</sup> November, 2016 by the Board. The existing Internal Risk Management Committee of Senior Executives of the Company continues to function. Out of the various risks identified by the Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by the Risk Management-cum-Safety Committee, the Audit Committee and by the Board of Directors periodically on quarterly basis. A Report on the steps taken to mitigate those critical risks is also submitted to the Risk Management-cum-Safety Committee, Audit Committee and the Board of Directors.

Pursuant to provisions of Regulations 17 & 21 of SEBI Listing Regulations and Sections 134 & 177 of the Companies Act, 2013 (“the Act”) and other applicable provisions, if any, of the SEBI Listing Regulations and the Act, the Board of Directors of the Company has also approved and framed “Risk Management Policy” of the Company.

**VIGIL MECHANISM / WHISTLE BLOWER MECHANISM**

The Company has formulated a Vigil Mechanism-cum-Whistle Blower Policy (“Policy”) as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations. The Policy is applicable to all Directors and Employees of the Company.

As per the Policy, a whistle blower can make protected disclosures to the Chairman of the Audit Committee. During the Financial Year 2019-20, no unethical and improper practice or any other wrongful conduct in the Company by any person was reported under the said Policy.

The Vigil Mechanism-cum-Whistle Blower Policy may be accessed on the Company’s Website at the weblink : [https://gacl.com/upload\\_files/cb476\\_VIGIL\\_MECHANISM\\_CUM\\_WHISTLE\\_BLOWER\\_POLICY.pdf](https://gacl.com/upload_files/cb476_VIGIL_MECHANISM_CUM_WHISTLE_BLOWER_POLICY.pdf)

**CORPORATE SOCIAL RESPONSIBILITY**

As per the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted Corporate Social Responsibility (CSR) Committee and formulated Corporate Social Responsibility Policy (CSR Policy). The composition of CSR Committee is given in the Corporate Governance Report.



The CSR Committee has formulated and recommended to the Board, a CSR Policy identifying the activities to be carried out by the Company and the said CSR Policy was approved by the Board of Directors at their Meeting held on 23.07.2014. The Board of Directors at their Meeting held on 26.05.2015 has approved some modifications in the CSR Policy including to undertake CSR activities through GACL Education Society (GES). GES is a Society registered under the Societies Registration Act, 1860 and also under the Bombay Public Trust Act, 1950.

The details about various activities carried out by the Company under CSR through GES as well as directly are given in the Management Discussion and Analysis which forms part of Annual Report.

The CSR Policy may be accessed on the Company's website at the weblink:

[https://gacl.com/upload\\_files/987b0\\_CSR\\_POLICY.pdf](https://gacl.com/upload_files/987b0_CSR_POLICY.pdf)

As per the provisions of Section 135 of the Companies Act, 2013, the statutory amount (i.e. 2% of the average net profits of the last three Financial Years) that was required to be spent by the Company for various CSR activities during the Financial Year 2019-20 was Rs.1,380.13 Lakhs. The Company had spent Rs.1,407.32 Lakhs towards various CSR activities during the Financial Year 2019-20. In this manner, your Company has met its obligation under Section 135 of the Companies Act, 2013.

MCA had issued clarification dated 23.03.2020 on spending of CSR funds for COVID-19. The Company has obtained approval of CSR Committee and of the Board and contributed Rs.5 crores to "Chief Minister's Relief Fund", Government of Gujarat with special objective in the situation of Disaster Relief for helping COVID-19 affected areas, before 31.03.2020 and considered the same as part of CSR. Subsequently, on 10.04.2020, MCA had issued COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR) wherein it was clarified that "Chief Minister's Relief Fund" or "State Relief Fund" for COVID-19 is not included in Schedule VII of the Companies Act, 2013 and therefore, any contribution to such funds shall not qualify as admissible CSR expenditure.

The CSR Committee and the Board at their Meetings held on 11.08.2020 noted and approved that the contributions of Rs.5 Crore on 30.03.2020 made by the Company to the Chief Minister Relief Fund under Disaster Management of Covid-19 Pandemic are in compliance with the provisions of Section 135 of the Companies Act, 2013 & rules made thereunder read with Schedule VII of the Companies Act, 2013 and therefore, admissible as CSR expenditure.

Accordingly, the contribution of Rs.5 Crore to the Chief Minister Relief Fund under Disaster Management of Covid-19 Pandemic has been considered as a part of total CSR expenditures of Rs.14.07 Crore made by the Company during the Financial Year. The Company has taken necessary legal opinion on the above.

The Annual Report on CSR activities for the Financial Year 2019-20 is annexed herewith as **Annexure – 2**.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **A. Appointment / Reappointment / Cessation of Directors & Key Managerial Personnel**

The Board of Directors of the Company at its Meeting held on 27<sup>th</sup> December, 2019, accepted the resignations of Dr. J N Singh, IAS (Retd.) (DIN 00955107) as Chairman and Director with effect from 6<sup>th</sup> December, 2019 due to attaining age of superannuation and of Shri Arvind Agarwal, IAS (DIN 00122921) as Director with effect from 9<sup>th</sup> December, 2019 due to transfer from Finance Department, Government of Gujarat. During the Financial Year 2019-20, Dr. Rajiv I Modi (DIN 01394558) completed his first term as an Independent Director of the Company on 30<sup>th</sup> September, 2019.

The Board places on record its sincere appreciations and pays rich tributes for the valuable services rendered and contributions made by Dr. J N Singh, IAS (Retd.), Shri Arvind Agarwal, IAS and Dr. Rajiv I Modi to the Company during their respective tenures as Chairman and Directors of the Company.

Shri Anil Mukim, IAS (DIN 02842064), Chief Secretary, Government of Gujarat (GoG) was appointed as Government Nominee Non-Rotational Director and Chairman of the Board of Directors of the Company vice Dr. J N Singh, IAS (Retd.) with effect from i.e. 11<sup>th</sup> December, 2019 vide Government of Gujarat Resolution No. GAC/11-2016/1765/E dated 10<sup>th</sup> December, 2019 and pursuant to Articles 7 and 11 of the Articles of Association of the Company.

As recommended by the Nomination-cum-Remuneration Committee, the Board of Directors of the Company has approved appointment of Shri Rohitbhai J Patel (DIN 00088482) as Non-Executive Independent Director on the Board of Directors of the Company w.e.f. 27<sup>th</sup> November, 2019 not liable to retire by rotation for a term of five years subject to approval of Shareholders at this AGM. Your Directors recommend appointment of Shri Rohitbhai J Patel as an Independent Director for a term of five years from 27<sup>th</sup> November, 2019, pursuant to the provisions of the Companies Act, 2013 for your approval.

The Board of Directors of the Company, as recommended by the Nomination-cum-Remuneration Committee at their Meetings held on 27<sup>th</sup> December, 2019 and pursuant to the provisions of Section 161(1) of the Companies Act, 2013, approved the appointment of Shri Pankaj Joshi, IAS (DIN 01532892), as an Additional Director on the Board of Directors of the Company w.e.f. 27<sup>th</sup> December, 2019, liable to retire by rotation. Your Directors recommend his appointment as Director of the Company for your approval.

The General Administration Department, Government of Gujarat vide Notification No. AIS/35.2019/51/G dated 7<sup>th</sup> December, 2019 and Energy & Petrochemicals Department vide Notification No. : GAC-11-2006/4253/E dated 12<sup>th</sup> December, 2019, have appointed Shri P K Gera, IAS (Retd.) (DIN 05323992) as Managing Director of the Company on contractual basis for a period of one year from the date he assumed the charge of that post (i.e. w.e.f. 1<sup>st</sup> December, 2019) or until further order whichever is earlier. The Board of Directors of the Company, as recommended by the Nomination-cum-Remuneration Committee at its Meetings held on 27<sup>th</sup> December, 2019 approved the appointment of Shri P.K Gera, IAS (Retd.) as Managing Director of the Company, subject to the approval of Shareholders at this AGM. Your Directors recommend his appointment as Managing Director of the Company for your approval.

The Shareholders of the Company at its 43<sup>rd</sup> Annual General Meeting (AGM) held on 29<sup>th</sup> September, 2016 had appointed Shri Rajiv Lochan Jain (DIN 00161022) to hold office for the first term of five (5) years effective from 6<sup>th</sup> January, 2016.

Pursuant to Sections 149, 152 and Schedule IV of the Companies Act, 2013 and any other applicable provisions thereof or Rules / Regulations made thereunder and as recommended by the Nomination-cum-Remuneration Committee, the Board of Directors has approved to re-appoint Shri Rajiv Lochan Jain as an Independent Director on the Board of the Company for a second term i.e. from 6<sup>th</sup> January, 2021 to 31<sup>st</sup> December, 2025 (not exceeding 5 years), not liable to retire by rotation, subject to approval of the Members of the Company at this AGM by way of Special Resolution.

Your Directors recommend his re-appointment as an Independent Director for the second term i.e. from 6<sup>th</sup> January, 2021 to 31<sup>st</sup> December, 2025 (not exceeding 5 years) pursuant to the provisions of the Companies Act, 2013 for your approval.

Shri M K Das, IAS, Director will retire by rotation at this AGM and being eligible has offered himself for re-appointment. Your Directors recommend his re-appointment for your approval.

Brief profiles of Shri M K Das, IAS, Shri Rohitbhai J Patel, Shri Pankaj Joshi, IAS, Shri Rajiv Lochan Jain and Shri P K Gera, IAS (Retd.) forms part of the Notice of this AGM.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Shri P K Gera, IAS (Retd.) on his appointment as Managing Director by the Board was appointed as Key Managerial Personnel of the Company effective from 1<sup>st</sup> December, 2019. Shri Vinayak Kudtarkar, Chief Financial Officer and Shri Sanjay S Bhatt, Company Secretary, are the Key Managerial Personnel of the Company effective from 1<sup>st</sup> June, 2019 and 14<sup>th</sup> May, 2014 respectively.

## **B. INDEPENDENT DIRECTORS**

### **Attributes, Qualifications & Independence of Directors and their Appointment**

The Nomination-cum-Remuneration Committee adopted the criteria for determining qualifications, positive attributes and independence of Directors, including Independent Directors, pursuant to the Act and the Rules thereunder. The brief particulars of the Directors are provided in the 'Report on Corporate Governance' forming part of this Annual Report.

The Company has received declarations from the Independent Directors of your Company confirming that (a) they meet the criteria of Independence as prescribed under Section 149 of the Act and Regulation 16 of the SEBI Listing Regulations; (b) they are not aware of any circumstance or situation, which could impair or impact their ability to discharge duties with an objective independent judgement and without any external influence; and (c) they have registered their names in the Independent Directors' Databank, pursuant to provisions of the Companies Act, 2013 and rules made thereunder. Further, in the opinion of the Board, the Independent Directors fulfill the conditions prescribed under the SEBI Listing Regulations and are independent of the management of the Company.

## **C. Board Evaluation**

Pursuant to applicable provisions of the Companies Act, 2013 and the SEBI Listing Regulations, the Board carried out an annual performance evaluation of the Board, its Committees, Individual Directors,

Managing Director and Chairperson. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### D. Nomination and Remuneration Policy

The Board has on the recommendation of the Nomination-cum-Remuneration Committee, formulated a Nomination & Remuneration-cum-Board Diversity Policy for selection, appointment of Directors and Senior Management and their remuneration.

Information about the Policy is provided in the Corporate Governance Report and the said Policy may be accessed on the Company's Website at the weblink:

[https://gacl.com/upload\\_files/7e74a\\_nrbd\\_policy.pdf](https://gacl.com/upload_files/7e74a_nrbd_policy.pdf)

#### E. Meetings

During the year, six (06) Board Meetings and four (04) Audit Committee Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and SEBI Listing Regulations. Further, the composition and terms of reference of Audit Committee and other Committees are given in the Corporate Governance Report.

During the year under review, all recommendations of Audit Committee were accepted by the Board.

### AUDITORS

#### A. Internal Auditors

M/s. Talati & Talati, Chartered Accountants, Vadodara were appointed as Internal Auditors for conducting Internal Audit of the Company for a period of five years i.e. from 1<sup>st</sup> July, 2015 to 30<sup>th</sup> June, 2020.

As per the recommendation of the Audit Committee, the Board of Directors of the Company at Meeting held on 18<sup>th</sup> June, 2020, appointed M/s. Parikh Mehta & Associates, Chartered Accountants, Vadodara as Internal Auditors for conducting Internal Audit of the Company for the period from 1<sup>st</sup> July, 2020 to 30<sup>th</sup> June, 2024.

The Internal Auditors independently evaluate the internal controls, adherence to and compliance with the procedures, guidelines and statutory requirements. The Audit Committee of Directors periodically reviews the reports of the Internal Auditors and the corrective actions if any, are taken by the Management.

#### B. Statutory Auditors

M/s. K C Mehta & Co, Chartered Accountants, Vadodara (Firm Regn. No. 106237W) were appointed as the Statutory Auditors of the Company for a period of five years i.e. from the conclusion of 46<sup>th</sup> AGM till the conclusion of 51<sup>st</sup> AGM.

As per Companies Amendment Act, 2017, the provision under Section 139(1) of the Companies Act, 2013 with respect to ratification of the appointment of Statutory Auditors by the members at every AGM is omitted.

The Auditor's Report to the Members for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

#### C. Cost Auditors

The Board of Directors of the Company at its Meeting held on 18<sup>th</sup> June, 2020 has appointed M/s. R K Patel & Co. Cost Accountant in Practice, Vadodara (Firm Regn. No. 14115) as Cost Auditors for the Financial Year 2020-21 as per the provisions of the Companies Act, 2013 to conduct the Audit of Cost Records maintained by the Company at the remuneration of Rs.4,95,000/- plus applicable GST.

As per the provisions of the Companies Act, 2013, your Directors propose the Resolution in the Notice in respect of remuneration payable to the Cost Auditors for the Financial Year 2020-21 for your ratification and approval.

The Company maintains necessary cost records as specified by Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014.

#### D. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. Samdani Shah & Kabra, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2019-20. The Report of the Secretarial Auditors is annexed herewith as **Annexure - 3**. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

As per SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019, Annual Secretarial Compliance Report for the year ended on 31<sup>st</sup> March, 2020 given by M/s. Samdani Shah & Kabra, Practicing Company Secretaries, Secretarial Auditors was submitted to Stock Exchanges (BSE & NSE) within prescribed time limit.



## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

### Transfer of Dividend and corresponding Equity Shares to the Investor Education and Protection Fund

During the Financial Year 2019-20, unclaimed dividend for the Financial Year 2011-12 aggregating Rs.11,94,444/- had been transferred to Investor Education and Protection Fund (IEPF).

The Company has also transferred Rs.16,52,912/- to the bank account of the IEPF towards dividend declared by the Company for the Financial Year 2018-19, for such shares which were transferred to the IEPF earlier.

During the Financial Year 2019-20, the Company has also transferred 20,308 Equity Shares to the IEPF in respect of which dividends remained unclaimed for seven consecutive years, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended.

Shareholders may claim their unclaimed dividend for the years prior to and including the Financial Year 2011-12 and the corresponding shares, if any, from the IEPF Authority by applying in the prescribed Form No. IEPF-5.

This form can be downloaded from the Website of the IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in), the access link of which is also available on the Company's Website at [www.gacl.com](http://www.gacl.com) under the section 'Investors'.

Attention of the Members is drawn that the unclaimed dividend for the Financial Year 2012-13 and the corresponding shares will be due for transfer to the IEPF on 16<sup>th</sup> October, 2020, for which purpose communication has been sent to the concerned Shareholders advising them to claim their dividends. Notices in this regard have also been published in newspapers. Details of such shares are available on the Company's Website under the section 'Investors'.

### Details of Nodal Officer

In accordance with Rule 7(2A) of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of Nodal Officer of the Company, for the purpose of coordination with Investor Education and Protection Fund Authority are as under:

Name : Shri Sanjay S Bhatt  
 Designation : Company Secretary & CGM (Legal & CC)  
 Postal : P.O : Petrochemicals : 391 346,  
 Address : Dist.: Vadodara (Gujarat)  
 Telephone No. : 0265 - 6111453  
 Mobile No. : 7069053850  
 E-mail ID : [cosec@gacl.co.in](mailto:cosec@gacl.co.in)

The Company has also displayed the above details of Nodal Officer at its Website at [www.gacl.com](http://www.gacl.com)

## CORPORATE GOVERNANCE

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of all the requirements stipulated under the SEBI Listing Regulations.

A detailed report on Corporate Governance for the year under review along with Certificate issued by Practicing Company Secretary in terms of provisions of the SEBI Listing Regulations is attached herewith forming part of this Annual Report.

## BUSINESS RESPONSIBILITY REPORT

As per the provisions of the SEBI Listing Regulations, Business Responsibility Report (BRR) containing initiatives taken by the Company from environmental, social, economic responsibilities of business and governance perspective is annexed herewith as **Annexure - 4** as part of this Annual Report.

## PARTICULARS OF EMPLOYEES

The information pertaining to remuneration and other details of employees as required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, are provided in the **Annexure - 5**. Further, there was no employee holding 2% or more of the Equity Shares of the Company during the Financial Year 2019-20.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Audit Committee of Directors at its Meeting held on 31<sup>st</sup> January, 2019 has accorded omnibus approval to execute transactions with related parties up to the value of Rs.1 Crore. During the Financial Year, the transactions entered into by the Company with Related Parties were in the ordinary course of business at arm's length price and within the omnibus approval granted by the Audit Committee. The Company has not entered into contracts / arrangements / transactions with Related Parties which could be considered material in accordance with Section 188 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and the Policy of the Company on Related Party Transactions.

Since, all the contracts / arrangements / transactions with Related Parties during the year were in the ordinary course of business and/or the same were at arm's length as well as under the special omnibus approval route and not being material transaction as defined under the Act /



Rules, disclosure in Form AOC-2 under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is not required.

The Policy on Related Party Transactions and Material Related Party Transactions as approved by the Board of Directors may be accessed on the Company's Website at the weblinks: [https://gacl.com/upload\\_files/1d10d\\_87407\\_related\\_party\\_tran\\_policy-1.pdf](https://gacl.com/upload_files/1d10d_87407_related_party_tran_policy-1.pdf) and [https://gacl.com/upload\\_files/25c45\\_policy\\_on\\_material\\_subsidiaries.pdf](https://gacl.com/upload_files/25c45_policy_on_material_subsidiaries.pdf)

Your Directors draw attention of the Members to Note No. 37 to the Financial Statements which set out Related Party disclosures.

### LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the Notes No. 5, 6, 7, 17, 21 & 42(i)(g) of the Notes to the Financial Statements.

### INSURANCE

The Company has taken adequate insurance for all its properties. The Company has also taken necessary insurance cover as required under the Public Liability Insurance Act, 1991.

The Company has D & O Liability Insurance Policy which is reviewed in terms of the quantum and risk coverage as per the Regulation 25(10) of the SEBI Listing Regulations.

### LISTING REGULATIONS COMPLIANCE

Your Company's Equity Shares are listed on BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) and their listing fees for the Financial Years 2019-20 and 2020-21 have been paid and the provisions of the SEBI Listing Regulations have been complied with.

### ANNUAL RETURN AND EXTRACT OF ANNUAL RETURN

The extract of the Annual Return in prescribed Form No. MGT-9 as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 is annexed herewith as **Annexure - 6**.

The Annual Return for the Financial Year 2018-19 in prescribed Form No. MGT-7, as required under Section 92(1) of the Companies Act, 2013 read with Rule 11 of the Companies (Management and Administration) Rules, 2014 is placed on the Company's Website at weblink: [https://gacl.com/upload\\_files/7ee39\\_MGT-7\\_2019.pdf](https://gacl.com/upload_files/7ee39_MGT-7_2019.pdf)

The same was filed with the Registrar of Companies, Gujarat (ROC) on Ministry of Corporate Affairs (MCA) portal within prescribed time limit.

### DIVIDEND DISTRIBUTION POLICY

The Board of Directors of the Company at its Meeting held on 26<sup>th</sup> May, 2017 has adopted "Dividend Distribution Policy" effective from 26<sup>th</sup> May, 2017, which is available on the Company's Website at the link [https://gacl.com/upload\\_files/a7fec\\_Dividend\\_Distribution\\_Policy.pdf](https://gacl.com/upload_files/a7fec_Dividend_Distribution_Policy.pdf). As per the SEBI Listing Regulations, the said "Dividend Distribution Policy" is also required to be disclosed in the Annual Report of the Company, which is annexed herewith as **Annexure - 7**. The dividend recommended by the Board for the year ended 31<sup>st</sup> March, 2020 is in accordance with the said Dividend Distribution Policy.

### GENERAL INFORMATION

Your Directors state that no disclosure or reporting is required in respect of the following items since there were no transactions in these matters and/or they are not applicable to the Company during the year under review:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under ESOS.
4. Issue of shares, Issue of debentures, warrants, bonds, other convertible securities or any non-convertible securities.
5. No significant or material orders were passed by the Regulators / Courts or Tribunals which would impact the going concern status of the Company and its future operations.
6. No fraud has been reported by the Auditors to the Audit Committee or the Board.

Your Directors further state that your Company has constituted a Committee for prevention of Sexual Harassment of Women at Workplace named as "Internal Complaint Committee-cum-Gender Equality Committee" under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (hereinafter referred as "the said Act") to enquire into complaints and recommend appropriate action, wherever required. During the year under review, the Committee had not received any complaint of sexual harassment.



## SECRETARIAL STANDARDS

During the year under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

## DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors state that:

- a) in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2020, the applicable accounting standards have been followed;
- b) the Directors had selected such accounting policies 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 31<sup>st</sup> March, 2020 and of the profit of the Company for the year ended on that date;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis forms part of the Board's Report and it deals *inter-alia* with the Business, Operations & Financial Performance, Research & Development, Expansion & Diversification, Risk Management, Outlook, Safety & Environment, Corporate Social Responsibility, Material Development in Human Resources etc. as stipulated under the SEBI Listing Regulations.

## ACKNOWLEDGEMENTS

The Board expresses its gratitude and appreciation to the Government of India, Government of Gujarat, Financial Institutions, Insurance Companies, Banks, other business associates, Promoters, Shareholders and employees of the Company for their continued support. The Directors also gratefully acknowledge all stakeholders of the Company viz.: customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year.

The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitments and continued contribution to the Company.

For and on behalf of the Board

**Sd/-**  
**(ANIL MUKIM, IAS)**  
**CHAIRMAN**

Place: Gandhinagar  
Date : 20.08.2020

## ANNEXURE – 1 to Board's Report

### Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 :

#### A. CONSERVATION OF ENERGY:

##### (i) Steps taken or impact on conservation of energy :

###### At Vadodara Complex

1. Remembraning of 50 numbers of 4<sup>th</sup> Generation elements.
2. Installation of new energy efficient CCU III unit.

###### At Dahej Complex

1. Replacement of LED well glass fittings in place of HMPV well glass fittings and related activities in Caustic Soda Plant.
2. Replacement 22 KW HVWS Fire System with new Energy Efficient 15 KW Motor & Pump.
3. Steam Condensate to be recovered and convert in DM Water.

By continuously implementing various energy conservation schemes, GACL has earned 1387 numbers Escerts for Vadodara Plant under PAT (Perform, Achieved and Trade) Scheme introduced by Government of India.

##### (ii) Steps taken by the Company for utilizing alternate sources of energy:

The Company has already installed various Wind Mills having total Wind Power capacity of 171.45 MW. In addition, the Company had also commissioned 35 MW Solar Power Project to meet the Solar Renewable Purchase Obligations.

##### (iii) The Capital Investment on Energy Conservation equipment:

The Company has invested Rs.848 Lakhs as capital investment on Energy Conservation equipments during the Financial Year 2019-20. A saving of Rs.610 Lakhs have been achieved during the Financial Year 2019-20 at Vadodara Complex.

The Company has invested Rs.206.65 Lakhs as capital investment on Energy Conservation equipments during the Financial Year 2019-20. A saving of Rs.133.10 Lakhs have been achieved during the Financial Year 2019-20 at Dahej Complex.

Further savings would be achieved during current and subsequent financial years.

#### B. TECHNOLOGY ABSORPTION

##### (i) Major efforts made towards technology absorption

For the production of Caustic Soda in electrolysis process, the Company uses electrolyzer elements (anodes and cathodes) made by ThyssenKrupp, Germany. In an effort to modernize the electrolysis operation, the Company has

taken up activities for the replacement of old generation electrolyzer elements (Generation I & II) with the latest new generation VB+ elements both at Vadodara and Dahej Complexes. The Company has installed 1615 new energy efficient VB+ elements at Vadodara Complex and 740 such elements at Dahej Complex and the same were successfully commissioned in a phased manner last year. The final phase of replacing balance 440 elements is going on and is expected to be completed in the Financial Year 2020-21.

##### (ii) The benefits derived like product improvement, cost reduction, product development or import substitute.

The R&D efforts have resulted into the appreciable savings in the areas like re-fabrication of spent catalyst, captive consumption of in house developed cooling water treatment formulations, cleaning formulations, defoamer, waste minimization technical support to other Departments.

##### (iii) Information regarding imported technology (imported during last three years)

Details of Technology imported	Technology Imported from	Year of Import	Status
Replacement of 2795 (1615 + 1180) Old generation elements with Energy Efficient New Generation VB+ Elements at Caustic Soda Plant.	German technology through their Indian subsidiary - M/s. Thyssenkrupp Industrial Solutions Pvt. Ltd.	2015-2018	Commissioned by April, 2018. The final phase of installation of 440 elements is going on and expected to be completed in Financial Year 2020-21.
Chloromethanes Plant at Vadodara	M/s. Shin Etsu Chemical Company Ltd., Japan	April, 2015	Commissioned in March, 2018.
Hydrogen Peroxide Plant at Dahej	M/s. Chematur Engg. AB, Sweden	Sept., 2016	Commissioned in September, 2018.

##### (iv) Expenditure incurred on Research & Development

Sr. No.	Particulars	Amount (Rs.in Lakhs)
a)	Capital	42.70
b)	Revenue	305.09
	<b>Total (a + b)</b>	<b>347.79</b>



**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**1. Activities relating to export, initiatives to increase exports, Development of New export markets for Products and Services and Export Plan.**

The Company has continued to maintain focus and avail of export opportunities based on market conditions. During the year under review, the Company has exported goods worth Rs.33,479.36 Lakhs (FOB Value).

**2. Total Foreign Exchange Earned and Used during the Financial Year 2019-20**

(Rs. in Lakhs)

Foreign Exchange earned in terms of Actual Inflow	Rs.33,479.36
Foreign Exchange outgo in terms of Actual Outflows	Rs.39,536.27



## ANNEXURE – 2 to Board's Report

### ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2019-20

**1. A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs:**

GACL has always been, as a conscious corporate citizen, serving the community around its business locations ever since its origin and even much before the concept of CSR took legal frame-work through Companies Act, 2013. GACL initiated various community developmental activities in a systematic way.

The CSR Policy of GACL was formed with a noble objective to ensure an increased commitment at all levels in the organization towards CSR, to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders. GACL has aligned with the vision of the Company, through its CSR initiatives enhanced value creation in the society and in the community in which it operates. The CSR Policy, pursuant to Section 135 of the Companies Act, 2013 read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 directs the Company, *inter-alia*, towards conducting CSR initiatives in the core focus areas of promoting education, including special education, enhancing vocational skills especially among differently abled children, promoting health care including preventive health care and sanitation, generating livelihoods for people in rural areas, promoting and preserving traditional art, culture and heritage and conserving water and ensuring environmental sustainability. The CSR Policy of the Company may be accessed on the Company's Website at the Weblink :

[http://www.gacl.com/upload\\_files/987b0\\_CSR\\_POLICY.pdf](http://www.gacl.com/upload_files/987b0_CSR_POLICY.pdf)

GACL Education Society (GES) is our CSR arm, through which various CSR initiatives of the Company are implemented. The Company also implements CSR projects directly in line with its CSR Policy.

Detailed projects/programs can be accessed on GES Website <http://gacleducationsociety.org>

**2. The Composition of the Corporate Social Responsibility (CSR) Committee:**

The CSR Committee of the Company comprises of:

1. Shri Anil Mukim, IAS (w.e.f. 27.12.2019) – Chairman of the Committee

2. Shri Pankaj Joshi, IAS (w.e.f. 27.12.2019)
3. Shri M K Das, IAS (w.e.f. 18.04.2018)
4. Smt. Vasuben Trivedi (w.e.f. 28.09.2018)
5. Shri S B Dangayach (w.e.f. 09.08.2019)
6. Shri P K Gera, IAS (Retd.) (w.e.f. 19.02.2016)
7. Dr. J N Singh, IAS (Retd.) (w.e.f. 10.11.2016 upto 06.12.2019)
8. Shri Arvind Agarwal, IAS (w.e.f. 28.09.2018 upto 09.12.2019)
9. Shri J N Godbole (w.e.f. 02.04.2014 up to 30.05.2019)

**3. Average Net Profit of the Company for last three Financial Years for the purpose of CSR Expenditure:**

Computation of profit u/s. 135 read with Section 198 of the Companies Act, 2013 for the last three Financial Years is as under:

(Rs. In Lakhs)

Sr. No.	Particulars	2016-17	2017-18	2018-19
1	Profit u/s. 135 read with Section 198	37,414.48	69,123.05	1,00,481.33
2	Average of three years Net Profit	69,006.29		

**4. Prescribed CSR Expenditure (2% of the amount as in item 3 above):**

Details of 2% of Average three years Net Profit is as under:

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1	Average of three years Net Profit	69,006.29
2	2% of Average three years Net Profit	1,380.13

**5. Details of amount spent on CSR during the Financial Year:**

- a) Prescribed CSR expenditure to be spent for the Financial Year: Rs.1,380.13 Lakhs
- b) Total amount spent for the Financial Year 2019-20: Rs.1407.32 Lakhs

c) Manner in which the amount spent during the Financial Year is detailed below:

(Amount in Rupees)

Sr. No	CSR project or activity identified	Sector in which the project is covered in Schedule VII	Projects or programs (1) Local area or other (2) Specify the State and district where Projects or Programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>A: Education, Special Children Interventions</b>							
1.	Smart Class Project	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Vagra, Bharuch, Chhotaudepur and Narmada	86,60,900	86,60,659	86,60,659	GACL Education Society (GES)
2.	Special Children	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Vadodara Bharuch	22,40,000	20,79,556	20,79,556	GES & Dhvani Trust
3.	Construction of Anganwadi	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Vagra Taluka	13,56,800	13,09,202	13,09,202	GES
4	Promotion of Education, Construction of Mid-Day Meal facility for school children	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Savli, Vadodara	3,81,876	2,90,222	2,90,222	GES
5	Promotion of Education, Construction of Extension of Boys Hostel	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Vadodara	56,00,000	56,00,000	56,00,000	GSFC University

6	Revolving Fund for livelihood enhancement project for "Agariyas" in Little Rann of Kutch	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Surendranagar	1,00,00,000	1,00,00,000	1,00,00,000	Vikas – Centre for Development
7	POCSO Project in Government Primary Schools for creating awareness amongst children on sexual harassment	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Vadodara	7,14,000	7,14,000	7,14,000	Baroda Citizens Council
8	Construction of basketball court and extension of pavilion in Schools	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Kunjpura, Karnal, Haryana and Lasundra, Vadodara	9,00,000	9,00,000	9,00,000	Sainik School Kunjpura Sainik School and Srotoshwini Trust
9	Higher Education Support to student belonging to "Agariya" community	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Surendranagar	1,19,850	1,19,850	1,19,850	Agariya Hitrakshak Manch
<b>B: Health, Nutrition and Sanitation Interventions</b>							
1	Harsh Project in 30 villages of Vagra Taluka of Bharuch District for promoting healthcare and sanitation and creating livelihoods	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Vagra Taluka.	76,00,000	75,18,448	75,18,448	Vikas – Centre for Development
2	Purna Project for creating awareness among adolescence and women for using sanitary napkins	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Chhotaudepur, Narmada and Vagra Taluka	2,00,000	1,70,667	1,70,667	GES
3	Support to cancer patients especially children	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Vadodara	25,55,000	25,55,000	25,55,000	Kashiba Children Hospital & Sterling Addlife Foundation
4	Drainage facility in Jolva village	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Jolva village of Vagra Taluka of Bharuch District	5,00,000	5,00,000	5,00,000	Gram Panchayat, Jolva
5	Nutrition vegetable garden for High Risk Mothers in various villages of Dahod Dist.	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Dahod District	12,36,758	12,36,758	12,36,758	Gramin Vikas Trust, Dahod

6	De-addiction Project	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Mandvi, Surat	2,90,000	2,71,500	2,71,500	Navchetna Kendra
7	Blood Donation Project	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Vadodara	3,19,285	3,19,286	3,19,286	Friends Society
<b>C: Support to Local areas / Govt. Authorities</b>							
1	Promotion of Education by provision of Teaching volunteers at various Government Primary Schools	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Vagra, Jambusar Bharuch and Narmada	84,23,000	83,39,767	83,39,767	GES
2	Promotion of Education, Transportation facility for school children	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Vagra, Bharuch, Vadodara, Dahod	25,33,250	25,11,188	25,11,188	GES
3	Providing surgical equipments	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	SSG Hospital, Vadodara	13,15,871	13,15,871	13,15,871	GES
4	Bottle Crusher Machine at six different Railway Stations of Vadodara division	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Railway stations of Vadodara Division	23,70,000	23,70,000	23,70,000	GES
5	Sujalam Sufalam Jal Abhiyan	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Dudhrej, Surendranagar District	18,25,000	17,57,048	17,57,048	GES
6	Rain Water Harvesting Structures in Government Primary Schools	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Sinor, Desar and Karjan Talukas of Vadodara District	1,14,39,260	1,13,06,359	1,13,06,359	GES
7	Construction of Girls Toilets in Government Primary Schools	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Narmada District	41,39,750	41,21,711	41,21,711	GES
8	Development of Fountain & Garden at GST Bhavan & Refurbishment of badminton court	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Vadodara	6,85,716	6,85,716	6,85,716	GES
9	Promotion of Sports by sponsorship of sports events	Cl.(vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	Vadodara	90,885	90,885	90,885	GES



10	Vadodara By Foot	Cl. (v) Protection of National heritage, art and culture including restoration of building and sites of historical importance and works of art.	Vadodara	14,00,000	13,45,000	13,45,000	GES
11	Promotion of art and culture, sponsorship to various cultural events	Cl. (v) Protection of National heritage, art and culture including restoration of building and sites of historical importance and works of art.	Vadodara	8,38,494	8,38,494	8,38,494	GES
12	Flood Relief Activities	Cl. (xii) Disaster management, including relief, rehabilitation and reconstruction activities	Vadodara	8,92,400	8,92,400	8,92,400	GES
13	Human Resource & Programme and Management & Office Expenses for CSR	Salaries paid by the companies to regular CSR staff as well as to volunteers of the Company (in proportion to company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.	Contribution towards salaries and office expenses of GES employees	31,00,000	30,86,415	30,86,415	GES
14	Making available safe drinking water	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Water supply to Dhanora and Rampura villages	59,36,907	67,59,000	67,59,000	Directly by the Company
15	*CSR Expenses for Disaster Relief for COVID-19	Cl. (xii) Disaster management, including relief, rehabilitation and reconstruction activities	Gujarat State	4,87,93,248	5,02,10,000	5,02,10,000	Directly by the Company to Chief Ministers' Relief Fund for COVID-19
16	Other Human development Activities	Various heads eligible under CSR.	Contribution towards GACL Education Society for corpus.	28,57,748	28,57,748	28,57,748	Directly by the Company
<b>TOTAL</b>				<b>13,93,15,998</b>	<b>14,07,32,750</b>	<b>14,07,32,750</b>	

\* MCA had issued clarification dated 23.03.2020 on spending of CSR funds for COVID-19. The Company has obtained approval of CSR Committee and of the Board and contributed Rs.5 crores to "Chief Minister's Relief Fund", Government of Gujarat with special objective in the situation of Disaster Relief for helping COVID-19 affected areas, before 31.03.2020 and considered the same as part of CSR. Subsequently, on 10.04.2020, MCA had issued COVID-19 related Frequently Asked Questions (FAQs) on Corporate Social Responsibility (CSR) wherein it was clarified that "Chief Minister's Relief Fund" or "State Relief Fund" for COVID-19 is not included in Schedule VII of the Companies Act, 2013 and therefore, any contribution to such funds shall not qualify as admissible CSR expenditure.

The CSR Committee and the Board at their Meetings held on 11.08.2020 noted and approved that the contributions of Rs.5 Crore on 30.03.2020 made by the Company to the Chief Minister Relief Fund under Disaster Management of Covid-19 Pandemic are in compliance with the provisions of Section 135 of the Companies Act, 2013 & rules made thereunder read with Schedule VII of the Companies Act, 2013 and therefore, admissible as CSR expenditure.

Accordingly, the contribution of Rs.5 Crore to the Chief Minister Relief Fund under Disaster Management of Covid-19 Pandemic has been

considered as a part of total CSR expenditures of Rs.14.07 Crore made by the Company during the Financial Year. The Company has taken necessary legal opinion on the above.

**6. Reasons for not spending prescribed CSR amount, if any:**

The Company has spent an amount of Rs. 1407.32 Lakhs towards the various CSR activities during the Financial Year 2019-20 against the statutory amount of Rs.1380.13 Lakhs (i.e. 2% of the average net profits for last three Financial Years) for the said Financial Year.

**7. Responsibility Statement:**

Corporate Social Responsibility Committee of the Board of Directors of the Company affirms as below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR Objectives and Policy of the Company'.

Sd/-  
(P. K. Gera, IAS) (Retd.)  
Managing Director

Sd/-  
(Anil Mukim, IAS)  
Chairman - CSR Committee



## ANNEXURE - 3 to Board's Report

### Form MR-3 SECRETARIAL AUDIT REPORT

For the Financial Year ended 31<sup>st</sup> March, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

To,  
The Members,  
**Gujarat Alkalies and Chemicals Limited**  
P.O.: Petrochemicals : 391 346  
District : Vadodara.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Gujarat Alkalies and Chemicals Limited** (hereinafter referred to as '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 31<sup>st</sup> March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on 31<sup>st</sup> March, 2020, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

We report that, there were no actions / events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:-

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

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
- (ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. read with Securities and Exchange Board of India (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;**

- A. 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;
- B. Adequate notice is given to all the Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the Agenda items before the meeting and for meaningful participation at the meeting;
- C. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded;
- D. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines;
- E. During the audit period, there were no specific instances / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

**Suresh Kumar Kabra**

Partner

Samdani Shah & Kabra

Company Secretaries

ACS No. 9711, CP No. 9927

UDIN: A009711B000565508

Place : Vadodara  
Date : 11<sup>th</sup> August, 2020

*This Report is to be read with our letter of even date which is annexed as Appendix A and forms an integral part of this report.*

## Appendix - A

The Members

**Gujarat Alkalies and Chemicals Limited**

P.O.: Petrochemicals – 391 346

District : Vadodara

Our Secretarial Audit report of even date is to be read along with this letter, that:

- i. Maintenance of Secretarial records and compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management of the Company. Our examination was limited to the verification and audit of procedures and records on test basis. Our responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- ii. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. The verification was done on 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.
- iii. In view of the circumstances arises because of Covid-19, we have conducted the Secretarial Audit through physical and/or virtual verification of documents, records, etc. as made available by the Company and relied on the same.
- iv. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- v. 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.

**Suresh Kumar Kabra**

Partner

Samdani Shah & Kabra

Company Secretaries

ACS No. 9711, CP No. 9927

UDIN: A009711B000565508

Place : Vadodara  
Date : 11<sup>th</sup> August, 2020

**ANNEXURE – 4 to Board's Report**
**BUSINESS RESPONSIBILITY REPORT**
**Section A: General Information about the Company**

1.	Corporate Identity Number (CIN) of the Company	L24110GJ1973PLC002247
2.	Name of the Company	Gujarat Alkalies and Chemicals Ltd.
3.	Registered address	P.O. : Petrochemicals : 391 346 Dist. : Vadodara (Gujarat)
4.	Website	www.gacl.com
5.	e-mail id	investor_relations@gacl.co.in cosec@gacl.co.in
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Chemicals - NIC Code - 2411
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	1. Caustic Soda Group 2. Hydrogen Peroxide 3. Chloromethanes Group
9.	Total number of locations where business activity is undertaken by the Company	
	i	Number of International Locations (Provide details of major 5)
		NIL
	ii	Number of National Locations
		The Company has its manufacturing facilities at Vadodara Complex and Coelho Complex located at P.O. Petrochemicals : 391 346, Dist. : Vadodara, Gujarat and Dahej Complex located at Village : Dahej 392 130, Ta. : Vagra, Dist. : Bharuch, Gujarat.
10.	Markets served by the Company-Local/State/National/International	Across India, Africa, Europe, South Asia, Middle East, Australia, Russia, USA and Turkey etc.

**Section B : Financial Details of the Company**

Sr. No.	Particulars	Financial Year 2019-20 Standalone Rs. (Crores)
1.	Paid up Capital (INR)	Rs.73.44
2.	Total Turnover (INR)	Rs.2,654.20
3.	Total Profit After Taxes (INR)	Rs. 332.84
4.	Total Spending on Corporate Social Responsibility (CSR)	Rs. 14.07
	As percentage of Profit After Tax (%)	The Company has spent 2.04% of the average net profits of last three years.
5.	List the activities in which expenditure in 4 above has been incurred.	
	A. Promotion of Education and related activities	
	B. Interventions for Special Children	
	C. Preventive Healthcare, Hygiene and Sanitation	
	D. Developmental activities at Dahej, Vagra Taluka	
	E. Promotion of Livelihood generation	
	F. Promotion of Art, Culture and Heritage	
	G. Water Conservation & Environment	



### Section C: Other Details

1. Does the Company have any Subsidiary Company / Companies?  
Yes, the Company has one (01) Subsidiary Company, viz. GACL-NALCO Alkalies & Chemicals Pvt. Ltd.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  
The subsidiary company has yet not started its commercial operations. Therefore, there is no direct participation by the subsidiary in the BR initiatives of the Company, at present.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
More than 60%.

### Section D: BR Information

#### 1. Details of Director/Directors responsible for BR

- a) Details of the Director / Director responsible for implementation of the BR policy / policies
  - DIN Number : 05323992
  - Name : Shri P K Gera, IAS (Retd.)
  - Designation : Managing Director
- b) Details of the BR head

Sr.No.	Particulars	Details
1.	DIN Number (if applicable)	05323992
2.	Name	Shri P K Gera, IAS (Retd.)
3.	Designation	Managing Director
4.	Telephone number	0265 – 2232801 / 6111210
5.	E-mail ID	md@gacl.co.in

#### 2. Principle-wise (as per NVGs) BR Policy / Policies (Reply in Y/N)

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

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

Sr. No.	Questions	Business Ethics	Product Responsibility	Well-being of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy / policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)*.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		<a href="https://www.gacl.com/upload_files/d4ddf_br_policy.pdf">https://www.gacl.com/upload_files/d4ddf_br_policy.pdf</a>								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\*The policies are based on National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) and in consonance with the generally accepted principles and with the applicable regulatory requirements.

**2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why : (Tick up to 2 options)**

Sr. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement & CSR	Human Rights	Environment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles	-	-	-	-	-	-	-	-	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3.	The company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-
4.	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5.	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6.	Any other reason (please specify)	-	-	-	-	-	-	-	-	-

**3. Governance related to BR**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year Annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes BRR as part of Annual Report and BRR is also available on the website of the Company at : [www.gacl.com](http://www.gacl.com)

**Section E: Principle-wise performance**

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

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

Yes, the Company has only one subsidiary viz. : GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (GNAL) and the said policy is applicable to the Subsidiary Company. So far as Suppliers / Contractors / NGOs / Others are concerned, the policy of the Company is applicable to the extent of their dealings with the Company.

2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?

During the Financial Year 2019-20, the Company had received 45 complaints from shareholders and all the complaints were satisfactorily resolved.

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

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
- Caustic Soda Group
  - Sodium Chlorate
  - Chloromethanes Group



2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional) :
- Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?  
Energy reduction per unit of NaOH production – 24 KWH/MT  
Energy reduction per unit of CLM production – 61 KWH/MT  
Energy reduction per unit of H<sub>2</sub>O<sub>2</sub> production – 3 KWH/MT.
  - Reduction during usage by consumers (energy) has been achieved since the previous year?  
Energy reduction per unit of NaOH production – 24 KWH/MT  
Energy reduction per unit of CLM production – 61 KWH/MT  
Energy reduction per unit of H<sub>2</sub>O<sub>2</sub> production – 3 KWH/MT.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- Few major activities of sustainable sourcing are mentioned hereunder :
  - Our Company has a policy of procurement which reflects sustainable sourcing taking into consideration economical aspect in procurement, environmental friendly processes and giving due weightage to social aspects.
  - In our endeavor of sustainable sourcing during our Vendor Meet of Salt suppliers, we had appealed them to adopt sustainable sourcing in their business too.
  - One of the major raw materials is Salt which is a natural product being produced from either sea water or from subsoil water by natural evaporation process in sun light. No chemical which may harm environment is used during manufacturing process. It is transported in bulk in vehicle and no packaging material is used. Considering environment friendly usage, we had changed specifications of Salt from July 2017 and washed Salt which is improved quality is being used at both the complexes. By using improved quality salt chemical consumption and sludge generation has reduced considerably. We procure approx. 7 lakhs MT of Salt for both the complexes from the manufacturers who have salt works nearby our Company and these comprise very small to large manufacturers.
  - Packaging materials like carboys, barrels, bags etc. which are used for filling the finished products are procured from the nearby sources and small vendors. After one use these packaging materials are reused. Finally, it is recycled for manufacturing of containers or other products which can be used for packaging or any of purpose.
  - In procurement of materials like Lime, Alumina Tri Hydrate, we have changed packaging size from 50 kg to jumbo bag of 1 MT. Jumbo bags can be reused & further recycled.
  - We support MSME vendors, procure material from them, release payment to them as per government directives and indirectly help to create employment.
  - For entire procurement of our Company, we follow the procurement policy formed by the Company which is based on sustainable sourcing.
4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
- If yes, what steps have been taken to improve their capacity and capability of local and small vendors ?
- Our Company gives preference in procurement of goods / services from local and small producers / service providers in surrounding area.
  - We have been procuring entire requirement of Salt for Vadodara and Dahej Complexes from the local suppliers situated at Dahej, Gandhar, Jambusar, Bhavnagar and Maliya-Morbi area etc. Many suppliers in these regions are small suppliers from whom we are procuring the Salt. Our Company has encouraged to improve quality of Salt by installing salt washery by them. Many small suppliers have installed the washery which has benefitted them in improving the quality by removing impurities at source. It's a value addition in salt which has benefitted to them & GACL as well.
  - To support small producers in their business & to generate employment, we procure consumable and engineering items from them at competitive price and we offer payment term to them as per applicable provisions of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.



5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%).

As a step further to its environmental preservation philosophy and commitments, the company has installed the RO Plant to recycle 40% liquid effluent stream and also recycled 53.93% catalyst for Hydrogen Peroxide Plant.

**Principle 3 - Businesses should promote the well-being of all employees.**

- Please indicate the Total number of employees : 1582  
(as on 31.03.2020)  
Out of total number of employees, 366 employees were hired on Contract (Management & Non Management), Trainees and Fixed Term Contract (FTC).
- Please indicate the Total number of employees hired on temporary / contractual / casual basis.  
As on 31<sup>st</sup> March, 2020, total 1400 persons were hired on temporary / contractual / casual basis.
- Please indicate the Number of permanent women employees.  
As on 31<sup>st</sup> March, 2020, permanent women employees were 42.
- Please indicate the number of permanent employees with disabilities.  
As on 31<sup>st</sup> March, 2020, the number of permanent employees with permanent disabilities were 11.
- Do you have an employee association that is recognized by Management.  
Yes, the Company has an employee association viz. GAC Employees Union which is recognized by the management.
- What percentage of your permanent employees is members of this recognized employee association?  
65.13%
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.

Sr. No.	Category	No of complaints filed during the Financial Year	No of complaints pending as on end of the Financial Year
1.	Child labour / forced labour / involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

- What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - Permanent Employees : 85%
  - Permanent Women Employees : 100%
  - Casual/Temporary/Contractual Employees (FTC) : 90%
  - Employees with Disabilities : 36.36%

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

- Has the Company mapped its internal and external stakeholders? Yes / No.  
Yes.
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.  
Yes.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.

The Company has adopted Home for Mentally Differently abled Children which is a Government of Gujarat owned residential cum training facility for mentally challenged children. This is a home to orphan children (only boys) who are destitute, suffering from abandonment for being mentally differently-abled.

In addition to this, the Company is also supporting Government primary schools of Vagra, Jambusar Narmada and Dahod District, and Schools run by Nagar Prathamik Shikshan Samiti in Vadodara and Bharuch. Moreover, the Company is also contributing financially to various hospitals which are providing treatment and medicines at a subsidized rate for marginalized and underprivileged people of the Society.



**Principle 5 - Businesses should respect and promote human rights.**

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

The Policy on Human Rights is covering various stakeholder of the Company. The Company has a subsidiary named GACL-NALCO Alkalies & Chemicals Pvt. Ltd. to which the said Policy is applicable.

2. How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

No complaint/s was received in the last Financial Year.

**Principle 6 - Businesses should respect, protect, and make efforts to restore the environment.**

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

Yes. The policy on environment extends to the Joint Venture. The Company encourages its Suppliers / Contractors / NGOs / others to follow the same.

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

Yes, the hyperlink for webpage is as below :

<http://www.gacl.com/corporate.php?nv=4>

**Initiatives taken by the Company:-**

- i. Water conservation - GACL has installed wastewater recycling RO Plant for converting wastewater into reusable water. Daily 400 to 500 M<sup>3</sup> of wastewater is treated and converted to reusable water which is recycled back in the plant. This has reduced consumption of fresh water.
  - ii. The Company has at its Dahej Complex, covered large area by development and maintenance of green belt, landscaping, flora & fauna, rainwater harvesting and natural ponds. The Company has rolled out the construction of facility for recycling part of its liquid effluent stream, using ZLD principle in Dahej Complex. The Company has undertaken water conservation by channelizing Cooling Tower Water Spillage, treated sewage and drip irrigation. Nearly 22,406 nos. of trees have been planted and 18.71 acre green belt developed.  
  
This year, number of heron birds have arrived at the flora & fauna at Dahej Complex making their habitat nests behind Administration building of Dahej Complex.
  - iii. Huge green belt - GACL have 125171 MT<sup>2</sup> green cover area developed and maintained.
  - iv. Rain water harvesting - Rain water harvesting is being done at our solid waste landfill site in surface area of 29 acres by way of groundwater recharge.
  - v. Treatment of effluent - GACL is promoter and member of Vadodara Enviro Channel Limited (VECL) which is responsible for safely conveying treated liquid effluent from industries into estuary of river Mahi through 55 KM long channel.
  - vi. Captive solid waste landfill site - GACL has own solid waste landfill site for safe disposal of hazardous waste.
  - vii. Reduction in solid waste quantity by implementing Cleaner production - We have replaced use of raw salt with washed salt (having less impurities) for production of Caustic Soda. By using washed salt, solid waste generation has reduced by around 200 MT/Month.
3. Does the Company identify and assess potential environmental risks? Y/N
- Yes. Potential environmental risks are identified and assessed before any new project / expansion of existing plant by way of conducting Environmental Impact Assessment & preparing Environment Management Plan for the same.
4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?

The Company is continuously implementing various Energy Conservation Schemes and has earned 1977 Escerts for Vadodara Plant under PAT (Platform, Achieved and Trade) Scheme introduced by Government of India.

In order to continue promoting Green technology and to meet the Solar Renewable Purchase Obligations, the Company had taken up another 20 MW Solar Power Project at Charanka, Patan, (Gujarat) which was commissioned in September 2019 in a phased manner. The aggregate solar power capacity of the Company has increased to 35 MW, and aggregate renewable energy capacity to 206.45 MW, including 171.45 MW of wind power capacity.

The production of Carbon Tetrachloride (CTC) which comes under Ozone Depletion Substance (ODS) Rules, 2000 as per the guidelines of Montreal Protocol framed by Government of India, has been phased out while production of CTC only for feed stock application is continued.

In the field of Water conservation, the Company has commissioned daily 400 to 500 M<sup>3</sup> of waste water recycling RO Plant for converting waste water into reusable water.

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

Yes, the Company has commissioned Solar Power Project of 35 MW Capacity in Gujarat.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by Central Pollution Control Board (CPCB) / Gujarat Pollution Control Board (GPCB) for the Financial Year being reported?

Yes. The emissions / Waste generated by the Company are within the limits prescribed by Gujarat Pollution Control Board (GPCB).

7. Number of show cause/ legal notices received from Central Pollution Control Board (CPCB) / Gujarat Pollution Control Board (GPCB) which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices received from CPCB / GPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

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

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

The Company is a Member of :

1. Alkali Manufacturers Association of India, New Delhi
2. Indian Chemical Council, Mumbai
3. Gujarat Chemical Association, Ahmedabad
4. Society for Clean Environment, Vadodara
5. National Safety Council, Mumbai
6. Gujarat Safety Council, Vadodara
7. Federation of Gujarat Industries, Vadodara
8. Exim Club, Vadodara
9. CHEMEXCIL, Mumbai
10. Gujarat Employers' Organization, Vadodara
11. Dahej Industries Association

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

No.

**Principle 8 - Businesses should support inclusive growth and equitable development.**

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

The Company has well defined CSR Policy which aims at inclusive growth and equitable development having its focus areas as follows :

- Education and related activities
- Special Children
- Healthcare, Hygiene and Sanitation
- Livelihood activities
- Art, Culture and Heritage
- Water Conservation and environment



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

All the programmes / projects are undertaken by in-house team along with GACL's CSR arm, viz. : 'GACL Foundation Trust' and 'GACL Education Society' and few projects through external agencies and NGO'S.

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

Yes. In-house Impact Assessment of Home for Mentally Differently Abled Children (Special children agency) as well as seeking feedback from the beneficiaries related to outcome and impact of various projects such as Perna Project, Gap teaching volunteers, Smart Class Project and Transportation Project.

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

The Company's contribution to community development projects in the Financial Year 2019-20 was Rs. 14.07 Crore.

For more details kindly refer Annexure – 2 of Board's Report, i.e. Annual Report on CSR Activities for the Financial Year 2019-20.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

Yes. By regular visits to respective locations of the projects and follow ups are done over phone. Also, by engaging the parents of the children, Principal and teachers of the school in various activities conducted for the children. Regular meeting with parents and community stakeholders is also undertaken to assess needs at various intervals.

For developmental activities at Dahej of Vagra Taluka, respective Gram Panchayats and school authorities were involved for ensuring successful implementation and continuation of the project.

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

1. What percentage of customer complaints / consumer cases are pending as on the end of Financial Year.

NIL.

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

Yes.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year.

An investigation was conducted by the Director General of the Competition Commission of India (CCI) against the Company, for alleged contravention of the provisions of Section 3(1) read with 3(3)(d) of the Competition Act, 2002, in respect of sales of chemical products to Delhi Jal Board. The Competition Commission of India (CCI) vide its order dated 05.10.2017 imposed penalty Rs.1.88 Crores.

The Company had filed an Appeal before the NCLAT Challenging the order of the CCI. The Hon'ble NCLAT through its order dated 04.12.2017 granted stay on the operation of the impugned order of the CCI subject to a deposit of 10% of the penalty amount. The Delhi Jal Board has filed its Reply to the Appeal. The Company has also filed its Rejoinder to the Reply of the DJB. The matter is pending before NCLAT, the Company believes that it had not indulged in any such activity.

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

Yes.



## ANNEXURE – 5 to Board's Report

## PARTICULARS OF EMPLOYEES

## DETAILS PERTAINING TO REMUNERATION 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.

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 are as under :

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2019-20 (Rs. In Lakhs)	% increase in remuneration in the Financial Year 2019-20	Ratio of remuneration of each Director / to median remuneration of employees (on annualized basis)
1.	Shri P K Gera, IAS (Retd.) Managing Director	78.49*	(6.18%)	2.54 times
2.	Dr. H B Patel Executive Director (Fin.) & CFO (upto 31.05.2019)	48.03*	N.A.	N.A.
3.	Shri Vinayak Kudtarkar General Manager (Finance) & CFO (from 01.06.2019)	22.30*	N.A.	N.A.
4.	Shri Sanjay S Bhatt Company Secretary & GM (Legal & CC)	33.67*	(8.41%)	N.A.

\* The remuneration of the Managing Director and other Key Managerial Personnel [Executive Director (Finance) and CFO, General Manager (Finance) and CFO and Company Secretary] during the Financial Year 2019-20 are not comparable with Financial Year 2018-19 due to following reasons:

- The Remuneration of Shri P K Gera, IAS (Retd.), Managing Director includes Leave Salary & Pension Contribution, Leave Encashment as per the Order No. : AIS/42-2000/5501/G dated 30.11.2019 received from General Administrative Department, Government of Gujarat upon retirement from Indian Administrative Services (IAS) amounting to Rs. 46.90 Lakhs which is not considered for calculation of percentage increase in remuneration during the Financial Year. For calculation of Ratio of remuneration of each Director / to median remuneration of employees, remuneration of Rs. 31.59 Lakhs (i.e. excluding retirement benefits) is considered.
- The remuneration of Dr. H B Patel, Executive Director (Finance) & CFO includes retirement benefits of Rs. 40.96 Lakhs which includes salary, allowances, Company's contribution to provident fund, leave encashment, LTA, medical reimbursement, contribution of super annuation fund, group personal accident policy premium, monetary value of perquisites and gratuity at the time of retirement. Since, he ceased as Executive Director (Finance) & CFO of the Company w.e.f 31.05.2019, the percentage increase in remuneration in the Financial Year 2019-20 is not comparable and hence, not stated.
- Shri Vinayak Kudtarkar was appointed as General Manager (Finance) & CFO of the Company w.e.f 01.06.2019, before which he was serving as General Manager (Finance) of the Company and therefore, his remuneration as stated above includes remuneration as GM (Finance) from 01.04.2019 to 31.05.2019 and as CFO from 01.06.2019 to 31.03.2020. Since, he was appointed as General Manager (Finance) & CFO of the Company w.e.f 01.06.2019, the percentage increase in remuneration in the Financial Year 2019-20 is not comparable and hence, not stated.
- The remuneration of Shri S.S. Bhatt, Company Secretary, as stated above is not comparable due to release of variable incentive at higher performance rating, adhoc advance payment of variable incentive, benefit of new car policy and pay revision as per Company's policy, medical reimbursement availed in the year 2018-19 etc.

## NOTES

- The Remuneration of the Managing Director is decided by Government.
- Details for other Directors are not given as other Directors are paid only Sitting Fees for attending Board Meetings and the Committee Meetings. No other remunerations is paid to the Directors.

- (ii) The median remuneration of employees of the Company during the Financial Year was Rs.12.45 lakhs.
- (iii) In the Financial Year 2019-20, there was an increase of 3.83% in the median remuneration of employees.
- (iv) There were 1582 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2020.
- (v) Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstance for increase in the managerial remuneration :

The remuneration of Management and Non Management personnel is subject to revision every four years other than normal increment. The next revision shall be in the Financial Year 2021. Therefore, there is no direct relationship between performance of the Company and remuneration of employees except that in case of performance incentives to management employees. However, during the periodical revision of remuneration, the performance of the Company is taken into account. One of the criteria to evaluate the individual performance is "Organization Performance" in different grade of Management employees.

- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors (in case of Managing Director, the remuneration is decided by the Government), Key Managerial Personnel and other management personnel is as per the Company's Policy and for other non-management employees as per the settlement arrived with their employees union.

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

SR. No.	EMPLOYEE NAME	DESIGNATION OF EMPLOYEE	REMUNERATION RECEIVED (RS.)	QUALIFICATION & EXPERIENCE IN YEARS	DATE OF COMMENCEMENT OF EMPLOYMENT	AGE (YEARS)	LAST EMPLOYMENT HELD
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>PART - A (FULL YEAR)</b>				NIL			
<b>PART - B (PART OF THE YEAR)</b>							
1	ASHISH VACHHARAJANI	General Manager (Finance)	41,96,678	B.Com., CA, Dip. Basic Computer & 30	01.11.1990	57	Nil
2	RAJNIKANT PATEL	Manager (Process)	23,95,578	B.Sc.(Ind. Chem.) & 36	18.01.1996	59	Gujarat Petro Syntheses Ltd.
3	SATISHCHANDRA MISTRY	Master Tech. Gr. I (Instr.)	34,38,411	SSC, ITI (Inst. Mech.) & 38	02.02.1984	60	Nil
4	HASMUKHBHAI PATEL	Sr. Officer (Purchase)	28,60,574	B.Com., IPMM & 35	27.08.1986	60	Nil
5	KISHORBHAI MAKWANA	Master Tech. Gr. I (Instr.)	26,08,007	SSC, ITI (Inst. Mech.) & 38	01.02.1984	60	Nil
6	HASMUKHBHAI PATEL	Executive Director (Fin.)	48,03,155	B.Com. M.Com., PGD Co-operation, PGD Taxation Laws, FCA, Ph.D.& 40	30.07.2007	60	Gujarat Chemical Port Terminal Company Ltd.
7	SURESHCHANDRA PATEL	Master Tech. Gr. I (Mech.)	36,74,862	SSC, ITI (Mech.) & 38	09.02.1984	60	Nil
8	KALUBAVA PADHIYAR	Sr. Officer (Security)	26,05,003	BA & 38	16.01.1991	60	Guj. Indu. & Estate Secu. Services
9	ANILKUMAR SRIVASTAVA	Chief Manager (Research & Dept.)	52,92,698	M.Sc. (Org. Chem.) & 42	17.09.1986	60	Camphot & Allied Prod. Ltd.
10	RAJESHKUMAR SHETH	Chief Manager (Process)	50,01,519	B.Sc.(Chem.) & 39	11.10.1982	60	Nil
11	AMRITBHAI PRAJAPATI	Chief Manager (Process)	44,71,199	B.Sc.(Chem.) & 39	14.10.1982	60	Nil
12	GHANSHYAMBHAI PATEL	Chief Manager (QC)	43,01,669	B.Sc.(Chem.) & 38	05.04.1984	60	Nil
13	SHIVARAMBHAI PATEL	Sr. Foreman (Process)	33,12,412	HSC (Science) & 38	13.02.1995	60	Simalin Chem. Industry Ltd.
14	AMARSANG PADHIYAR	Shift In-charge (Mech.)	32,08,422	SSC, Certi. Automobile Engg. & 39	21.08.1981	60	Nil



15	RAJKUMAR PANDYA	Sr. Foreman (Elect.)	31,77,770	SSC, ITI (Elect.), Certi. Wireman & 40	24.03.1983	60	Bharat Chem. Laboratories
16	VISHNUBHAI PATEL	Sr. Laboratory Tech. Gr. I	30,17,379	SSC & 41	23.10.1984	60	Narmada Construction
17	KANUBHAI PARMAR	Head Laboratory Tech. (QC)	29,37,314	VIII <sup>th</sup> Std. & 37	02.05.1986	60	Nil
18	BHUPENDRA PATEL	Sr. Boiler Attendant Gr.	28,65,010	SSC, 1 <sup>st</sup> Class Boiler & 35	13.12.1995	60	Calico
19	GIRISHKUMAR PATEL	Sr. Peon (QC)	26,31,080	VII <sup>th</sup> Std. & 40	22.07.1980	60	Nil
20	NATHABHAI PATEL	Sr. Security Insp. Gr.I (Sec.)	26,20,673	BA & 40	01.05.1985	60	Security Services & Intelligence Bureau
21	RAJESH JOSHI	Chief Manager (Instr.)	55,84,579	Dip. Elect., Post Dip. Inst. Control & 41	13.10.1982	60	Calico
22	RAJUL GANDHI	Sr. Manager (Secl.)	52,84,280	B.Com., LLB & 41	11.06.1987	60	The Raipur Mfg. Company Ltd.
NOTE: THE AMOUNT OF "REMUNERATION" SHOWN ABOVE INCLUDES SALARY, ALLOWANCES, THE COMPANY'S CONTRIBUTION TO PROVIDENT FUND, LEAVE ENCASHMENT, LEAVE TRAVEL CONCESSION / LEAVE TRAVEL ASSISTANCE, MEDICAL REIMBURSEMENT, CONTRIBUTION TO SUPER ANNUATION FUND, GROUP PERSONAL ACCIDENT POLICY PREMIUM, MONETARY VALUE OF PERQUISITES ETC. GRATUITY IS CONSIDERED AS ACTUAL AT THE TIME OF RETIREMENT.							

None of the above employees is a relative of any Director of the Company.

#### DETAILS OF TOP 10 EMPLOYEES REMUNERATION (CTC) FOR FINANCIAL YEAR 2019-20

SR NO	EMPLOYEE NAME	DESIGNATION OF EMPLOYEE	REMUNERATION* (RS.)
1	G S PALIWAL	ED (MKTG.)	39,51,164
2	D C THAKUR	COMPLEX HEAD (DAHEJ)	31,41,000
3	S S BHATT	CS & GM ( LEGAL & CC)	30,69,628
4	P G PUJARA	ED (CPP)	29,81,000
5	D B JAIN	ADVISOR TO MD	28,97,250
6	H H SALOT	GM (ES)	28,09,123
7	D R BHATT	AGM (S, E & F)	27,89,716
8	R S PATIL	AGM (PROCESS)	27,75,597
9	T N TRIVEDI	GM (TS)	27,20,701
10	R D DESAI	AGM (CPP)	26,96,736

\*The above remuneration is Cost to the Company (CTC). However, actual remuneration drawn may differ due to various factors such as variable incentives, leave encashment availed, promotion, perks & benefits, reimbursement given by Company on actual basis etc.

**ANNEXURE – 6 to Board's Report****Form No. MGT-9****EXTRACT OF ANNUAL RETURN  
as on the Financial Year ended on 31<sup>st</sup> March, 2020**

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L24110GJ1973PLC002247
- ii) Registration Date : 29<sup>th</sup> March, 1973
- iii) Name of the Company : Gujarat Alkalies and Chemicals Limited
- iv) Category / Sub-Category of the Company : Company having Share Capital
- v) Address of the Registered Office and contact details : P.O.: Petrochemicals-391 346  
: Dist. Vadodara, Gujarat  
: Tel. No. : (0265) 6111000
- vi) Whether listed company Yes / No : Yes
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Private Limited  
B-102 & 103, Shangrila Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta,  
Akota, Vadodara - 390 020.  
Tel. No. : 0265 2356573  
E-mail ID : vadodara@linkintime.co.in  
Website : www.linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1	Caustic Soda Lye	The Company's operation falls under single segment viz. 'Chemicals' - NIC Code : 2411	29.60%
2	Caustic Soda Flakes		13.98%
3	Hydrogen Peroxide		10.83%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	GACL-NALCO Alkalies & Chemicals Private Limited GACL Corporate Building, P.O.: Petrochemicals-391 346, Dist.: Vadodara, Gujarat	U24100GJ2015PTC085247	Subsidiary	60%	2(87) of The Companies Act, 2013



#### IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

##### (i) Category-wise Share Holding

Category of Shareholders		No. of Shares held at the beginning of the year (as on 01.04.2019)				No. of Shares held at the end of the year (as on 31.03.2020)				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
[1]	<b>Indian</b>	0	0	0	0.00	0	0	0	0.00	0.00
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	21	0	21	0.00	21	0	21	0.00	0.00
(c)	Financial Institutions / Banks	7119028	0	7119028	9.69	0	0	0	0.00	-9.69
(d)	Any Other (Specify)									
	Bodies Corporate	26867261	0	26867261	36.59	33986289	0	33986289	46.28	9.69
	<b>Sub Total (A)(1)</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>0.00</b>
[2]	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>0.00</b>
<b>(B)</b>	<b>Public Shareholding</b>									
[1]	<b>Institutions</b>									
(a)	Mutual Funds	3529691	356	3530047	4.81	3148145	356	3148501	4.29	-0.52
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	1913921	0	1913921	2.61	1483698	0	1483698	2.02	-0.59
(f)	Financial Institutions / Banks	66318	678	66996	0.09	84295	678	84973	0.12	0.02
(g)	Insurance Companies	1423422	50	1423472	1.94	1883794	50	1883844	2.57	0.63
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Foreign Bank	138	634	772	0.00	135	134	269	0.00	0.00
	UTI	0	210	210	0.00	0	0	0	0.00	0.00
	<b>Sub Total (B)(1)</b>	<b>6933490</b>	<b>1928</b>	<b>6935418</b>	<b>9.44</b>	<b>6600067</b>	<b>1218</b>	<b>6601285</b>	<b>8.99</b>	<b>-0.45</b>
[2]	<b>Central Government/ State Government(s)/ President of India</b>									
	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
[3]	<b>Non-Institutions</b>									
(a)	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	8170735	1008259	9178994	12.50	8332567	876122	9208689	12.54	0.04
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1993449	0	1993449	2.71	2210605	0	2210605	3.01	0.30
(b)	NBFCs registered with RBI	8994	0	8994	0.01	100	0	100	0.00	-0.01
(c)	Employee Trusts	0	0	0	0.00	1000	0	1000	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	<b>Any Other (Specify)</b>									
	IEPF	207196	0	207196	0.28	225563	0	225563	0.31	0.03
	Trusts	436	52094	52530	0.07	436	52094	52530	0.07	0.00
	Cooperatives Societies	0	6902	6902	0.01	0	6377	6377	0.01	0.00
	Hindu Undivided Family	388986	0	388986	0.53	411331	0	411331	0.56	0.03
	Non Resident Indians	349401	2767	352168	0.48	431821	2749	434570	0.59	0.11
	Unclaimed Shares	1157	0	1157	0.00	1145	0	1145	0.00	0.00
	Clearing Member	74650	0	74650	0.10	52372	0	52372	0.07	-0.03
	Bodies Corporate	20246038	4136	20250174	27.57	20240916	4135	20245051	27.57	-0.01
	<b>Sub Total (B)(3)</b>	<b>31441042</b>	<b>1074158</b>	<b>32515200</b>	<b>44.28</b>	<b>31907856</b>	<b>941477</b>	<b>32849333</b>	<b>44.73</b>	<b>0.45</b>
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	<b>38374532</b>	<b>1076086</b>	<b>39450618</b>	<b>53.72</b>	<b>38507923</b>	<b>942695</b>	<b>39450618</b>	<b>53.72</b>	<b>0.00</b>
	<b>Total (A)+(B)</b>	<b>72360842</b>	<b>1076086</b>	<b>73436928</b>	<b>100.00</b>	<b>72494233</b>	<b>942695</b>	<b>73436928</b>	<b>100.00</b>	<b>0.00</b>
<b>(C)</b>	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Total (A)+(B)+(C)</b>	<b>72360842</b>	<b>1076086</b>	<b>73436928</b>	<b>100.00</b>	<b>72494233</b>	<b>942695</b>	<b>73436928</b>	<b>100.00</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	No. of Shares held at the beginning of the year (as on 01.04.2019)			No. of Shares held at the end of the year (as on 31.03.2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1	Government of Gujarat	21	0.00	0	21	0.00	0	0
2	Gujarat Industrial Invest. Corpn. Ltd.	7119028	9.69	0	7119028	9.69	0	0
3	Gujarat State Investments Ltd.	15329373	20.87	0	15329373	20.87	0	0
4	Gujarat Mineral Development Corp.Ltd.	4145433	5.64	0	4145433	5.64	0	0
5	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	1759996	2.40	0	1759996	2.40	0	0
6	Gujarat Industrial Development Corp.	2897740	3.95	0	2897740	3.95	0	0
7	Gujarat Maritime Board	2734719	3.72	0	2734719	3.72	0	0
	<b>Total...</b>	<b>33986310</b>	<b>46.28</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>0</b>	<b>0</b>

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	33986310	46.28	33986310	46.28
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc. ):	No Change	No Change	No Change	No Change
3	At the end of the year	33986310	46.28	33986310	46.28

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name and DP ID/CL ID of Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	%	No. of Shares	%
1	<b>IN300214/10229376</b> <b>LOK PRAKASHAN LTD</b>				
	a. At the beginning of the year	16215732	22.081		
	b. Changes during the year	0	0.000		
	c. At the end of the year			16215732	22.081
2	<b>IN30005410067359</b> <b>ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED</b> <b>A/C BIRLA SUN LIFE PURE VALUE FUND</b>				
	a. At the beginning of the year	2222419	3.026		
	b. Changes during the year				
	DATE	REASON			
	12.04.2019	ACQUIRED	51278	0.070	
	10.05.2019	ACQUIRED	3100	0.004	
	31.05.2019	ACQUIRED	5500	0.007	
	13.09.2019	ACQUIRED	6600	0.009	

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):  
(Contd.)

Sr. No.	Name and DP ID/CL ID of Shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	%	No. of Shares	%
	27.09.2019	ACQUIRED	40000	0.054		
	04.10.2019	ACQUIRED	30000	0.041		
	25.10.2019	ACQUIRED	7400	0.010		
	20.12.2019	ACQUIRED	4000	0.005		
	c. At the end of the year				2370297	3.228
3	<b>IN300450/10328205</b>					
	<b>GUJARAT STATE FERTILIZERS &amp; CHEMICALS LIMITED</b>					
	a. At the beginning of the year		1655040	2.254		
	b. Changes during the year		0	0.000		
	c. At the end of the year				1655040	2.254
4	<b>IN302927/10034403</b>					
	<b>SHRI SHREYANS SHANTILAL SHAH</b>					
	a. At the beginning of the year		1270407	1.730		
	b. Changes during the year					
	DATE	REASON				
	13.03.2020	SOLD	-32000	-0.044		
	20.03.2020	ACQUIRED	30585	0.042		
	27.03.2020	ACQUIRED	59415	0.081		
	c. At the end of the year				1328407	1.809
5	<b>IN301127/16005185</b>					
	<b>GUJARAT INDUSTRIES POWER COMPANY LTD</b>					
	a. At the beginning of the year		1103360	1.502		
	b. Changes during the year		0	0.000		
	c. At the end of the year				1103360	1.502
6	<b>IN300812/10001728</b>					
	<b>THE NEW INDIA ASSUARANCE COMPANY LIMITED</b>					
	a. At the beginning of the year		713498	0.972		
	b. Changes during the year					
	DATE	REASON				
	19.07.2019	SOLD	-1234	-0.002		
	18.10.2019	ACQUIRED	3554	0.005		
	25.10.2019	ACQUIRED	966	0.001		
	14.02.2020	ACQUIRED	409873	0.558		
	21.02.2020	ACQUIRED	47213	0.064		
	c. At the end of the year				1173870	1.598
7	<b>IN300812/10000029 - G0001328</b>					
	<b>GENERAL INSURANCE CORPORATION OF INDIA</b>					
	a. At the beginning of the year		709974	0.967		
	b. Changes during the year		0	0.000		
	c. At the end of the year				709974	0.967



**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**  
(Contd.)

Sr. No.	Name and DP ID/CL ID of Shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	%	No. of Shares	%
8	IN300142/10720922					
	BNP PARIBAS MUTUAL FUND A/C. MULTI CAP FUND					
	a. At the beginning of the year		358060	0.488		
	b. Changes during the year					
	DATE	REASON				
	10.05.2019	SOLD	-16299	-0.022		
	17.05.2019	ACQUIRED	5000	0.007		
	24.05.2019	ACQUIRED	10000	0.014		
	07.06.2019	SOLD	-9702	-0.013		
	28.06.2019	ACQUIRED	4500	0.006		
	02.08.2019	ACQUIRED	12500	0.017		
	06.09.2019	SOLD	-4059	-0.006		
	13.09.2019	SOLD	-5000	-0.007		
	20.09.2019	SOLD	-5000	-0.007		
	27.09.2019	ACQUIRED	10000	0.014		
	11.10.2019	ACQUIRED	2500	0.003		
	08.11.2019	SOLD	-10000	-0.014		
	27.12.2019	ACQUIRED	2000	0.003		
	17.01.2020	SOLD	-13200	-0.018		
	24.01.2020	SOLD	-6300	-0.009		
	07.02.2020	SOLD	-9178	-0.012		
	14.02.2020	SOLD	-5822	-0.008		
	21.02.2020	SOLD	-7000	-0.010		
	28.02.2020	SOLD	-18727	-0.026		
	06.03.2020	SOLD	-2273	-0.003		
	13.03.2020	SOLD	-16571	-0.023		
	20.03.2020	SOLD	-48686	-0.066		
	27.03.2020	SOLD	-26743	-0.036		
	c. At the end of the year				200000	0.272
9	IN300142/10720955					
	BNP PARIBAS MID CAP FUND					
	a. At the beginning of the year		303440	0.413		
	b. Changes during the year					
	DATE	REASON				
	05.04.2019	ACQUIRED	10000	0.014		
	10.05.2019	SOLD	-5299	-0.007		
	17.05.2019	ACQUIRED	11028	0.015		
	24.05.2019	ACQUIRED	15000	0.020		
	07.06.2019	SOLD	-9019	-0.012		
	21.06.2019	ACQUIRED	10000	0.014		
	28.06.2019	ACQUIRED	3000	0.004		
	12.07.2019	ACQUIRED	3700	0.005		

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):  
(Contd.)

Sr. No.	Name and DP ID/CL ID of Shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	%	No. of Shares	%
	19.07.2019	ACQUIRED	5300	0.007		
	06.09.2019	SOLD	-2150	-0.003		
	13.09.2019	SOLD	-5000	-0.007		
	27.09.2019	ACQUIRED	10000	0.014		
	11.10.2019	ACQUIRED	2500	0.003		
	18.10.2019	ACQUIRED	2500	0.003		
	08.11.2019	SOLD	-10000	-0.014		
	29.11.2019	ACQUIRED	5000	0.007		
	06.12.2019	ACQUIRED	4500	0.006		
	27.12.2019	ACQUIRED	3000	0.004		
	03.01.2020	ACQUIRED	7500	0.010		
	10.01.2020	ACQUIRED	9000	0.012		
	17.01.2020	SOLD	-7800	-0.011		
	07.02.2020	SOLD	-1200	-0.002		
	21.02.2020	SOLD	-1000	-0.001		
	28.02.2020	SOLD	-2000	-0.003		
	06.03.2020	SOLD	-29200	-0.040		
	13.03.2020	SOLD	-27409	-0.037		
	20.03.2020	SOLD	-45000	-0.061		
	c. At the end of the year				260391	0.355
10	<b>IN300054/10040054</b>					
	<b>DIMENSIONAL EMERGING MARKETS VALUE FUND</b>					
	a. At the beginning of the year		294784	0.401		
	b. Changes during the year					
	DATE	REASON				
	05.04.2019	SOLD	-4873	-0.007		
	12.04.2019	SOLD	-1768	-0.002		
	26.04.2019	SOLD	-4825	-0.007		
	03.05.2019	SOLD	-4679	-0.006		
	10.05.2019	SOLD	-7346	-0.010		
	17.05.2019	SOLD	-11555	-0.016		
	21.06.2019	ACQUIRED	1801	0.002		
	28.06.2019	ACQUIRED	1445	0.002		
	05.07.2019	ACQUIRED	3070	0.004		
	12.07.2019	ACQUIRED	1446	0.002		
	06.09.2019	ACQUIRED	565	0.001		
	13.09.2019	ACQUIRED	1945	0.003		
	13.12.2019	SOLD	-1933	-0.003		
	20.12.2019	SOLD	-1940	-0.003		
	10.01.2020	SOLD	-1748	-0.002		
	17.01.2020	SOLD	-2854	-0.004		
	31.01.2020	SOLD	-3987	-0.005		





**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**  
(Contd.)

Sr. No.	Name and DP ID/CL ID of Shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	%	No. of Shares	%
	14.02.2020	SOLD	-8496	-0.012		
	21.02.2020	SOLD	-2008	-0.003		
	28.02.2020	SOLD	-4492	-0.006		
	06.03.2020	SOLD	-2098	-0.003		
	13.03.2020	SOLD	-2530	-0.003		
	20.03.2020	SOLD	-3761	-0.005		
	c. At the end of the year				234163	0.319
11	<b>1203330000617277</b>					
	<b>SAL CARE PRIVATE LIMITED</b>					
	a. At the beginning of the year		281300	0.383		
	b. Changes during the year		0	0.000		
	c. At the end of the year				281300	0.383
12	<b>IN30005410097032</b>					
	<b>ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE RESURGENT INDIA FUND - SERIES 6</b>					
	a. At the beginning of the year		221458	0.302		
	b. Changes during the year					
	DATE	REASON				
	26.04.2019	ACQUIRED	30000	0.041		
	06.12.2019	ACQUIRED	7200	0.010		
	13.12.2019	ACQUIRED	11755	0.016		
	c. At the end of the year				270413	0.368
13	<b>IN30005410013410</b>					
	<b>EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF D</b>					
	a. At the beginning of the year		255341	0.348		
	b. Changes during the year					
	DATE	REASON				
	14.06.2019	ACQUIRED	8359	0.011		
	21.06.2019	ACQUIRED	1634	0.002		
	28.06.2019	ACQUIRED	3231	0.004		
	26.07.2019	ACQUIRED	3168	0.004		
	02.08.2019	ACQUIRED	1964	0.003		
	06.03.2020	SOLD	-2310	-0.003		
	20.03.2020	SOLD	-5143	-0.007		
	27.03.2020	SOLD	-195	0.000		
	c. At the end of the year		266049	0.362		

**Note:** We have mentioned details of top 13 Shareholders since during the F.Y. 2019-20 some of them were reflected in top 10 Shareholders' list.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of Directors and Key Managerial Personnel	At the beginning of the year (as on 01.04.2019)	% of Total Shares of the Company	Date wise Increase / Decrease in the Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	At the end of the year (as on 31.03.2020)	% of Total Shares of the Company
1	Dr. J N Singh, IAS (Retd.) (Chairman) (upto 06.12.2019)	0	0	NotApplicable	0	0
2	Shri Anil Mukim, IAS (Chairman) (w.e.f. 11.12.2019)	0	0	NotApplicable	0	0
3	Shri Arvind Agarwal, IAS (Director) (upto 09.12.2019)	0	0	NotApplicable	0	0
4	Shri M K Das, IAS (Director)	0	0	NotApplicable	0	0
5	Shri Pankaj Joshi, IAS (Director) (wef 27.12.2019)	0	0	NotApplicable	0	0
6	Shri J N Godbole (Independent Director) (upto 30.05.2019)	0	0	NotApplicable	0	0
7	Dr. Rajiv I Modi (Independent Director) (upto 01.10.2019)	0	0	NotApplicable	0	0
8	Shri Rohitbhai J Patel, (Independent Director) (w.e.f. 27.11.2019)	0	0	NotApplicable	0	0
9	Shri S B Dangayach, (Independent Director) (w.e.f. 09.08.2019)	0	0	NotApplicable	0	0
10	Shri Rajiv Lochan Jain (Independent Director)	0	0	NotApplicable	0	0
11	Smt. Vasuben N. Trivedi (Independent Director)	0	0	NotApplicable	0	0
12	Shri P K Gera, IAS (Retd.) (Managing Director)	0	0	NotApplicable	0	0
13	Dr. H B Patel (Chief Financial Officer) (upto 31.05.2019)	100	0.0001	15.11.2019 <sup>^</sup>	0	0
14	Shri Vinayak Kudtarkar (Chief Financial Officer) (w.e.f. 01.06.2019)	0	0	NotApplicable	0	0
15	Shri Sanjay S Bhatt (Company Secretary)	0	0	NotApplicable	0	0

<sup>^</sup> Dr. H B Patel, CFO retired due to attaining superannuation on 31.05.2019. He has sold all his shares on 15.11.2019.

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31<sup>st</sup> March, 2020

[Rs. in Lakhs]

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i) Principal Amount	24,452.74	0.00	0.00	24,452.74
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	183.68	0.00	0.00	183.68
<b>Total (i+ii+iii)</b>	<b>24,636.42</b>	<b>0.00</b>	<b>0.00</b>	<b>24,636.42</b>
Change in Indebtedness during the financial year				
Addition	0.00	0.00	0.00	0.00
Reduction	-4,255.12	0.00	0.00	-4,255.12
Net Change	-4,255.12	0.00	0.00	-4,255.12
<b>Indebtedness at the end of the Financial Year</b>				
i) Principal Amount	20,268.13	0.00	0.00	20,268.13
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	113.17	0.00	0.00	113.17
<b>Total (i+ii+iii)</b>	<b>20,381.30</b>	<b>0.00</b>	<b>0.00</b>	<b>20,381.30</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**
**F.Y. 2019-20**

Sr. No.	Particulars of Remuneration	Shri P K Gera, IAS, (Retd.) Managing Director
		Rs.
1	GROSS SALARY	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	31,26,440.00
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	32,400.00
	(c) Profits in lieu of salary u/s 17(3) of Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	- as a % of profit	
	- Others, specify	
5	Others (retiral benefits):	
	Leave salary , Pension Contribution & LTC	46,90,268.00
	<b>TOTAL...A</b>	<b>78,49,108.00</b>

Ceiling as per the Act.(@5% of Net Profit of Rs. 49,077.86 Lakhs as per Section 197 of the Act) Rs.2453.89 Lakhs

**B. Remuneration to Other Directors**

The Company pays only Sitting Fees to Other Directors for each meeting of the Board or Committee thereof attended by them.

**F.Y. 2019-20**

Sr. No.	Name	Sitting Fees paid		
		For Board Meetings (Rs.)	For Committee Meetings (Rs.)	Total (Rs.)
1	Dr. J N Singh, IAS (Retd.) (upto 06.12.2019)	30000.00	20000.00	*50,000.00
2	Shri Anil Mukim, IAS (w.e.f 11.12.2019)	20000.00	10000.00	*30,000.00
3	Shri Arvind Agarwal, IAS (upto 09.12.2019)	20000.00	40000.00	*60,000.00
4	Shri Pankaj Joshi, IAS (w.e.f 27.12.2019)	10000.00	10000.00	*20,000.00
5	Shri M K Das, IAS	10000.00	10000.00	*20,000.00
6	Shri J N Godbole (upto 30.05.2019)	10000.00	60000.00	#70,000.00
7	Dr. Rajiv I Modi (upto 01.10.2019)	0.00	0.00	@0.00
8	Shri Rajiv Lochan Jain	60000.00	220000.00	#2,80,000.00
9	Smt. Vasuben Trivedi	60000.00	180000.00	#2,40,000.00
10	Shri S B Dangayach (w.e.f 09.08.2019)	40000.00	80000.00	#1,20,000.00
11	Shri Rohitbhai J Patel (w.e.f 27.11.2019)	20000.00	30000.00	#50,000.00
	<b>TOTAL...B</b>	<b>2,80,000.00</b>	<b>6,60,000.00</b>	<b>9,40,000.00</b>
	Commission	NIL		
	Others, please specify	NIL		
	<b>Total Managerial Remuneration (A + B)</b>	<b>Rs. 87,89,108.00</b>		
	<b>Overall ceiling as per the Act</b>	<b>Rs. 2,453.89 Lakhs</b>		

\* Sitting Fees deposited in Government Treasury and hence, TDS not deducted.

# 10% TDS deducted.

@ Dr. Rajiv I Modi, Independent Director had voluntarily not claimed sitting fees.

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD**
**F.Y. 2019-20**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Dr. CA. H B Patel ED (Finance) & CFO Rs. (upto 31.05.2019)	Shri S S Bhatt CS & GM (Legal & CC) Rs.	Shri V R Kudtarkar (CFO & GM) Rs. (w.e.f. 01.06.2019)	Total Rs.
1	GROSS SALARY				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	7,04,723.00	31,97,041.00	21,29,791.00	60,31,555.00
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	1,814.00	15,016.00	4,233.00	21,063.00
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as a % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify				
	- Co. Contribution to PF	34,083.00	1,50,814.00	96,421.00	2,81,318.00
	- Co. Superannuation	16,666.00	5,004.00		21,670.00
	- Other Retiral benefits	40,45,869.00	-	-	40,45,869.00
	<b>TOTAL</b>	<b>48,03,155.00</b>	<b>33,67,875.00</b>	<b>22,30,445.00</b>	<b>1,04,01,475.00</b>

**VII PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
<b>A. COMPANY</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		



## ANNEXURE – 7 to Board's Report

### DIVIDEND DISTRIBUTION POLICY

#### 1. INTRODUCTION

The Securities and Exchange Board of India (SEBI), on July 8, 2016, has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 and inserted new Regulation 43A after the Regulation 43 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Regulation 43A states that top five hundred listed companies based on market capitalization (calculated as on 31st March of every financial year) shall formulate Dividend Distribution Policy, which shall be disclosed in their annual reports and on their websites.

#### 2. OBJECTIVE AND SCOPE

The Company became one of the top five hundred listed companies as per the market capitalization as on 31st March, 2017 as per the requirements under Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Therefore, the Company has formulated Dividend Distribution Policy which is approved by the Board of Directors at its 361st meeting held on 26th May, 2017.

#### 3. DEFINITIONS

“**Act**” means the Companies Act, 2013 and Rules framed thereunder, including any amendments, modifications, clarifications or re-enactment thereof.

“**Board of Director or Board**” means Board of Directors of the Company.

“**Company**” means Gujarat Alkalies and Chemicals Limited.

“**Dividend**” means Dividend as defined under the Companies Act, 2013.

“**Policy**” means this Dividend Distribution Policy.

“**Listing Regulations**” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any amendments, modifications, clarifications or re-enactment thereof.

#### 4. APPLICABILITY AND EFFECTIVE DATE

This Policy shall be applicable to the Company with effect from the date of its approval by the Board, i.e. 26th May, 2017.

This Policy shall not apply to –

- a. Determination and declaring dividend on preference shares, if any, to be issued by GACL at a later date, as the same will be as per the terms of issue to be approved by the shareholders;
- b. Distribution of dividend in kind i.e. Issue of bonus shares or other securities by the Company;
- c. buyback of equity shares.

#### 5. STATUTORY REQUIREMENTS

The Board while taking decision of a dividend payout during a particular financial year, will comply with the statutory requirements including the Companies Act, 2013 and rules made thereunder.

Further, the Board of Directors will also take a decision to declare/recommend dividend after taking into account the Profits of the Company after providing depreciation as per the provisions of the Companies Act, 2013 and after transferring to the reserves such amount as may be required under Law and/or as may be considered appropriate by the Board.

In case of Interim Dividend, the profits as per the unaudited results for/up to the last quarter (after providing depreciation as per the Companies Act, 2013) which have been approved by the Board and for which limited review as per “Listing Regulations” has been carried out shall be considered. The Board will also take into consideration, the perception of the management with regard to, likely profits in the remaining part of the Financial Year, the prevailing and likely future prices of the products, future capital expenditure plans, likely maturity of short term liabilities/investments etc.



## 6. INTERNAL AND EXTERNAL FACTORS

The Board decision in respect of dividend payout or retention of profits will, inter-alia, be based on the following factors:

### Internal Factors:

- i. Profits earned during the year and profits available for distribution;
- ii. Operating cash flow of the Company;
- iii. Past performance and dividend history of the Company;
- iv. Return on capital invested;
- v. Earning Per Share;
- vi. Capital expenditure requirements for future expansion plans / projects of the Company;
- vii. Additional investments in subsidiaries / associates;
- viii. Resources required for acquisition of business / brand or joint venture formation;
- ix. Provisions for contingencies;
- x. Cost of borrowings and outstanding loans;
- xi. Any other factors as may be deemed fit by the Board.

### External Factors:

- i. Economic environment;
- ii. Global conditions;
- iii. Statutory provisions;
- iv. Taxation and other regulatory matters.

## 7. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Shareholders of the Company may or may not expect dividend under following circumstances:

- (i) Whenever the Company undertakes or proposes to undertake expansion project / plan which requires significant amount of capital investments;
- (ii) When the Company undertakes any acquisition or joint venture or restructuring;
- (iii) When the Company plans to utilise surplus cash for buy-back of its securities;
- (iv) When the Company plans to build-up its reserves for future business plans;
- (v) Circumstances which affect the free cash flow position of the Company;
- (vi) In the event of absence of profits or inadequacy of profits;
- (vii) Such other factors as the Board may consider appropriate to declare or not to declare the dividend.

## 8. MANNER OF UTILIZATION OF RETAINED EARNINGS

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company will be based on the following factors:

- Strategic and long term plans of GACL;
- Diversification & expansion opportunities;
- Revamp of ageing plants and for achieving better energy efficiency;
- Non-fund based need of GACL, its Subsidiary and Joint Ventures which may require GACL to have healthy consolidated balance sheet;
- Any other criteria which the Board of GACL may consider appropriate.

## 9. PARAMETERS TO BE ADOPTED WITH REGARD TO VARIOUS CLASSES OF SHARES

The Company has presently issued only one class of equity shares with equal voting rights. The policy will be revisited at the time of issue of any new class of shares depending upon the nature and guidelines thereof.

## 10. POLICY REVIEW AND AMENDMENTS

This Policy will be subject to modification in accordance with the guidelines / clarifications as may be issued by the Regulatory Authorities. The Board of Directors may modify, add, delete or amend any of the provisions of this Policy.

## MANAGEMENT DISCUSSION AND ANALYSIS

### AN OVERVIEW OF INDIAN ECONOMY - INDUSTRY STRUCTURE AND DEVELOPMENTS

#### Indian Economy during 2019-20

India's Gross Domestic Product (GDP) during the Financial Year 2019-20 was 4.2% as compared to 6.1% in previous year, the lowest since 2008-09. Manufacturing, construction and electricity declined sharply. Manufacturing shrank 1.4% in the fourth quarter as factories shut toward the end of March. Agriculture and public administration grew 5.9% and 10.1%, respectively. Construction contracted 2.2% while the financial sector, usually one of the fastest-growing, saw only a 2.4% rise. Gross Fixed Capital Formation (GFCF), an indicator of investment, shrank 6.4% in the March quarter.

A nationwide lockdown was imposed on March 25, 2020 due to Covid-19 pandemic. However, business activities had begun grinding to a halt a few weeks before the formal lockdown. In view of nationwide lockdown, various industries like coal, cement, steel, natural gas, refinery, chemical, crude oil etc. experienced substantial loss of production. The core sector reduced by a record 38.1% in April, 2020 as the lockdown hit the entire economy. During the Financial Year 2019-20, core industries recorded only 0.6% growth against 4.4% in the Financial Year 2018-19.

#### Outlook

While the Government has gradually eased restrictions, economic activities were muted in April and May 2020, also dented by the issue of migrant labour. The Government has unveiled a Rs. 20 lakh crore relief package that includes liquidity measures taken by the Reserve Bank of India (RBI) to counter the impact of the lockdown. The RBI has cut rates twice to record lows besides providing liquidity support and regulatory relief. The measures announced to support MSMEs will help small business across all the sectors.

India has moved 14 places to be 63<sup>rd</sup> among 190 nations in the World Bank's ease of doing business in 2020 ranking. The Country was 77<sup>th</sup> among 190 Countries in the previous ranking last year. The report assess improvement in ease of doing business environment in Delhi and Mumbai.

#### INDIAN CHLOR-ALKALI INDUSTRY AT A GLANCE

There are 32 active Chlor-Alkali Units in India. The production of Caustic Soda during the Financial Year 2019-20 has been 34.32 lakhs MTPA as against the total installed capacity of approx. 46.90 lakhs MTPA i.e. capacity utilization is approx. 73.18%. As against this, during the same period, GACL has produced 4.36 lakhs MTPA against the installed capacity of 4.12 lakhs MTPA and achieved capacity utilization of 105.80%.

The products of Chlor-Alkali industry are the basic raw materials for various industries like Alumina, Paper & Pulp, Soaps & Detergents, Dyes, Pharmaceuticals, Water Treatment chemicals, Pesticides & other agrochemicals etc.

The additional capacity expansion during Financial Year 2019-20 was approx. 4.12 lakhs MTPA in India, mainly because of expansion of existing Plants.

The Chlorine supplies to major customer through pipeline at Vadodara has been continuing approx. 90 MTPD for their requirement. This has not only eased the problem of Chlorine disposal, but has also helped in maximizing Caustic Soda production and consequent increase in down-stream value added products. Chlorine demand in various other sectors was also satisfactory and has resulted into achieving more than 100% capacity utilization at our Dahej & Vadodara Plants.

#### THE CAUSTIC SODA MARKET SCENARIO

We are a multi-product Company, having more than 36 products in our basket, yet the major revenues are coming from Caustic Soda Group and therefore, market scenario of Caustic Soda and Chlorine is of utmost importance to us.

The installed capacity of Caustic Soda in the country is about 46.90 lakhs MTPA as on 31.03.2020 as compared to 42.78 lakhs MTPA as on 31.03.2019. The total installed capacity of 46.90 lakhs MTPA is based on Membrane Cell Technology. The Membrane Cell process is energy efficient as the power requirement is much less and is in the range of 2150-2200 kwh/MT as compared to Mercury Cell where it is around 3150-3300 kwh/MT. GACL has the advantage of having its entire production from Membrane Cell. However, now all the medium & large-scale Chlor-Alkali units in India have converted their plants to Membrane Cell Technology.

#### ABOUT GACL

The Company was established in 1973 and over a period of time, it has emerged as one of the largest producers of Caustic Soda in India with present installed production capacity of 4,12,500 MT of Caustic Soda as on 31<sup>st</sup> March, 2020 and enjoys the economies of scale. The Company has about 12% share in the domestic Caustic Soda market.

Your Company has implemented elaborate Environment Management System (EMS) Occupational Health & Safety (OH & S) plan and has embarked on continual improvement. Your Company has achieved ISO 9001:2015, ISO 14001:2015 and BS/OHSAS 18001:2007 Integrated Management System Certificates and Energy Management 50001:2011 Certificate in its pursuit for excellence and sustainable growth.

The Quality Policy of the Company reflects its emphasis and commitments. Since inception, the Company has from time to time, expanded its operations in Chlor-Alkali Sector and also diversified into several higher end products, through forward & backward integrations. GACL was the first Indian Company to replace the Mercury Cell Technology with environment friendly and energy efficient Membrane Technology way back in the year 1989.

GACL has always ensured upgrading and adapting to eco-friendly and green technologies while it ensured optimum

capacity utilization during Financial Year 2019-20 at its Dahej Complex. The Company has achieved capacity utilization of more than 100% in some of the plants/products viz. Caustic Soda Lye (106%), Chloromethanes (103%), Hydrogen Peroxide (103%), Phosphoric Acid (105%), Aluminium Chloride (101%) & Stable Bleaching Powder (101%). Being a chemical manufacturing Company, GACL carries its passion for protecting the environment at every stage of its operations, keeping in view the interests of Customers, Shareholders, Employees, Society, other Stakeholders and Mother Nature.

The Company's products basket comprises of more than 36 products including Caustic Soda (Lye, Flakes / Prills), Liquid Chlorine, Hydrochloric Acid, Chloromethanes, Hydrogen Peroxide, Caustic Potash (Lye & Flakes), Potassium Carbonate, Aluminium Chloride, Phosphoric Acid, Chlorinated Paraffin, Poly Aluminium Chloride (various grades), Chlorotoluene, Sodium Chlorate etc. The major revenues are derived from Caustic Soda Group and therefore, Caustic Soda and Chlorine market scenario has a wide impact on the Company's performance.

The Company's products are used by various industries viz. Textiles, Pulp & Paper, Soaps & Detergents, Alumina, Water Treatment, Petroleum, Plastics, Fertilizers, Pharmaceuticals, Agrochemicals, Plant Protection, Dyes & Dyes Intermediates, refrigeration gases, epoxy etc. and it has marked its presence across the globe even against stiff international competition by exporting its world class products viz. Caustic Soda Flakes, Caustic Soda Prills, Potassium Carbonate, Potassium Hydroxide Flakes, Hydrogen Peroxide, Liquid Chlorine, Phosphoric Acid, Aluminium Chloride, PAC, Hydrochloric Acid and CPW to Europe, West Asia, South East Asia, Africa, Middle East/Far East, SAARC countries etc.

During the year, the Company has commissioned 10.80 TPD Anhydrous Sodium Sulphate Plant, 50 TPD Anhydrous Aluminium Chloride Plant, 45 TPD Stable Bleaching Powder Plant and Waste Water Treatment Plant at Dahej Complex and 20 MW Solar Power Plant at Charanka, Dist. Patan, Gujarat.

Production of Caustic Soda by electrolysis process is highly power intensive and the Company devised a sustainable strategy to meet its growing energy demands. Besides 90 MW Gas based Captive Co-generation Power Plant and participation in a 145 MW Joint Captive Gas based Power Plant of GIPCL, the Company has taken major initiative for green energy by setting up Wind Farms for a total installed capacity of 171.45 MW as on 31<sup>st</sup> March, 2020. During the Financial Year 2019-20, the Company has also taken up 20 MW Solar Power Project for captive use, which was commissioned in September, 2019 in phased manner. The aggregate Solar Power capacity of the Company had increased to 35 MW during the year. With this, the aggregate renewable energy capacity increased to 206.45 MW including 171.45 MW of Wind Power capacity.

#### **BUSINESS, OPERATIONS & FINANCIAL PERFORMANCE**

The total production of the products of the Company has increased by 4.44% to 16,62,843 MT during the Financial Year 2019-20 from 15,92,093 MT in previous year. The production

of Caustic Soda Lye / Flakes / Prills, Chloromethanes, Potassium Hydroxide, Potassium Carbonate, KOH Flakes, Hydrogen Peroxide (100%), Phosphoric Acid (85%), Poly Aluminium Chloride (18%) and Stable Bleaching Powder has increased during the Financial Year 2019-20 as compared to the previous year.

However, the production of Aluminium Chloride, Chlorinated Paraffin Wax, Chloro Toluene Products and Sodium Chlorate, has decreased during the Financial Year 2019-20 as compared to the previous year.

During the Financial Year 2019-20, the Company on Standalone basis has achieved Net External Sales of Rs.2,654.20 Crores as against Rs.3,102.32 Crores in the previous year.

The Other Operating Income, for the Financial Year 2019-20 had been Rs.70.39 crores, as compared with Rs.59.06 crores for the previous year and the Other Income increased to Rs.89.78 crores as compared with Rs.60.77 crores for the previous year. The Other Income includes Rs.73.53 crores towards interest income and Rs.15.26 crores for receipt of dividend.

The Company could achieve Earning Per share of Rs.45.32 as on 31.03.2020, as compared to Rs.93.91 per share as on 31.03.2019. Cash Earning Per share was Rs.88.98 as on 31.03.2020, as compared to Rs.157.28 per share as on 31.03.2019. Book value of Share has improved to Rs.541.31 per share as on 31.03.2020, as compared to Rs.505.26 per share as on 31.03.2019. The Return on Capital Employed achieved at 12.62% as on 31.03.2020, as compared to 28.77% as on 31.03.2019. During the year, the Company has decreased its total debts level to Rs.202.68 crores as on 31.03.2020 as compared to Rs.244.52 crores as on 31.03.2019, which resulted into further improvement in the Debt : Equity ratio to 0.04 : 1 as on 31.03.2020, as compared to 0.05 : 1 as on 31.03.2019.

The overall Raw Material expenses have increased to Rs.912.65 crores as compared to Rs.860.96 crores for the previous year, mainly due to increase in production of captive power plant and increase in production and procurement cost of various raw materials like Salt, Soda Ash, Alumina Tryhydrate Powder, KCL Salt, Amyl Alcohol, Rock Phosphate, other auxiliary chemicals etc. Electricity charges have decreased by 9.40% to Rs.470.87 crores during the Financial Year from Rs.519.72 crores in the previous year mainly due to favourable quantity variance & favourable price variance.

The cost of Fuel, Natural Gas and Water charges increased to Rs.112.34 crores during the Financial Year from Rs.109.79 crores in the previous Financial Year due to increase in basic price of water charges. Employees' remuneration has increased to Rs.243.90 crores during the Financial Year as compared with Rs.206.96 crores in previous year due to normal increment, provisioning requirement as per Ind AS 19 and provision of Rs.24.49 crores towards contribution for shortfall in the value of investments of GACL EPF Trust. Depreciation and amortization expense has increased to Rs.161.83 crores during the financial year as compared to Rs.139.97 crores in the

previous year due to full year depreciation on the plants commissioned during the previous year and on routine capitalization and depreciation on commissioning of 10.80 TPD Anhydrous Sodium Sulphate Plant, 50 TPD Anhydrous Aluminium Chloride Plant, 45 TPD Stable Bleaching Powder Plant and 20 MW Solar Power Plant during the Financial Year. Other expenses have increased by 7.97% to Rs.387.37 crores during the Financial Year from Rs.358.79 crores of the previous year. Finance Cost has decreased to Rs.14.04 crores during the Financial Year from Rs.20.94 crores of the previous year.

EBIDTA has decreased to Rs.667.49 crores in Financial Year 2019-20 from Rs.1,175.93 crores in the previous year. The Profit after finance cost but before depreciation and amortization (Cash Profit) has decreased to Rs.653.45 crores in Financial Year 2019-20 from Rs.1,154.99 crores in the previous year. Your Company has achieved Profit Before Tax of Rs.491.62 crores for the Financial Year 2019-20 as compared to Rs.1,015.02 crore of the previous year. The Profit After Tax for the year decreased to Rs.332.84 crores as compared to Rs. 689.65 crores of the previous year.

At Consolidated Level, EBIDTA has decreased to Rs.666.74 crores during the year 2019-20 from Rs.1,177.16 crores in previous year. Consolidated Profit Before Tax has decreased to Rs.490.87 crores during the Financial Year 2019-20 from Rs.1,016.25 crores in previous year. Consolidated Profit After Tax has decreased to Rs.332.09 crores during the Financial Year 2019-20 from Rs.690.19 crores in previous year.

### KEY FINANCIAL RATIOS

Key Financial Ratios (Standalone) for the Financial Year ended 31<sup>st</sup> March, 2020, are provided here-below :

Ratio	Unit	FY 2019-20	FY 2018-19	% Inc. / (Dec.)
Debtors Turnover	Times	6.16	6.97	(11.62)
Inventory Turnover	Times	8.67	7.80	11.15
Interest Coverage	Times	47.54	56.15	(15.33)
Current Ratio	Times	2.60	3.17	(17.98)
Debt Equity Ratio	Times	0.04	0.05	(20.00)
Operating Profit Margin	%	25.15	37.90	(12.75)
Net Profit Margin	%	12.54	22.23	(9.69)
Return on Net Worth	%	8.66	20.34	(11.68)

Return on Net Worth has decreased by 11.68% mainly due to decrease in PAT by 51.74% as compared to 7.13% growth in Net Worth.

### RESEARCH AND DEVELOPMENT

In order to have a competitive edge in the Dynamic Business Environment, the R&D activities are being carried out to develop a synergy between the present line operations and futuristic need of organization. The prime focus has been on new products and process development, environment friendly technologies, waste utilization, process improvement, product quality and to achieve total customer satisfaction.

During the year under review, we could successfully develop a product viz. crystalline Calcium Nitrate Tetrahydrate from liquid waste generated from Phosphoric Acid Plant and we have applied for the Indian Patent. The Company is also working on waste generate from the other plants like, Caustic Soda, Poly Aluminum Chloride and Hydrogen Peroxide Plant. The R&D Department is also working to monitor the process and quality of imported raw materials in order to have better control on the process.

The work on cooling water treatment including the technical support in respect of corrosion and microbiological growth monitoring was carried out successfully. The R& D Department provided necessary technical support to the various Departments, which resulted in to the overall fruitful benefits.

### EXPANSION AND DIVERSIFICATION

The Company has taken up various projects for expanding its current product lines by putting up additional capacities through new plants. The Company has expanded the capacity to produce Stable Bleaching Powder (SBP) and Anhydrous Aluminium Chloride (AAC) by putting up 15,000 TPA SBP Plant and 16,500 TPA AAC Plant at Dahej Complex during the Financial Year 2019-20.

A new 1,05,000 TPA Chloromethanes Plant, 33,870 TPA Phosphoric Acid Plant, 10,000 TPA of Hydrazine Hydrate Plant and expansion of existing Caustic Soda Plant from 785 TPD to 1,310 TPD along with a 65 MW Coal based Power Plant are at various stages of implementation at Dahej.

The Company has formed a Joint Venture with M/s. National Aluminium Company Ltd. (NALCO) for putting up a new 800 TPD Caustic Soda Plant integrated with a 130 MW Coal based Power Plant at Dahej. The JV Company (GACL-NALCO Alkalies & Chemicals Pvt. Ltd.) (GNAL) was incorporated in December, 2015 and the project is under implementation at new complex, D-II/9 at Dahej. The Scheduled Commercial Operation Date of the Plant has been affected due to Covid-19 pandemic and the Plant is expected to be operational during the first quarter of the Financial Year 2021-22.

Due to complete stoppage of activities at offices, sites and equipment manufacturing shops for more than two months on account of COVID-19 pandemic, the project completion schedules are likely to be adversely affected. All efforts are being made to minimize the adverse impact.

In order to continue promoting Green technology and to meet the Solar Renewable Purchase Obligations, the Company had taken up another 20 MW Solar Power Project at site Charanka, Patan, which was commissioned in September, 2019 in phased manner. The aggregate Solar Power Capacity of the Company has increased to 35 MW, and aggregate renewable energy capacity to 206.15 MW, including 171.45 MW of Wind Power Capacity.



## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The operations of the Company are under one segment only i.e. Chemical Manufacturing. The total production of all the products of the Company has increased by 4.44% to 16,62,843 MT during the Financial Year 2019-20 from 15,92,093 MT in previous year.

Product-wise production details are given in back side of the cover page of the Annual Report. Further, the quantitative product-wise data relating to production and sales for last ten years are also given in the Annual Report.

## OPPORTUNITIES & THREATS, RISKS & CONCERNS

The strengths of the Company are economies of scale, state of the art eco-friendly technologies, extensive usage of renewable energy, integrated down stream plants, strong network for Marketing and Distribution, In-house Research and Development facilities, proximity to major raw material source and markets etc. Economical power supply has remained a major area of concern for the Company, however, during the year under review, the power cost has decreased as compared to previous year due to decrease in power generation cost from Captive Power Plant (on account of decrease in prices of Natural Gas) and decrease in power cost from GUVNL.

The Company has followed a business plan for growth and sustained performance. The Company has continued to concentrate both on top line and bottom line. The increase in Other Operating Income by 19.18%, increase in Other Income by 47.74%, decrease in Finance Costs by 32.95%, decrease in Net External Electricity Charges by 9.40%, decrease in Job Work / Processing charges by 1.48%, decrease in Packing Materials cost by 5.31% are the major factors contributing to the profitability of the Company, during the Financial Year 2019-20. However, due to decrease in Net Sales, Increase in Raw Material Cost, Employee benefit expenses, Depreciation & Amortisation expense, Water and Other Expenditure, the profitability of the Company for the year under review was affected.

The manpower of the Company with high morale and motivation always endeavours to bring better results. In next 1 to 2 years, considerable numbers of employees will retire from services of the Company due to superannuation.

The Company is operating in a competitive market both in domestic and international sector. However, the impact of appreciation of USD on the cost of imported materials such as Rock Phosphate and Potassium Chloride etc. are the areas of concern. To augment its power resources with eco-friendly renewable energy in 2019-20, the Company's total Wind Energy Generation Capacity has now gone up to 171.45 MW. The Company has also set up 35 MW Solar Power Projects for captive use.

## Dispute with Delhi Jal Board

An investigation was conducted by the Director General of the Competition Commission of India (CCI) against the Company, for alleged contravention of the provisions of Section 3(1) read with Section 3 (3) (d) of the Competition Act, 2020, in respect of sales of chemical product to Delhi Jal Board (DJB). The Competition Commission of India (CCI) vide its Order dated 5<sup>th</sup> October, 2017 imposed penalty of Rs.1.88 Crores. The Company had filed an Appeal before the NCLAT challenging the order of the CCI. The Hon'ble NCLAT through its Order dated 4<sup>th</sup> December, 2017 granted stay on the operation of the impugned order of the CCI subject to a deposit of 10% of the penalty amount. The DJB has filed its reply to the appeal. The Company has also filed its Rejoinder to the Reply of the DJB. The Company believes that it did not indulged in any such activity.

## ECB LOAN

To part finance the cost of the expansion, the Company has from time to time availed following financial assistance by way of External Commercial Borrowing (ECB) instead of Rupee Term Loan with a view to minimize the interest outgo. These ECB Loans are not hedged, there being natural hedge available due to exports and considering low risk profile of the Company:

1. ECB loan of US \$ 30 Million equivalent to Rs.190.20 crores from The Hongkong and Shanghai Banking Corporation Limited (HSBC Bank) in Financial Year 2015-16, carries interest rate of LIBOR plus 1.80% p.a. This loan is secured by plant and machinery of 31 MW Wind Farm Project at Dist. Rajkot and Kachchh, Gujarat and Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat. It has to be repaid in 10 equal half yearly installments from 07.01.2018.
2. ECB loan of US \$ 20 Million equivalent to Rs.133.25 crores from ICICI Bank Limited in Financial Year 2016-17, carries interest rate of LIBOR plus 1.68% p.a. This loan is secured by plant and machinery of 14.7 MW Wind Farm Project at Dist. Porbandar, Gujarat, 915 numbers Cell Elements at Ranoli Dist. Vadodara, Gujarat and 440 numbers Cell Elements at Dahej, Dist. Bharuch, Gujarat. It has to be repaid in 15 equal half yearly installments from 10.09.2017.

## RISK MANAGEMENT

The Company has constituted Internal Risk Management Committee comprising of Senior Executives of the Company who are heading respective departments viz. Finance, Manufacturing, Marketing, Purchase, Project, Safety, Information Technology, HR, Secretarial and Legal functions. The Managing Director is the Chairman of the Internal Risk Management Committee. The Internal Risk Management Committee reports to the Managing Director and the risks identified by the said Committee along with proposed mitigation actions are discussed periodically with the Managing Director.



As per the Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), every Company (top 500 listed companies by market capitalization w.e.f. 01.04.2019) is required to constitute a Risk Management Committee of Directors, which may also include the Senior Executives of the Company, however, the majority should be the Directors. The Chairperson of the Risk Management Committee shall be Member of the Board of Directors of the Company.

As a part of good Corporate Governance practice, the Company has constituted the Risk Management Committee of Directors w.e.f. 11<sup>th</sup> February, 2016. Shri Rajiv Lochan Jain has been appointed as the Chairman of the said Committee w.e.f. 28<sup>th</sup> September, 2018. As on 31<sup>st</sup> March, 2020, below are the Members of the Risk Management Committee :

1. Shri Rajiv Lochan Jain, Chairman;
2. Shri S B Dangayach; and
3. Shri P K Gera, IAS (Retd.).

The said Risk Management Committee was renamed as “Risk Management-cum-Safety Committee” w.e.f. 10<sup>th</sup> November, 2016 by the Board. The existing Internal Risk Management Committee of Senior Executives of the Company continues to function. Out of the various risks identified by the Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by the Risk Management-cum-Safety Committee, the Audit Committee and by the Board of Directors. A Report on the steps taken to mitigate those critical risks is also submitted to the Risk Management-cum-Safety Committee, Audit Committee and the Board of Directors.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has in place adequate internal financial controls commensurate with the size and nature of its business. The Company periodically reviews the internal financial controls in the light of new statutes, changes in business models, adoption of new technology solutions and suggestions for improvements received from employees. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

For all amendments to Accounting Standards and the new standards notified, the Company carries out a detailed analysis and presents the impact on accounting policies, financial results including revised disclosures to the Audit Committee. The Approach and changes in policies are also validated with the Statutory Auditors.

The Company has a stated process and periodicity for physical verification of its inventory and fixed assets. Any variances are analysed and accounted post necessary approvals.

The Company gets its financial statements reviewed every quarter by its Statutory Auditors. The accounts of GNAL are

audited and certified by their Statutory Auditors for consolidation.

None of the auditors of the Company have reported any fraud as specified under second proviso of Section 143 (12) of the Companies Act, 2013 including any statutory modifications or re-enactments thereof for the time being in force.

#### **OUTLOOK**

The Company deals in marketing of Caustic Soda (Lye, Flakes & Prills), Liquid Chlorine, Hydrochloric Acid, Chloromethanes, Hydrogen Peroxide, Caustic Potash (Lye & Flakes), Potassium Carbonate, Aluminum Chloride, Phosphoric Acid, Chlorinated Paraffin, Poly Aluminum Chloride (various grades), Chloro-Toluene, Sodium Chlorate etc. All the Plants are integrated in such a way that part of finished product of one plant is consumed as a raw material in other plant to produce further value added products.

The Company, thus, enjoys some leverage over its competitors because of its integration philosophy. As a value addition to Hydrochloric Acid, the Company had commissioned Poly Aluminum Chloride (PAC) at Vadodara and therefore, we are able to capture sizable domestic market for various grades of PAC. The physical export of PAC Powder has also been increased, wherein realisations are promising.

The production of Stable Bleaching Powder (SBP) has been maximized, as a value addition to Chlorine at Dahej Complex. Because of the quality, consistent efforts for branding our SBP against existing brands and regional penetration in North & South market, we are successful in selling SBP among various segments like Water Treatment Plants, Disinfectants, Aquaculture etc. across India.

Moreover, additional capacity of Chloromethanes Plant is now on stream towards captive consumption as well as value addition for Chlorine. We are successful in seizing the additional market for additional availability of MDC & Chloroform.

In addition to this, captive consumption of Hydrogen Gas is maximized through newly expanded Hydrogen Peroxide Plant, which is also fetching additional value addition.

Further, the Company has successfully optimized its Sodium Chlorate Plant at Dahej, which finds applications primarily in Paper & Pulp Industry for “Elemental Chlorine Free Bleaching”.

Gujarat is predominantly an industrial state, which contains a number of large, medium & small business units in the Chemicals, Petrochemicals, Plastics, Textile and Fertilizer & other Industries. As part of market development, the emphasis is to interact with customers and develop new market for the products. Providing prompt after sales service as & when required is part of this strategy and this helps the Company to increase its volume especially for new products.

GACL is also exporting many of its products viz. Caustic Soda Flakes, Caustic Soda Prills, Potassium Carbonate, Potassium

Hydroxide Flakes, Hydrogen Peroxide, Phosphoric Acid, Liquid Chlorine, Aluminum Chloride, PAC, Hydrochloric Acid and Chlorinated Paraffin Wax to Europe, West Asia, South-East Asia, Africa, Middle-East/Far East, SAARC countries etc.

The Company is facing import threats and dumping of various products at low prices, which affects its capacity utilization, prices etc. and is pro-actively taking corrective action for imposition of Anti Dumping Duty within the WTO guidelines.

The Company continued to cater the market of Eastern India & accordingly, the Company had successfully executed supplies to M/s. NALCO and M/s. VEDANTA in the tune of approx. 40,590 MT & 7,705 MT, respectively.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

GACL has taken pro-active approach for various activities to increase Export volume, revenue and the development of new export markets for existing & new products.

In the current Financial Year also, the Company targets at wider markets for export of various products with the help of Company's accreditation of ISO 9001, 14001, 18001 & 50001 as also registration of Benzyl Alcohol with 'REACH' while for Poly Aluminium Chloride registration have been made with NSF International, USA.

The details of foreign exchange earnings and outgo during the Financial Year 2019-20 are part of Board's Report at Annexure - I.

### SAFETY & ENVIRONMENT

Our commitment to safety and preservation of environment has been encompassed in our "Quality, Health, Safety, Environment and Energy (QHSE En) Policy".

The Company has implemented elaborate Environment Management System (EMS) Occupational Health & Safety (OH & S) plan and has embarked on continual improvement. TUV (India) Pvt. Ltd. has granted ISO 9001:2015, ISO 14001: 2015 and BS/OHSAS 18001:2007 Integrated Management System certificates and Energy Management 50001:2011 Certificate to the Company. The Company has continued its emphasis on safety awareness not only for its employees and contract labourers but also for customers handling our products and communities in neighbourhood of our plants. The Company regularly organizes Public awareness programs in surrounding villages emphasizing the importance of safety and focusing on industrial hazards. Safety awareness programme for the employees as well as for contract workers are also organized regularly. The Company has also adopted a unique concept of "Plant Healthiness Check-up" to identify and address weakness of the manufacturing facility.

The Company has also its Emergency Planning and Response (ERP) system to minimize effect of any Emergency situations. Preparedness and response to this ERP is checked periodically by conducting various Mock-drills.

Adequate steps have been taken for pollution control, green belt development etc. besides due compliance with statutory requirements for the protection of environment. In Vadodara Complex, green belt has been developed and maintained in 25 acres of land. The Company has also developed and maintained about 24,000 sq. mts. green area including lawn gardens in the Plant area. In the field of water conservation, GACL has installed wastewater recycling RO Plant for converting wastewater into reusable water. Daily 400 to 500 M<sup>3</sup> of wastewater is treated and converted to reusable water which is recycled back in the plant.

In Dahej Complex, large area has been covered by development and maintenance of green belt, landscaping, flora & fauna, rainwater harvesting and natural ponds. The Company has rolled out the construction of facility for recycling part of its liquid effluent stream, using ZLD principle in Dahej Complex. The Company has undertaken water conservation by channelizing Cooling Tower Water Spillage, treated sewage and drip irrigation. Nearly 22,406 nos. of trees have been planted and 18.71 acre green belt has been developed.

The Company has sent hazardous waste for co-processing to provide AFT (Alternate Fuel) and Raw Material for Cement Industries via pre-processing at third party.

The canteen and garden waste is being converted in to organic manure through in-house vermi-composting facility on regular basis at both the Complexes.

GACL is one of the Promoters of Vadodara Enviro Channel Ltd. (VECL). VECL was formed by various nearby industries for the purpose of common effluent treatment and safe disposal in sea. Thus, entire liquid effluents of Vadodara & Coelho Complex are being disposed off through VECL.

VECL had received closure notice from Gujarat Pollution Control Board (GPCB) for not complying to water quality parameters. On receipt of the said notice, VECL had filed case in High Court asking to maintain status-quo as VECL has taken all the necessary steps coming in its preview. Hon'ble High Court, after examining all documents submitted by VECL, had advised GPCB to maintain status-quo till further order. VECL has also submitted action plan and Bank Guarantee under protest. Subsequently, VECL had submitted application for revocation of the GPCB Closure Order also and paid Bank Guarantee of Rs.55 lakhs under protest. VECL has given its action plan to improve the quality of liquid effluent being discharged by member industries in the conveying channel. The matter is sub-judice.

### CORPORATE SOCIAL RESPONSIBILITY

During the year under review, your Company has continued to fulfil its Corporate Social Responsibilities to enhance Human Development Index (HDI) by undertaking thematic activities viz. (a) Education and related activities (b) Special Children



(c) Healthcare, Hygiene and Sanitation (d) Livelihood activities (e) Art, Culture and Heritage (f) Water conservation and Environment.

Promoting inclusive growth has been a priority for GACL from both a social and business perspective. The Company strives to make a difference to its customers, to the society and to the nation's development directly through its products and services, as well as through its development initiatives and community outreach.

During the Financial Year 2019-20, the Company had carried out various CSR activities. For details on various CSR activities carried out during the Financial Year 2019-20, kindly refer Annexure -2 of Board's Report i.e. Annual Report on CSR activities.

#### **MATERIAL DEVELOPMENT IN HUMAN RESOURCES**

The Company's Human Resource Department formulates strategies and executes human resource policies and practices that produce the employee competencies and behaviours the company needs to achieve.

The Company has necessary Succession Plan in place for Senior Management Personnel.

Human Resource Development Management plays a strategic role in managing people, the workplace culture and positive environment. It contributes greatly to the overall performance of the Company and the accomplishment of its business objectives. Human Resource helps in the development of organizational culture and climate in which employees have the commitment to serve the organization to fulfil its goals.

Human Resource improves the Company's bottom line with its knowledge & competency of how human capital affects organizational success. It participates in corporate decision making that underlies current staffing assessments and projections for future workforce based on business demand.

The Company's HR department is having People first philosophy hence has its' eyes set on acquiring the right talent and providing career development opportunities to right talent. The high-performing culture among employees helps to

achieve superior results. It starts by setting clear Organization Targets, Business goals, defining responsibilities and maintaining a trusting environment, and encouraging employees to continuously grow and reinvent themselves.

HR training and development focuses on developing new skillsets like critical thinking and problem solving, initiative and entrepreneurship, assessing and analyzing information, innovation, curiosity and imagination. During the Financial Year 2019-20, the Company had achieved remarkable record of total 33,000 training hours.

#### **INFORMATION TECHNOLOGY**

It has always been endeavour of GACL to continuously thrive by aligning and using Information Technology to achieve the excellence of Business Operations and its strategies. For better integration of its Business Processes and Controls, the Company has in place the benchmarking ERP – "SAP Systems". Also, the Organization has built the robust and secured IT infrastructure enabling availability of required information for decision making to all its stakeholders.

IT Systems are constantly updated, upgraded and expanded to facilitate the ease of doing business for all its stakeholders.

#### **CAUTIONARY STATEMENT :**

*The Company assumes no responsibility in respect of forward looking statements, expectations and assumptions herein which may undergo changes in future on the basis of subsequent development, information, or unforeseen circumstances or force majeure events. This shall not be considered as investment guidance or advice or invitation. The readers are advised to make their own independent assessment and judgement.*

For and on behalf of the Board

**Sd/-  
(ANIL MUKIM, IAS)  
CHAIRMAN**

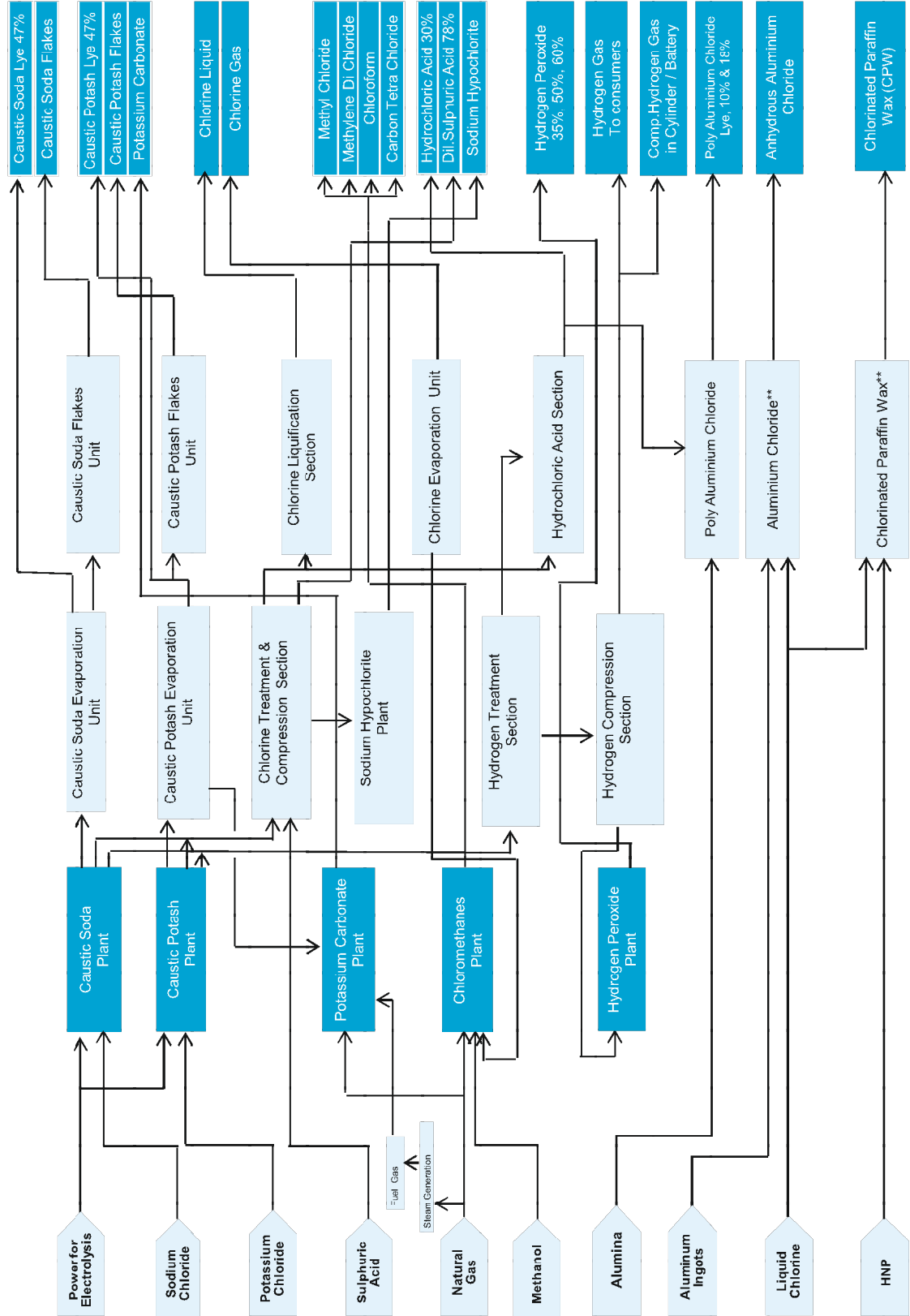
Place : Gandhinagar

Date : 20.08.2020

## QUANTITATIVE DATA FOR TEN YEARS :

PARTICULARS	UNIT	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>PRODUCTION :</b>											
CAUSTIC SODA LYE	MT	436445	432407	403090	403847	384925	383834	379846	364733	383690	415124
CAUSTIC SODA FLAKES	MT	123754	122267	108214	125994	127376	124531	134593	137958	143809	166705
CAUSTIC SODA PRILLS	MT	17596	11330	8595	5981	9104	9237	17406	14976	16747	20822
CHLORINE GAS / LIQUID	MT	406039	398762	372361	372420	355921	353295	348380	333206	354942	382713
HYDROCHLORIC ACID (30%)	MT	324769	310216	374675	377866	341220	338211	326429	303920	273522	293329
CAUSTIC POTASH LYE	MT	30615	24761	24087	23120	23540	20915	18728	15906	23722	23596
POTASSIUM CARBONATE	MT	8782	7872	7870	8512	8058	5912	7001	6476	10553	11945
CAUSTIC POTASH FLAKES	MT	16983	13508	13263	12115	13323	13025	10234	7867	11891	11841
CHLOROMETHANES	MT	58020	51325	32742	36097	38000	38530	37888	34417	36026	35626
SODIUM CYANIDE	MT	-	-	-	-	102	1549	1898	1844	2644	2635
PHOSPHORIC ACID (85%)	MT	27700	27555	27418	27517	27392	25732	25075	24125	23191	23645
HYDROGEN PEROXIDE (100%)	MT	55819	48414	45017	45318	43028	38127	29039	31329	27465	26304
ALUMINIUM CHLORIDE	MT	37417	37494	35085	33887	31265	29573	29189	23823	25542	27249
CALCIUM CHLORIDE	MT	-	-	-	-	-	6889	9169	8204	8822	8789
POLY ALUMINIUM CHLORIDE (18%)	MT	66198	51919	37989	35775	33481	30022	27792	25903	28638	28972
CHLORINATED PARAFFIN WAX	MT	5370	5621	3572	3267	3911	7860	8004	8577	7862	6943
CHLOROTOLUENE PRODUCTS	MT	10010	11606	9134	8451	7873	6570	6154	4821	4107	1649
STABLE BLEACHING POWDER	MT	17107	17030	16200	12830	10108	8999	9006	6456	3304	139
SODIUM CHLORATE	MT	19200	20006	20118	17575	11570	4977	22	-	-	-
ANHYDROUS SODIUM SULPHATE	MT	1019	-	-	-	-	-	-	-	-	-
POWER GENERATION	MU KWH	458.06	365.99	361.86	336.00	258.56	199.82	354.68	475.33	633.14	730.82
POWER GENERATION - WIND FARM	MU KWH	366.95	387.15	357.76	340.38	259.28	207.63	173.79	184.54	164.13	153.58
POWER GENERATION - SOLAR	MU KWH	44.11	19.08	-	-	-	-	-	-	-	-
<b>SALES :</b>											
CAUSTIC SODA LYE	MT	283701	293465	271296	268563	244492	237720	222274	193874	211060	215028
CAUSTIC SODA FLAKES	MT	122587	122462	108332	125884	128870	125811	136076	135119	144648	165938
CAUSTIC SODA PRILLS	MT	17843	11089	8120	5954	9146	9764	16828	15481	16553	20617
CHLORINE GAS / LIQUID	MT	315864	315744	261712	276816	273103	268066	265875	257897	283552	305886
HYDROCHLORIC ACID(30%)	MT	288589	277197	336680	343044	302874	301045	291099	270689	230671	251508
CAUSTIC POTASH LYE	MT	7110	5049	5208	4231	3828	3637	2886	3420	3419	2613
POTASSIUM CARBONATE	MT	9066	7624	8128	8627	7152	6414	6379	7250	10061	12196
CAUSTIC POTASH FLAKES	MT	17290	13188	13573	12299	12983	13104	10041	8401	11677	11747
CHLOROMETHANES	MT	58478	50379	33715	35786	37923	39990	39360	32401	34916	35377
SODIUM CYANIDE	MT	0	0	0	0	280	1448	1854	1911	2407	2648
PHOSPHORIC ACID (85%)	MT	28066	27636	28154	27180	27029	27228	24312	25656	22491	24051
HYDROGEN PEROXIDE (100%)	MT	55953	48410	44132	45264	43856	37735	28932	31018	27824	25871
ALUMINIUM CHLORIDE	MT	37886	36759	35358	35066	31112	29988	29095	25114	23607	25966
CALCIUM CHLORIDE	MT	0	0	0	0	1500	7376	8799	8995	8300	8809
POLY ALUMINIUM CHLORIDE	MT	65778	48651	36584	37774	35337	29647	28394	26530	30013	31345
CHLORINATED PARAFFIN WAX	MT	5268	5592	3688	3259	3798	8410	7501	8611	7783	7158
HYDROCHLORIC ACID - CP	MT	8609	8980	5936	5559	6489	13193	13595	14559	12837	11682
BENZYL CHLORIDE	MT	4475	4744	3391	3467	2955	2698	2447	2067	1718	1172
BENZYL DEHYDE	MT	1946	1654	1555	1364	1170	968	744	547	366	178
BENZYL ALCOHOL	MT	4488	4421	4433	3649	3519	3062	2704	2626	1455	165
HCL FROM HBC	MT	14472	15971	13033	12087	14710	11701	12024	7164	2772	1797
SODIUM CHLORATE	MT	18850	20151	20121	17667	11389	4879	-	-	-	-
STABLE BLEACHING POWDER	MT	17137	16949	16203	12990	9981	8998	8984	6476	3131	74
ANHYDROUS SODIUM SULPHATE	MT	1068	-	-	-	-	-	-	-	-	-
POWER TO GRID	MU KWH	50.01	40.87	38.93	7.83	10.21	5.91	13.26	33.90	28.64	34.13
SALES VOLUME (EXCL. INTER-UNIT)	Rs./Cr.	2654.20	3102.32	2417.70	2020.25	1955.97	1931.81	1882.85	1794.31	1698.22	1423.17

# VADODARA COMPLEX WITH UNIQUE - PRODUCT MIX



**Finished Products**  
**\*\* By Job Work**

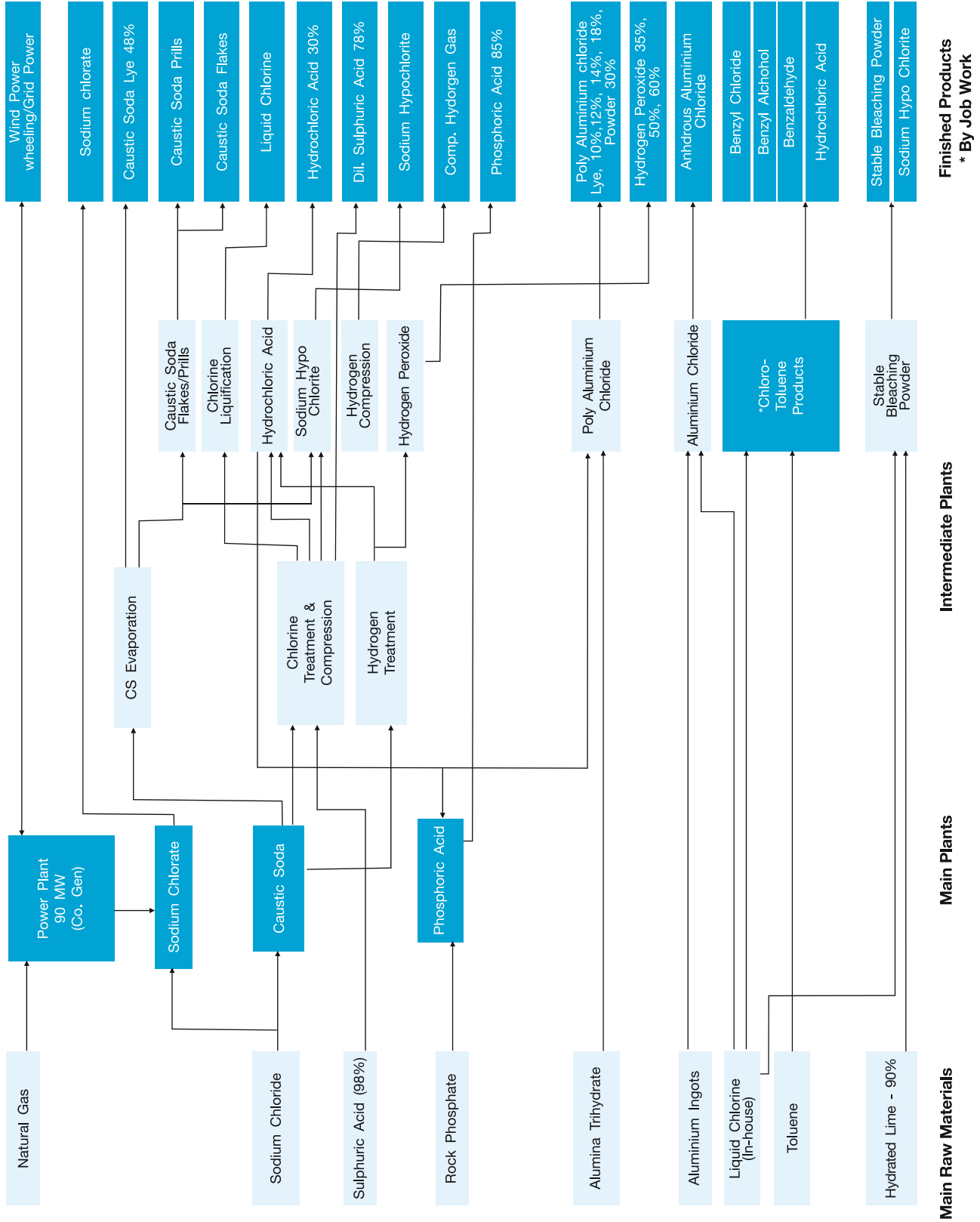
**Main Plant**

**Intermediate Plants**

**Main Raw Material**



# DAHEJ COMPLEX WITH UNIQUE - PRODUCT MIX





## STANDALONE FINANCIAL HIGHLIGHTS OF TEN YEARS:

PARTICULARS	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>OPERATING RESULTS</b> [Rs. in Lakhs]										
GROSS INCOME / TOTAL REVENUE	2,81,437	3,22,215	2,61,964	2,35,844	2,26,462	1,99,707	1,92,632	1,83,330	1,72,274	1,44,669
EBIDTA	66,749	1,17,593	89,244	50,554	38,007	32,287	40,373	51,402	41,129	28,127
FINANCE COSTS	1,404	2,094	1,490	1,283	993	933	635	834	2,053	2,117
DEPRECIATION AND AMORTIZATION EXPENSE	16,183	13,997	12,732	11,092	10,744	9,806	15,065	15,152	15,115	13,312
PROFIT/(LOSS) BEFORE INVESTMENT										
ALLOWANCE RESERVE & TAXATION	49,162	1,01,502	75,022	38,178	26,270	21,548	24,673	35,416	23,961	12,698
PRIOR PERIOD ADJUSTMENTS (NET)	-	-	-	-	-	-	18	14	20	(13)
OTHER EXCEPTIONAL ITEM	-	-	-	-	-	-	-	1,719	1,599	-
PROFIT/(LOSS) BEFORE TAX	49,162	1,01,502	75,022	38,178	26,270	21,548	24,655	33,683	22,342	12,711
<b>PROVISION FOR TAXATION :</b>										
- CURRENT INCOME TAX-MAT	-	-	-	8,140	5,425	4,333	-	-	-	2,387
- DEFERRED INCOME TAX	3,444	4,456	3,335	4,424	4,003	(1,195)	1,358	882	1,139	(307)
- PROVISION FOR TAXATION INCLUDING WEALTH TAX	12,357	26,938	18,481	-	-	-	6,730	10,238	5,842	-
- MAT CREDIT ENTITLEMENT	-	-	-	(5,196)	(5,147)	(4,333)	-	-	-	(799)
- EXCESS PROVISION FOR INCOME TAX OF EARLIER YEARS WRITTEN BACK	77	1,143	(296)	-	-	(43)	(1,935)	(972)	-	-
PROFIT/(LOSS) AFTER TAX	33,284	68,965	53,502	30,810	21,989	22,786	18,502	23,535	15,361	11,430
OTHER COMPREHENSIVE INCOME	3,879	(15,808)	(2,498)	16,035	(76)	-	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>37,163</b>	<b>53,157</b>	<b>51,004</b>	<b>46,845</b>	<b>21,913</b>	<b>22,786</b>	<b>18,502</b>	<b>23,535</b>	<b>15,361</b>	<b>11,430</b>
<b>SOURCES AND APPLICATION OF FUNDS</b> [Rs. in Lakhs]										
<b>SOURCE OF FUNDS :</b>										
SHARE CAPITAL	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344
RESERVES & SURPLUS	4,52,407	4,22,322	3,74,919	3,28,334	2,85,467	2,67,531	1,89,029	1,73,963	1,53,435	1,40,634
BORROWINGS (NET)	13,924	18,751	23,414	29,118	22,522	9,238	15,589	21,065	31,144	35,216
OTHER LONG TERM LIABILITIES	69	-	-	-	-	-	-	1,781	1,628	857
LONG TERM PROVISIONS	10,421	9,688	9,071	8,050	7,030	6,464	4,936	4,275	2,672	2,710
DEFERRED TAX (NET)	52,522	44,591	35,098	30,642	32,537	33,348	33,632	33,471	32,589	31,450
<b>TOTAL FUNDS EMPLOYED</b>	<b>5,36,687</b>	<b>5,02,696</b>	<b>4,49,846</b>	<b>4,03,488</b>	<b>3,54,900</b>	<b>3,23,925</b>	<b>2,50,530</b>	<b>2,41,899</b>	<b>2,28,812</b>	<b>2,18,211</b>
<b>APPLICATION OF FUNDS :</b>										
FIXED ASSETS (GROSS)	3,70,676	3,09,787	2,68,988	2,44,571	2,00,897	3,63,654	3,44,305	3,42,157	3,17,665	2,98,149
DEPRECIATION	65,176	49,017	33,375	22,151	10,507	1,90,880	1,79,825	1,65,716	1,53,390	1,41,260
FIXED ASSETS (NET)	3,05,500	2,60,770	2,35,613	2,22,420	1,90,390	1,72,774	1,64,480	1,76,441	1,64,275	1,56,889
INVESTMENTS	1,24,414	1,06,634	1,14,716	1,01,716	85,467	84,426	18,184	17,233	16,108	15,620
LONG TERM LOANS AND ADVANCES	2,260	2,264	2,030	2,049	1,989	1,948	18,388	3,436	10,763	9,968
OTHER NON-CURRENT ASSETS	19,957	22,671	17,606	17,319	22,883	19,277	2,126	4,158	2,742	2,231
CURRENT ASSETS (NET)	84,556	1,10,357	79,881	59,984	54,171	45,500	47,352	40,631	34,924	33,503
<b>TOTAL FUNDS APPLIED</b>	<b>5,36,687</b>	<b>5,02,696</b>	<b>4,49,846</b>	<b>4,03,488</b>	<b>3,54,900</b>	<b>3,23,925</b>	<b>2,50,530</b>	<b>2,41,899</b>	<b>2,28,812</b>	<b>2,18,211</b>
DEBT EQUITY RATIO	0.04 : 1	0.05 : 1	0.08 : 1	0.11 : 1	0.10 : 1	0.03 : 1	0.08 : 1	0.12 : 1	0.20 : 1	0.24 : 1
<b>AMOUNT PER EQUITY SHARE OF RS.10/-</b> [In Rs.]										
EARNING PER SHARE	45	94	73	42	30	31	25	32	21	15
SALES PER SHARE	361	422	329	275	266	263	256	244	231	194
DIVIDEND	8.00	8.00	6.50	5.00	4.50	4.50	4.00	3.50	3.00	3.00
BOOK VALUE	541	505	418	350	313	369	263	242	214	197
MARKET PRICE :										
HIGH	595	792	932	434	210	237	222	217	167	146
LOW	180	416	380	162	143	155	141	115	119	106

## CORPORATE GOVERNANCE REPORT

The disclosure report on compliance of Corporate Governance in accordance with the provisions contained in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46, 34(3) and Schedule V Para C, D, E and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") is set out below:

### A. MANDATORY REQUIREMENTS

#### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

At Gujarat Alkalies and Chemicals Ltd. (GACL), the Corporate Governance philosophy stems from the belief that good and sound Corporate Governance practices are necessary for sustainable business that aims at generating long-term value for all the stakeholders. As a value-driven organization, it has adopted a transparent, ethical and robust Governance framework, which helps to enhance efficiency as an important catalyst in driving business growth across all parameters and boosts stakeholders' confidence. Our Corporate Governance principles are fairness, transparency, ethical processes and good practices. The core values of the organization include Safety & Environment, Quality, Trust, Social Responsibility, Leadership and Excellence.

GACL recognizes the importance of transparency and integrity in dealing at all levels. The Company believes that the goodwill resulting from implementing a code of business ethics will, in perpetuity, translate into economic gains. Stakeholders rate on higher scale those companies that are managed properly and have better Corporate Governance, which ensures the optimum usage of the human, physical and financial resources of an enterprise. We have integrated ethics into our corporate culture and we concentrate on putting appropriate Corporate Governance mechanisms in place. The Company has intertwined the ethical and social elements with its operating philosophy business model. The Corporate Social Responsibility of the Company is the unmistakable deliberate inclusion of public interest into corporate decision making and honoring the Mother Nature besides the interests of the other stakeholders. The Company achieves its objective of being socially responsible through sustainable business practices, by meeting or exceeding the expectations of all its stakeholders, including neighboring villages.

#### 2. BOARD OF DIRECTORS:

##### 2.1 COMPOSITION OF THE BOARD :

The Board of Directors of the Company comprises of total Eight (8) Directors as on 31<sup>st</sup> March, 2020. The Managing Director is an Executive and Non-Independent Director. All other Directors are Non-Executive Directors out of which, four (4) Directors are Independent Directors including one Woman Independent Director.

The Board, as on 31.03.2020 comprise of members, who have accounting or related financial management expertise, chemical expertise and expertise in the field of management & administration. Other members are IAS officers having vast experience in various areas.

The Brief Profiles of the Directors on Board as on 31<sup>st</sup> March, 2020 are as under:

**Shri Anil Mukim, IAS, Chairman:** Shri Anil Mukim, IAS is the Chief Secretary of Gujarat State. He has done Graduation in Commerce and Law. He joined the Indian Administrative Service (IAS) in 1985. He held many important portfolios including Collector & District Magistrate, Vadodara, Bhavnagar & Kutch-Bhuj, Addl. Principal Secretary to Hon'ble Chief Minister; Municipal Commissioner, Ahmedabad, Principal Secretary, Revenue Department, Additional Chief Secretary, Health & Family Welfare Department, Additional Chief Secretary, General Administrative Department and Additional Chief Secretary, Finance Department with Government of Gujarat.

He has also held several positions at Government of India, including Joint Secretary, Ministry of Commerce & Industry, CVO, Housing & Urban Development Corporation and Secretary, Ministry of Mines. He has wide corporate experience and held Directorships on the Board of various distinguished Companies.

In addition to his responsibility as Chief Secretary of the State, he is also Chairman of Gujarat State Petroleum Corporation Limited, Gujarat Alkalies & Chemicals Limited, Gujarat Narmada Valley Fertilizers & Chemicals Limited, Gujarat Maritime Board and Managing Director of Gujarat State Petronet Limited.

Directorships in other Listed Companies as on 31.03.2020 :

Sr. No.	Name of the Company	Position
1.	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	Chairman
2.	Gujarat State Petronet Ltd.	Chairman and Managing Director

**Shri Pankaj Joshi, IAS:** Shri Pankaj Joshi, is a Senior IAS Officer, with distinguished academic background of B. Tech in Civil Engineering, M. Tech in Water Resource Engineering, IIT, New Delhi and M.Phil in Defence & Strategic Studies.

Having joined the Indian Administrative Service in 1989, he has held various important positions in the Government of Gujarat in various departments like Land Revenue, Personnel and General Administration, Urban Development and Education Department for about 20 years. He has also worked with the Union Government in various Departments like Urban Development, Social Justice and Empowerment, Public Transport etc. for about 6 years. He has wide experience at the senior level in the public administration and policy in various areas. He was Principal Secretary, Energy & Petrochemicals Department, Government of Gujarat. Presently, he is Additional Chief Secretary, Finance Department, Government of Gujarat.

He is also Director on the Board of Gujarat State Fertilizers & Chemicals Limited, Gujarat State Petroleum Corporation Limited, Sardar Sarovar Narmada Nigam Limited, Gujarat International Finance Tec-City Company Ltd, Gujarat State Petronet Limited, Gujarat Metro Rail Corporation (GMRC) Limited, Managing Director of Gujarat State Financial Services Limited and Chairman of Gujarat State Investment Limited.

Directorships in other Listed Companies as on 31.03.2020 :

Sr. No.	Name of the Company	Position
1.	Gujarat State Petronet Ltd.	Director
2.	Gujarat State Fertilizers & Chemicals Ltd.	Director

**Shri M K Das, IAS, Non-Executive Director:** Shri M K Das is a Senior IAS Officer of 1990 batch. He has done B.Tech (Computer Science) from IIT, Kharagpur. He has done specialization in Revenue Administration, Urban Management & Civic Issues, Law & Order and Disaster Management. He is Additional Chief Secretary to Chief Minister, Government of Gujarat. He is also Chairman of Gujarat Industrial Investment Corporation Limited (GIIC).

He has very rich and varied experience in different capacities viz. District Development Officer, Junagadh; District Collector, Porbandar, Palanpur & Surat; Deputy Municipal Commissioner, Ahmedabad; Municipal Commissioner, Surat & Vadodara; District (J&K Affairs), Home Ministry, Government of India; Principal Secretary, Food, Civil Supplies & Consumer Affairs Department. He is Director on the Board of Gujarat Mineral Development Corporation Limited, Dahej SEZ Limited, Dholera International Airport Company Limited, Gujarat Industrial Corridor Corporation Limited, Dholera Industrial City Development Limited, Gujarat Industrial Investment Corporation Limited, Gujarat Informatics Limited, Gandhinagar Railway and Urban Development Corporation Limited, Gujarat Rail Infrastructure Development Corporation Limited, Gujarat Foundation for Entrepreneurial Excellence.

Directorships in other Listed Companies as on 31.03.2020 :

Sr. No.	Name of the Company	Position
1.	Gujarat Mineral Development Corporation Limited	Chairman

**Shri Rajiv Lochan Jain, Independent Director:** Shri Rajiv Lochan Jain, is B. Tech. (Hons.) in Chemical Engineering from IIT, Kharagpur and MBA from the University of New Hampshire, USA. He served as Chief Executive Officer and Managing Director of Akzo Nobel India Limited from April, 2003 to May, 2009. He successfully led the portfolio of reshaping of ICI India Ltd. from a diversified chemical Company to a focused and fastest growing player in the paints business. He was also the Chairman of both ICI's Research Company in India and the joint-venture company of ICI with Orica, Australia. He advises global and local companies on their entry and growth strategies for India and served as Director on the Board of Tara Jewels Ltd. and at present he serves as Director on the Board of Fresenius Kabi Oncology Limited and Goodyear India Limited.

Directorships in other Listed Companies as on 31.03.2020 :

Sr. No.	Name of the Company	Position
1.	Goodyear India Limited	Independent Director

**Smt. Vasuben Narendrabhai Trivedi, Independent Director:** Smt. Vasuben Trivedi is M.A., L.L.B. and had begun her career as a Professor. From 2002 to 2017, she was Member of Legislative Assembly of Gujarat. She was Minister for State Education, Women and Child Welfare (Independent Charge), Higher and Technical Education. She acted as a

Chairperson of Budgetary Committee of Gujarat Assembly and a Chairperson of Public Undertaking Committee. She has also served significantly as a Chairperson of Gujarat Tourism Corporation.

Her contribution in the field of higher education is also notable. She served as Principal and Head of the Department in Bhavan's Shree A.K. Doshi Mahila College, Jamnagar. She has also served as a Member of academic council of Saurashtra University, Senate Member of Saurashtra University and acted as a Dean of Home Science faculty in Saurashtra University, Coordinator of Indira Gandhi National Open University, member of academic council of Bhavanagar University and Senate and Syndicate Member of Ayurved University.

She has contributed in the society for women upliftment and empowerment. She has worked and guided for the betterment of society by means of various social and welfare activities by associating with different societal institutions.

Directorships in other Listed Companies as on 31.03.2020:

Sr. No.	Name of the Company	Position
NIL		

**Shri S B Dangayach, Independent Director:** Shri S B Dangayach has done B.Sc. (Physics) from Bombay University and MBA from IIM, Ahmedabad. He is founder trustee of Innovative Thought Forum an India centric "think+act" tank. He is an accomplished and versatile professional with "India Centric" mindset focused on continuous development of products and solutions that blend appropriate elements for optimum benefit to India specific needs in holistic and integrative manner. Under his leadership, he has pioneered and created products and solutions in nationally vital domains like water storage and harvesting, building and construction, affordable housing, solid and liquid waste management, renewable energy and environment, education, resource efficiency, finance and industrial development, health and social infrastructure.

He has helped in building brand "Sintex" into a formidable entity offering innovative and affordable solution across sectors.

He has received the 'Best Manager' award instituted by Ahmedabad Management Association (AMA) for the year 1998. He has held many other positions like Member-Advisory Committee, Vibrant Gujarat Summit and Chairman, National Advisory Board of Plastindia Foundation, part of many foreign delegations of Government of India and Government of Gujarat. He has conceptualized and anchored popular series of lectures at AMA under title of "New Paradigm in Health – Illness to Wellness and Beyond". He is also featured in bestselling book "Stay Hungry Stay Foolish" of Rashmi Bansal as the only "intrapreneur".

He has a proven track record of innovation and entrepreneurship and has the ability to ideate, strategize and implement projects, programmes and plans by proper interdisciplinary coordination and leadership.

At present, he is Member of Board of Governors of IIM, Udaipur and Auro University, Surat and he is Independent Director on Board of Gujarat Mineral Development Corporation Limited and Gujarat Industries Power Company Limited.

Directorships in other Listed Companies as on 31.03.2020 :

Sr. No.	Name of the Company	Position
1.	Gujarat Industries Power Company Limited	Independent Director
2.	Gujarat Mineral Development Corporation Limited	Independent Director

**Shri Rohitbhai J Patel, Independent Director:** Shri Rohitbhai Jashbhai Patel holds a Bachelor Degree in Mechanical Engineering from S.P. University, Vidyanagar and also holds L.L.B Degree from Gujarat University, Ahmedabad. He is the founder promoter of the Milcent Appliances Pvt. Ltd, which is engaged in manufacturing and marketing of kitchen appliances. He is also associated with Amanta Healthcare Ltd. since its incorporation, which is engaged in pharmaceutical business and at present, he is the Chairman of Amanta Healthcare Ltd. He has served as MLA of Anand, Gujarat State Constituency from August, 2014 up to December, 2017. He has also served as State Minister of Gujarat for Industries, Finance and Mines & Minerals from August, 2016 up to December, 2017.

He has rich and varied experience of over 40 years in various functional areas including product development, administration, finance and legal. His contribution towards society has remained enormous. He is founder donor of the Jash Kamal Management Training Centre (JMTC) run by Charotar Moti Sattavis Kelavani Mandal since 1994. He is also founder donor of Primary Health Centre (PHC) and Maternity Centre at Bakrol, Anand District, established in 1980 and founder donor of Jash Kamal OPD Centre in 1991 by Anand Red Cross Society.



Directorships in other Listed Companies as on 31.03.2020 :

Sr. No.	Name of the Company	Position
NIL		

**Shri P K Gera, IAS (Retd.), Managing Director:** Shri Prem Kumar Gera is a Senior IAS Officer of 1985 batch (Retd.) has done B.Sc. (Elec. Engg.)(Hons.), M.Sc.(Public Economy Management), M. Phil. He has also done Post Graduation in Economics. He is having experience of more than 35 years in the Central and State Government holding various positions in Land Revenue Management, Rural Development, District Administration, Agriculture, Finance, Training, Personnel & General Administration, Textiles etc. His recent postings under Government of India and Government of Gujarat include:

1. Registrar and Joint Secretary, Central Information Commission, New Delhi.
2. Director General, Sardar Patel Institute of Public Administration (SPIPA) & Ex.Officio, Secretariat, Government of Gujarat (Administrative Reforms and Training), Gandhinagar, Gujarat.
3. Resident Commissioner, Government of Gujarat, New Delhi.
4. Joint Director, Lal Bahadur Shastri National Academy of Administration (LBSNAA).
5. Director General, National Institute of Fashion Technology, New Delhi.
6. Managing Director, Gujarat Mineral Development Corporation Ltd. (GMDC).

Directorships in other Listed Companies as on 31.03.2020 :

Sr. No.	Name of the Company	Position
1	Gujarat Industries Power Company Limited	Nominee Director

The Board comprises of qualified members who possess required skills, expertise and competencies that allow them to make effective contributions to the Board and its Committees. While all the Board Members possess the skills identified, their area of core expertise are given below:

Name of the Director	Area of Expertise
Shri Anil Mukim, IAS	Leadership, Corporate Governance, Management, Finance, Legal Compliances & Risk Management, Human Resources
Shri Pankaj Joshi, IAS	Leadership, Corporate Governance, Production, Management, Finance, Legal Compliances & Risk Management, Human Resources
Shri M K Das, IAS	Leadership, Corporate Governance, Production, Management, Research & Development, Finance, Legal Compliances & Risk Management, Human Resources
Shri Rajiv Lochan Jain	Leadership, Corporate Governance, Production, Finance, Management, Sales and Marketing, Quality Assurance, Legal Compliances & Risk Management.
Smt. Vasuben Trivedi	Leadership, Corporate Governance, Management, Legal Compliances & Risk Management, Research and Development, Human Resources
Shri S B Dangayach	Leadership, Corporate Governance, Finance, Sales and Marketing, Management, Legal Compliances & Risk Management, Research and Development
Shri Rohitbhai J Patel	Leadership, Corporate Governance, Management, Finance, Legal Compliances & Risk Management, Sales and Marketing, Supply Chain
Shri P K Gera, IAS (Retd.)	Leadership, Corporate Governance, Production, Management, Quality Assurance Finance, Legal Compliances & Risk Management, Sales and Marketing, Supply Chain, Research and Development, Human Resources

#### Information placed before the Board

The Company places all the required information before the Board, as required under Part A of Schedule II of Regulation 17(7) of the Listing Regulations.

#### Appointment of Independent Directors

Appointments of Independent Directors are made in accordance with the provisions of the Companies Act, 2013 read with the Rules framed there under and the Listing Regulations. Pursuant to the said provisions, the Letters of Appointment to the Independent Directors were issued by the Company. The terms and conditions

of the appointment of the Independent Directors are available on the Website of the Company. (*Weblink: [https://gacl.com/upload\\_files/841a8\\_toa\\_director.pdf?nv=2&snv=4](https://gacl.com/upload_files/841a8_toa_director.pdf?nv=2&snv=4)* ). During the Financial Year, Shri S.B. Dangayach and Shri Rohitbhai J Patel have been appointed as Independent Directors of the Company w.e.f. 09<sup>th</sup> August, 2019 and w.e.f. 27<sup>th</sup> November, 2019 respectively.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in Listing Regulations and they are independent of the Management.

### Familiarization Programme

The Company has formulated policy on Familiarization Program to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various programmes from time to time. The said Policy along with the details of familiarization programmes is available on the Website of the Company at *Weblink:*

[https://gacl.com/upload\\_files/d50fd\\_familiarization%20programme%20website.pdf?nv=2&snv=5](https://gacl.com/upload_files/d50fd_familiarization%20programme%20website.pdf?nv=2&snv=5)

The Company also imparts familiarization programme to the Non-Independent Directors inducted on the Board.

Separate meetings of the Independent Directors and of the Non-Independent Directors are convened to familiarize them with Company's operations wherein presentation is made covering details about the organizational set up of the Company, its promoters, shareholding pattern, Directors on the Board, accreditations / recognitions received by the Company, the nature of industry in which it operates, details about its plant operations like installed capacity v/s production achieved, production capacity in Chlor-Alkali industries, financial highlights of Company's performance, market share of major products, export share of major products, strategic advantages and concerns etc.

Further, on appointment of an Independent Director, a formal letter of appointment is issued, which *inter-alia* explains the role, function, duties and responsibilities of the Independent Director under the provisions of the Companies Act, 2013 and other applicable laws. Directors are also issued Introduction Kit on their appointment, which covers the following:

- List of existing Board of Directors of the Company;
- List of existing Committees of Directors of the Company;
- Details of past and present Chairman / Chairperson;
- Details of past and present Managing Director;
- Code of Conduct for the Directors and Vigil Mechanism-cum-Whistle Blower Policy approved by the Board of Directors of the Company;
- Statement of Unaudited / Audited Financial Results of the latest period;
- Shareholding Pattern of the Company of the latest period;
- Annual Reports of the Company for the last 3 financial years immediately preceding the date of appointment of the Director;
- Memorandum and Articles of Association of the Company;
- Company's Product Profile / Brochure/Corporate Film;
- A book - "Salt of the Earth - the GACL Saga" which has documented story of GACL for benefit of general public and other stakeholders.
- A brief presentation on Company.

### MEETING OF INDEPENDENT DIRECTORS

As per Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the provisions of the Companies Act, 2013, a separate Meeting of the Independent Directors was held on 27<sup>th</sup> May, 2019 *inter-alia*, to review the performance of Non-Independent Directors, Chairperson, Managing Director and the Board as a whole and to assess quality, quantity and timeliness of flow of information between Management and the Board for ensuring effective participation by the Board Members. Shri J N Godbole, Shri Rajiv Lochan Jain, and Smt. Vasuben Trivedi, Independent Directors were present at the Meeting.

### CODE OF CONDUCT

The Board of Directors of the Company on 29<sup>th</sup> December, 2005, had approved and adopted 'Code of Conduct' for the Directors as well as Senior Management Personnel of the Company. The 'Code of Conduct' for the Directors was further amended to include the Code for Independent Directors along with their duties pursuant to Schedule IV of the Companies Act, 2013 by the Board at its Meeting held on 5<sup>th</sup> February, 2015.

The Code of Conduct for the Directors and Senior Management Personnel is available on the Company's Website (weblinks: [https://www.gacl.com/upload\\_files/385ac\\_directors.pdf](https://www.gacl.com/upload_files/385ac_directors.pdf) and [https://www.gacl.com/upload\\_files/7432e\\_executives.pdf](https://www.gacl.com/upload_files/7432e_executives.pdf))



All the Board Members and the Senior Management Personnel have affirmed compliance with the 'Code of Conduct' during the Financial Year 2019-20. A declaration by the Managing Director/ Chief Executive Officer to this effect is provided at **Annexure 'I'** which forms part of this Annual Report.

**BRIEF RESUME OF DIRECTORS UNDER APPOINTMENT / REAPPOINTMENT:**

The brief resume as required under Regulation 36(3) of the Listing Regulations covering details about the nature of expertise, directorships and the membership of the Committees of the Board held by them on the Board on their appointment / reappointment are given in the Annexure attached with the Notice convening 47<sup>th</sup> Annual General Meeting of the Company, forming part of this Annual Report.

**RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:**

The Directors of the Company are not inter-se related as defined under the provisions of the Companies Act, 2013 and the Listing Regulations.

**NUMBER OF BOARD MEETINGS HELD AND DATES THEREOF:**

During the Financial Year 2019-20, Six (6) Board Meetings were held, as per the following details:

Quarter	Date(s) of Meeting
1 <sup>st</sup> Quarter – From April to June, 2019	28 <sup>th</sup> May, 2019
2 <sup>nd</sup> Quarter – From July to September, 2019	9 <sup>th</sup> August, 2019 & 27 <sup>th</sup> September, 2019
3 <sup>rd</sup> Quarter – From October to December, 2019	7 <sup>th</sup> November, 2019 & 27 <sup>th</sup> December, 2019
4 <sup>th</sup> Quarter – From January to March, 2020	6 <sup>th</sup> February, 2020

**ATTENDANCE OF DIRECTORS AT THE BOARD MEETINGS, LAST ANNUAL GENERAL MEETING AND THEIR DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS IN OTHER COMPANIES:**

As on 31.03.2020

Name and Category of Directors	No. of Board Meetings of GACL attended	Attendance at last AGM of GACL held on 27.09.2019	Directorships in other Companies (Other than Pvt. Ltd. Cos.)	Audit Committee and Stakeholders' Relationship-cum-Investors' Grievance Committee	
				Membership	Chairmanship out of Membership in Column No. 5
1	2	3	4	5	6
*Dr. J N Singh, IAS (Retd.) Non-Executive Chairman (up to 06.12.2019)	3	No	6	2	Nil
Shri Anil Mukim, IAS Non-Executive Chairman (from 11.12.2019)	2	NA	7	Nil	Nil
@Shri Arvind Agarwal, IAS Non-Executive Director (Up to 09.12.2019)	2	No	9	1	Nil
Shri Pankaj Joshi, IAS Non-Executive Director (from 27.12.2019)	1	NA	8	2	Nil
Shri M K Das, IAS Non-Executive Director	1	No	9	1	Nil
# Shri J N Godbole Independent Director (upto 30.05.2019)	1	NA	7	9	3
## Dr. Rajiv I Modi Independent Director (upto 01.10.2019)	2	Yes	7	3	Nil

Name and Category of Directors	No. of Board Meetings of GACL attended	Attendance at last AGM of GACL held on 27.09.2019	Directorships in other Companies (Other than Pvt. Ltd. Cos.)	Audit Committee and Stakeholders' Relationship-cum-Investors' Grievance Committee	
				Membership	Chairmanship out of Membership in Column No. 5
1	2	3	4	5	6
Shri Rajiv Lochan Jain Independent Director	6	Yes	2	5	3
Smt. Vasuben Trivedi Independent Director	6	Yes	Nil	1	Nil
Shri S B Dangayach Independent Director (from 09.08.2019)	4	Yes	3	4	2
Shri Rohitbhai J Patel Independent Director (from 27.11.2019)	2	NA	1	3	Nil
Shri P K Gera, IAS (Retd.), Managing Director (from 19.02.2016)	6	Yes	3	2	Nil

\*Dr. J N Singh, IAS (Retd.) was appointed as Director of the Company w.e.f. 31.08.2016. He ceased to be Director vide resignation on attaining age of superannuation. Therefore, his particulars are taken as on the date of cessation.

# As per the Companies Act, 2013, Shri J N Godbole was appointed as an Independent Director at 41<sup>st</sup> AGM held on 22.08.2014 till 42<sup>nd</sup> AGM held on 18.09.2015. Further, he was re-appointed as Independent Director at 42<sup>nd</sup> AGM held on 18.09.2015 for a term of 5 years till the conclusion of 47<sup>th</sup> AGM to be held in 2020. During the financial year, he resigned as an Independent Director effective from 30.05.2019 due to reaching near the age of 75 years. Therefore, his particulars are taken as on the date of cessation. There are no other material reasons other than above for the resignation as stated in his resignation letter.

@ Shri Arvind Agarwal was appointed as Director of the Company w.e.f. 04<sup>th</sup> June, 2018. He ceased to be Director vide resignation due to transfer from Finance Department, Government of Gujarat w.e.f. 09<sup>th</sup> December, 2019. Therefore, his particulars are taken as on the date of cessation.

## Dr. Rajiv I Modi was appointed as an Independent Director of the Company by the Members of the Company at their 42<sup>nd</sup> AGM held on 18<sup>th</sup> September, 2015 for a term of 5 years w.e.f. 01.10.2014 i.e. till the 46<sup>th</sup> AGM held on 27<sup>th</sup> September, 2019. During the Financial Year 2019-20, Dr. Rajiv I Modi completed his first term as an Independent Director of the Company on 30.09.2019. Therefore, his particulars are taken as on the date of cessation.

Video conferencing facilities are provided to facilitate the Directors to participate in the meeting who could not attend the meeting in person.

#### NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:

During the Financial Year 2019-20 and as on 31.03.2020, none of the Directors including Non-Executive Directors was holding any Equity Share or convertible instrument in the Company.

### 3. BOARD COMMITTEES:

The Board of Directors of the Company has constituted following Committees of Directors as on 31.03.2020:

- (A) Audit Committee;
- (B) Nomination-cum-Remuneration Committee;
- (C) Stakeholders' Relationship-cum-Investors' Grievance Committee;
- (D) Corporate Social Responsibility Committee;
- (E) Project Committee;
- (F) Selection Committee;
- (G) Personnel Committee; and
- (H) Risk Management-cum-Safety Committee.

**(A) AUDIT COMMITTEE:**

**(i) BROAD TERMS OF REFERENCE**

The scope of the functions and broad terms of reference of the Audit Committee are commensurate with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. It includes review of the reports and performance of Internal Auditors, actions taken by concerned departments on report of internal auditors, review of outstanding position, review of the Corporate Budget, review of the Cost Audit Report with the Cost Auditors, review of the Quarterly and Annual Financial Results with the Statutory Auditors, review of adequacy of internal control system and procedures with the Internal Auditors, evaluation of financial controls and risk management systems including functioning of whistle blower mechanism, approval of the Related Party Transactions (RPTs), reviewing utilization of loans, advances or investments by the Company in its subsidiary and recommendation of the same for necessary approval, recommendation of appointment of Statutory Auditors, Cost Auditors and Internal Auditors for approval of the Board.

**(ii) COMPOSITION**

As at 31.03.2020, the Audit Committee comprised of six (6) Members viz. Shri Rajiv Lochan Jain as the Chairman of the Committee, Shri Pankaj Joshi, IAS; Smt. Vasuben Trivedi, Shri S.B. Dangayach, Shri Rohitbhai J Patel and Shri P K Gera, IAS (Retd.).

The Company Secretary acts as the Secretary to the Audit Committee.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2019-20, four (4) Meetings of Audit Committee were held, i.e. on 28.05.2019, 09.08.2019, 07.11.2019, and 05.02.2020. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri Rajiv Lochan Jain (appointed as Chairman w.e.f. 28.09.2018)	4
Shri Arvind Agarwal, IAS (upto 09.12.2019)	1
Shri Pankaj Joshi (from 27.12.2019)	Nil
Shri J N Godbole (upto 30.05.2019)	1
Dr. Rajiv I Modi (upto 01.10.2019)	Nil
Smt. Vasuben Trivedi	4
Shri S B Dangayach (from 09.08.2019)	2
Shri Rohitbhai J Patel (from 27.12.2019)	1
Shri P K Gera, IAS (Retd.)	4

**(B) NOMINATION-CUM-REMUNERATION COMMITTEE:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations, the Board has renamed the "Remuneration Committee" as the "Nomination-cum-Remuneration Committee" w.e.f. 1<sup>st</sup> August, 2014.

**(i) BROAD TERMS OF REFERENCE**

The role of Nomination-cum-Remuneration Committee would broadly encompass the following:

- (1) to formulate the criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel (KMP) and other employees;
- (2) to formulate criteria for evaluation of Directors including Independent Directors and the Board;
- (3) to devise a policy on Board diversity;
- (4) to identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down;
- (5) to recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel; and all remuneration in whatever form, payable to senior management;
- (6) to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors.



Accordingly, to enable the Committee to execute its role and responsibilities, the Committee had formulated "Nomination & Remuneration-cum-Board Diversity Policy" and the said Policy was approved by the Board. The said policy was further amended on 26.05.2016 to align with the provisions of the Listing Regulations and the same is available on Company's Website at weblink: [https://gacil.com/upload\\_files/7e74a\\_nrbd\\_policy.pdf](https://gacil.com/upload_files/7e74a_nrbd_policy.pdf)

**(ii) COMPOSITION**

As at 31.03.2020, there were four (4) Members in this Committee viz. Shri Rajiv Lochan Jain as the Chairman of the Committee; Shri M K Das, IAS; Smt. Vasuben Trivedi and Shri S B Dangayach.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2019-20, three (3) Meetings of the Committee were held, i.e. on 27.05.2019, 09.08.2019 and 27.12.2019.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole, Chairman (upto 30.05.2019)	1
Shri Rajiv Lochan Jain, Chairman (from 11.07.2019)*	3
Shri M K Das, IAS	Nil
Smt. Vasuben Trivedi (from 11.07.2019)	2
Shri S B Dangayach (from 09.08.2019)	1

\*Shri Rajiv Lochan Jain is member of the Nomination-cum-Remuneration Committee w.e.f. 06.01.2016 and has been designated as Chairman w.e.f. 11.07.2019.

**(iv) BOARD EVALUATION**

The Nomination & Remuneration-cum-Board Diversity Policy lays down criteria for performance evaluation of the Directors. The relevant extract of the Nomination & Remuneration-cum-Board Diversity Policy is reproduced below:

**Criteria for Performance Evaluation**

Following are the criteria for evaluation of performance of Directors and the Board:

**(A) Executive Directors**

The Executive Directors shall be evaluated on the basis of targets / criteria given to Executive Directors by the Board from time to time.

**(B) Non-Executive Directors including Independent Directors**

The Non-Executive Directors including Independent Directors shall be evaluated on the basis of the following criteria, i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a *bona fide* manner in the interest of the Company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his/her independence;
- (f) inform the Board immediately when they lose their independence;
- (g) assist the Company in implementing the best Corporate Governance practices;
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) do not unfairly obstruct the functioning of a proper Board or Committee of the Board;
- (m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and member's interest;

- (n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

The Nomination-cum-Remuneration Committee adopted specific formats in form of checklists for performance evaluation of Executive & Non-Executive Directors, evaluation of Board and its various Committees and the Chairman. The said checklists were circulated to all the Board members for their feedbacks. The performance evaluation of the individual Director was done by all Directors excluding the Director being evaluated and performance evaluation of the Board and its Committees was done by all the members of Board.

**(v) REMUNERATION POLICY**

The extract from "Nomination & Remuneration-cum-Board Diversity Policy" is set out below:

The Nomination-cum-Remuneration Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, Key Managerial Personnel (KMP) and Senior Management Personnel to the Board for their approval.

The Committee shall ensure that:

- (a) the level and composition of remuneration so determined shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully;
- (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) Remuneration to Directors, KMPs and Senior Management Personnel 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.
- (d) Weblink : [https://www.gacl.com/upload\\_files/7e74a\\_nrbd\\_policy.pdf](https://www.gacl.com/upload_files/7e74a_nrbd_policy.pdf)

**(vi) DETAILS OF REMUNERATION PAID TO DIRECTORS  
EXECUTIVE DIRECTOR**

Pursuant to the Articles of Association of the Company, the Managing Director is nominated and appointed by the Government of Gujarat. He is being paid remuneration as per the terms and conditions prescribed by the Government and approval accorded by the Members of the Company.

Shri P K Gera, IAS, (Retd.) had been appointed as the Managing Director of the Company w.e.f. 19<sup>th</sup> February, 2016 by the Government of Gujarat (GOG) till further order by GOG or for a period of five (5) years pursuant to provisions of Section 196 of the Companies Act, 2013. Shri P K Gera, IAS had retired from the Indian Administrative Services on 30<sup>th</sup> November, 2019. The General Administration Department, Government of Gujarat vide Notification No. AIS/35.2019/51/G dated 7<sup>th</sup> December, 2019 and Energy & Petrochemicals Department vide Notification No. : GAC-11-2006/4253/E dated 12<sup>th</sup> December, 2019, have appointed Shri P K Gera, IAS (Retd.) as Managing Director of the Company on contractual basis for a period of one year from the date he assumed the charge of that post (i.e. w.e.f. 1<sup>st</sup> December, 2019) or until further order whichever is earlier on remuneration on the basis of formula of "Last Pay Drawn Minus Pension". Therefore, as per the aforesaid Notifications, the term of Shri P K Gera, IAS (Retd.) as Managing Director continued after his retirement from Indian Administrative Services for a period of one year i.e. from 01.12.2019 to 30.11.2020 or until further order, whichever is earlier. The details of remuneration paid to Shri P K Gera, IAS, (Retd.) Managing Director during the Financial Year 2019-20 are as under:

Remuneration	Amount in Rs.
Gross Salary	31,26,440/-
Contribution to Pension Fund & Leave salary	46,90,268/-
Perquisites / Benefits	32,400/-
Fixed component / performance linked incentives	N.A.
Stock options details	N.A.
<b>Total .....</b>	<b>78,49,108/-</b>

The remuneration payable to the Managing Director is decided by the Government of Gujarat. Such remuneration is fixed as per the Government's Rules and is not linked with the performance criteria of the Company.

## NON-EXECUTIVE DIRECTORS

### CRITERIA FOR PAYMENT TO NON-EXECUTIVE DIRECTORS

The Company pays Sitting Fees of Rs.10,000/- per Meeting to Non-Executive Directors of the Company for attending Meetings of the Board of Directors or Committees thereof.

The Company also pays Rs.2,500/- per day towards reimbursement of incidental / out-of-pocket expenses to Non-Executive Directors of the Company for attending Meetings of the Board of Directors or Committees thereof.

Details of Sitting Fees paid to Directors during the Financial Year 2019-20 are as under:

Name	Relationship with other Directors	Business relationship with the Company, if any	Sitting Fees paid		
			For Board Meetings (Rs.)	For Committee Meetings (Rs.)	Total (Rs.)
Dr. J N Singh, IAS (Retd.) (upto 06.12.2019)	No	No	30,000/-	20,000/-	*50,000/-
Shri Anil Mukim, IAS (from 11.12.2019)	No	No	20,000/-	10,000/-	*30,000/-
Shri Arvind Agarwal, IAS (upto 09.12.2019)	No	No	20,000/-	40,000/-	*60,000/-
Shri Pankaj Joshi, IAS (from 27.12.2019)	No	No	10,000/-	10,000/-	*20,000/-
Shri M K Das, IAS	No	No	10,000/-	10,000/-	*20,000/-
Shri J N Godbole (upto 30.05.2019)	No	No	10,000/-	60,000/-	**70,000/-
Dr. Rajiv I Modi (upto 01.10.2019)	No	No	Nil	Nil	***Nil
Shri Rajiv Lochan Jain	No	No	60,000/-	2,20,000/-	**2,80,000/-
Smt. Vasuben Trivedi	No	No	60,000/-	1,80,000/-	**2,40,000/-
Shri S B Dangayach (from 09.08.2019)	No	No	40,000/-	80,000/-	**1,20,000/-
Shri Rohitbhai J Patel (from 27.11.2019)	No	No	20,000/-	30,000/-	**50,000/-
<b>Total.....</b>			<b>2,80,000/-</b>	<b>6,60,000/-</b>	<b>9,40,000/-</b>

\* Sitting Fees deposited in Government Treasury.

\*\* The sitting fees shown above are gross payment. Out of which, TDS @ 10% were deducted.

\*\*\* Dr. Rajiv I Modi, Independent Director had voluntarily not claimed Sitting Fees.

None of the Non-Executive Directors has any other pecuniary relationship or transactions with the Company during Financial Year 2019-20.

### SERVICE CONTRACTS, SEVERANCE FEE AND NOTICE PERIOD

The appointment of the Executive Director and Non-Executive Non-Independent Directors (Representatives of Government of Gujarat) is governed by the Articles of Association of the Company, resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment. No separate Service Contract inter-alia containing details of notice period and severance fees is entered into by the Company with these Executive and Non-Executive Non-Independent Directors.

There is no provision for payment of severance fee governing the appointment of Executive Director. The statutory provisions will, however, apply.

The Company did not have any Stock Option Scheme as on 31.03.2020.

**(C) STAKEHOLDERS' RELATIONSHIP – CUM - INVESTORS' GRIEVANCE COMMITTEE:**

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, the Board has renamed the “Shares / Debentures Transfers and Investors’ Grievance Committee” as the “Stakeholders’ Relationship-cum-Investors’ Grievance Committee.”

**(i) BROAD TERMS OF REFERENCE**

The Committee considers and approves all securities related transactions, issue of certificates and also looks into the shareholding pattern, redressal of the Investors’ complaints / grievances, reviews the redressal mechanism and recommends measures to improve the level of Investor related services.

The Board has designated Shri S S Bhatt, Company Secretary & Chief General Manager (Legal & CC) as the Compliance Officer and his contact details are:

Gujarat Alkalies and Chemicals Ltd.  
P.O. : Petrochemicals : 391 346 Dist. : Vadodara  
e-mail: investor\_relations@gacl.co.in; cosec@gacl.co.in

**(ii) COMPOSITION**

As at 31.03.2020, the Committee comprised of four (4) Members viz. Shri Rajiv Lochan Jain as the Chairman of the Committee; Shri M K Das, IAS; Shri Rohitbhai J Patel and Shri P K Gera, IAS (Retd.).

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2019-20, four (4) Meetings of the Committee were held, i.e. on 28.05.2019, 09.08.2019, 07.11.2019 and 05.02.2020.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri Rajiv Lochan Jain, Chairman	4
Shri M K Das, IAS	Nil
Dr. Rajiv I Modi (upto 01.10.2019)	1
Shri Rohitbhai J Patel (from 27.12.2019)	1
Shri P K Gera, IAS (Retd.)	4

**(iv) Details of Shareholders’ Complaints received and resolved or pending during the Financial Year 2019-20:**

Nature of complaints	Received	Satisfactorily Resolved
Non receipt of Share Certificates / Demat	20	20
Letters/Complaints from SEBI / Stock Exchanges	4	4
Non receipt of Dividend	11	11
Non receipt of Annual Reports	9	9
Others	1	1
<b>Total .....</b>	<b>45</b>	<b>45</b>

Number of pending complaints as on 31.03.2020 – NIL.

**(D) CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE :**

Pursuant to the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted Corporate Social Responsibility (CSR) Committee.

**(i) BROAD TERMS OF REFERENCE**

The role of CSR Committee mainly covers:

- (1) to formulate and recommend to the Board a CSR Policy indicating activities proposed to be carried out;
- (2) to recommend the amount of expenditure to be incurred for CSR activities; and
- (3) to monitor periodically, the CSR Policy and its implementation.

**(ii) COMPOSITION**

As at 31.03.2020, the Committee comprised of six (6) Members viz. Shri Anil Mukim, IAS as the Chairman of the Committee, Shri Pankaj Joshi, IAS, Shri M K Das, IAS, Smt. Vasuben Trivedi, Shri S B Dangayach and Shri P K Gera, IAS (Retd.).

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2019-20, two (2) Meetings of the Committee were held, i.e. on 28.05.2019 and 09.08.2019.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Dr. J N Singh, IAS (Retd.), Chairman (upto 06.12.2019)	Nil
Shri Anil Mukim, IAS, Chairman (from 27.12.2019)	N.A.*
Shri Arvind Agarwal, IAS (upto 09.12.2019)	1
Shri Pankaj Joshi, IAS (from 27.12.2019)	N.A.*
Shri M K Das, IAS	Nil
Shri J N Godbole (upto 30.05.2019)	1
Shri S B Dangayach (from 09.08.2019)	N.A.*
Smt. Vasuben Trivedi	2
Shri P K Gera, IAS (Retd.)	2

\*Shri S B Dangayach was appointed as Member of CSR Committee by the Board in its meeting held on 09.08.2019. CSR Committee Meeting was held prior to Board Meeting on 09.08.2019.

**(E) PROJECT COMMITTEE :****(i) BROAD TERMS OF REFERENCE**

The Committee meets as and when proposals for new projects, expansions and debottlenecking etc. are to be considered and to recommend the same to the Board for approval and reviews the progress of various projects on hand for timely implementation.

**(ii) COMPOSITION**

As at 31.03.2020, the Committee comprised of eight (8) Members viz. Shri Anil Mukim, IAS as the Chairman of the Committee, Shri Pankaj Joshi, IAS, Shri M K Das, IAS, Shri Rajiv Lochan Jain, Smt. Vasuben Trivedi, Shri S B Dangayach, Shri Rohitbhai J Patel and Shri P K Gera, IAS (Retd.).

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2019-20, four (4) Meetings of the Committee were held, i.e. on 28.05.2019, 09.08.2019, 07.11.2019 and 06.02.2020.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Dr. J N Singh, IAS, (Retd.) Chairman (upto 06.12.2019)	2
Shri Anil Mukim, IAS (from 27.12.2019)	1
Shri Arvind Agarwal, IAS (upto 09.12.2019)	2
Shri M K Das, IAS	1
Shri J N Godbole (upto 30.05.2019)	1
Dr. Rajiv I Modi (upto 01.10.2019)	1
Shri Rajiv Lochan Jain	4
Smt. Vasuben Trivedi	4
Shri S B Dangayach (from 09.08.2019)	2
Shri Rohitbhai J Patel (from 27.12.2019)	1
Shri Pankaj Joshi (from 27.12.2019)	1
Shri P K Gera, IAS (Retd.)	4



**(F) SELECTION COMMITTEE:**

The Board of Directors of the Company at its Meeting held on 29<sup>th</sup> September, 2016 reconstituted “Personnel-cum-Selection Committee” by forming two separate committees viz. (1) “Selection Committee” and (2) “Personnel Committee of Directors” for smooth functioning of interview process by the Company.

The Company Secretary acts as Secretary of Selection Committee and Personnel Committee.

**(i) BROAD TERMS OF REFERENCE**

The Selection Committee meets to conduct interviews for the promotions of Sr. Executives of the Company and selection of external candidates for the position of Sr. Executives of the Company i.e. for Dy. General Manager (DGM) & above, as and when required. The decision / recommendations of the Selection Committee are put up to the Personnel Committee / Board of Directors.

**(ii) COMPOSITION**

As at 31.03.2020, the Committee comprised of three (3) Members viz. One Independent Director (subject to availability) of the Board as per convenience indicated to the Managing Director, One outside expert as may be decided by the Managing Director and Shri P K Gera, IAS (Retd.), Managing Director.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2019-20, two (2) Meetings of the Committee were held, i.e. on 08.08.2019 and 10.09.2019.

The number of Meetings attended by Directors / outside experts are as under:

Name	No. of Meetings attended
Shri Rajiv Lochan Jain	1
Smt. Vasuben Trivedi	1
Shri S B Dangayach	1
Outside experts	2
Shri P K Gera, IAS (Retd.)	2

**(G) PERSONNEL COMMITTEE:**

The Board of Directors of the Company at its Meeting held on 29<sup>th</sup> September, 2016 reconstituted “Personnel-cum-Selection Committee” by forming two separate committees viz. (1) “Selection Committee” and (2) “Personnel Committee of Directors” for smooth functioning of interview process by the Company.

The Company Secretary acts as Secretary of Personnel Committee.

**(i) BROAD TERMS OF REFERENCE**

The Personnel Committee meets as and when proposals and recommendations of the Selection Committee are to be considered for approval of appointments of external candidates and promotions of Sr. Executives of the Company. The Committee is delegated with all matters relating to Company’s Personnel that has not been delegated to Managing Director of the Company. The Committee also reviews the delegated powers to Managing Director and make suitable modifications as deemed fit for smooth functioning of interview process of the Company. The Board members are informed about the decisions of the Personnel Committee by circulating the Minutes of the Meetings of Personnel Committee. The Committee also recommend to the Board for its approval Personnel and HR related policies / matters.

**(ii) COMPOSITION**

As at 31.03.2020, the Committee comprised of four (4) Members viz. Shri Rajiv Lochan Jain as the Chairman of the Committee, Smt. Vasuben Trivedi, Shri S B Dangayach, and Shri P K Gera, IAS (Retd.), Managing Director.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2019-20, three (3) Meetings of the Committee were held, i.e. on 27.05.2019, 07.11.2019 and 05.02.2020.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri Rajiv Lochan Jain, Chairman	3
Smt. Vasuben Trivedi	3
Shri S B Dangayach	2
Shri P K Gera, IAS (Retd.)	3

#### (H) RISK MANAGEMENT-CUM-SAFETY COMMITTEE:

In the Financial Year 2014-15, the Company had constituted Internal Risk Management Committee comprising of Senior Executives of the Company who are heading respective departments viz. Finance, Manufacturing, Marketing, Purchase, Project, Safety, Information Technology, HR, Secretarial and Legal functions. The Managing Director is the Chairman of the Internal Risk Management Committee. The Internal Risk Management Committee reports to the Managing Director and the risks identified by the said Committee along with proposed mitigation actions are discussed periodically on quarterly basis with the Managing Director. Out of the various risks identified by the Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by the Risk Management-Cum-Safety Committee, the Audit Committee and by the Board of Directors periodically on quarterly basis. A Report on the steps taken to mitigate those critical risks was submitted to the Risk Management-Cum-Safety Committee, Audit Committee and the Board of Directors.

As per amended Regulation 21 of the Listing Regulations effective from 1<sup>st</sup> April, 2019, the Company is covered under top 500 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year and therefore, it is required to constitute Risk Management Committee of Directors. However, as a good corporate governance practice, the Board of Directors of the Company at its Meeting held on 11.02.2016 had already constituted Risk Management Committee of Directors. The Board at its Meeting held on 10.11.2016 has renamed "Risk Management Committee" as "Risk Management-cum-Safety Committee" as recommended by the Audit Committee.

Pursuant to provisions of Regulations 17 & 21 of Listing Regulations and Sections 134 & 177 of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Listing Regulations and the Act, the Board of Directors of the Company at its meeting held on 2<sup>nd</sup> November, 2018 has framed and approved "Risk Management Policy" of the Company.

##### (i) BROAD TERMS OF REFERENCE

The scope of the Committee includes to review and monitor the various risks and safety hazards concerning the Company and its mitigation plan and such other functions as required under the regulations or other applicable laws, as amended from time to time.

##### (ii) COMPOSITION

As at 31.03.2020, the Committee comprised of three (3) Members viz. Shri Rajiv Lochan Jain as the Chairman, Shri S B Dangayach and Shri P K Gera, IAS (Retd.), Managing Director.

Shri Rajiv Lochan Jain has been appointed as the Chairman of the Committee w.e.f. 28.09.2018.

GM (Finance) & CFO of the Company is permanent invitee for the Risk Management-cum-Safety Committee.

##### (iii) MEETINGS AND ATTENDANCE

During the Financial Year 2019-20, one (1) Meeting of the Committee was held on 27.05.2019.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri Rajiv Lochan Jain, Chairman	1
Shri J N Godbole (upto 30.05.2019)	1
Shri S B Dangayach (from 09.08.2019)	Nil*
Shri P K Gera, IAS (Retd.)	1

\*Since no Risk-Management-Cum-Safety Committee Meeting was held during 09.08.2019 to 31.03.2020.

**4. GENERAL BODY MEETINGS:**

The details as to the timings, date and venue of the last three Annual General Meetings (AGM) of the Company held are as under:

Financial Year	2018-19	2017-18	2016-17
<b>AGM No.</b>	46 <sup>th</sup> AGM	45 <sup>th</sup> AGM	44 <sup>th</sup> AGM
<b>Date</b>	27.09.2019	28.09.2018	16.09.2017
<b>Time</b>	at 11:00 a.m.	at 11:30 a.m.	at 11:30 a.m.
<b>Venue</b>	In the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara		
<b>Special Resolutions Passed</b>	<b>In 44<sup>th</sup> AGM</b> , there was no Special Resolution passed by the Shareholders. <b>In 45<sup>th</sup> AGM</b> , there was no Special Resolution passed by the Shareholders. <b>In 46<sup>th</sup> AGM</b> , Special Resolution was not passed by the Shareholders.		

**POSTAL BALLOT**

During the Financial Year 2019-20, the Company has not passed any Resolution by Postal Ballot. At the forthcoming AGM, there is no item on agenda requiring approval of shareholders by Postal Ballot.

**5. DEMAT SUSPENSE ACCOUNT / UNCLAIMED SUSPENSE ACCOUNT:**

SEBI vide Circular No. : CIR/CFD/DIL/10/2010 dated 16.12.2010 has amended Clause 5A of the Listing Agreement to provide that Shares held physically which may have remained unclaimed by Shareholders due to insufficient / incorrect information or for any other reason should be transferred in demat mode to one folio in the name of "Unclaimed Suspense Account" with one of the Depository Participants. Accordingly, as approved by the Board at its Meeting held on 05.08.2013, the Company has opened "GACL – Unclaimed Shares Suspense Account" with Stock Holding Corporation of India Ltd., Vadodara (SHCIL) and transferred therein 8,021 unclaimed Shares of Rs.10/- each representing 262 Shareholders.

Pursuant to the provisions of Section 124 of the Companies Act, 2013 and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, transfer and Refund) Rules, 2016, as amended, the Company had transferred 20,308 Equity Shares of 308 Shareholders of the Company, in respect of which Dividend has remained unclaimed or unpaid for a period of seven consecutive years or more through Corporate Actions to the demat Account of IEPF Authority with Central Depository Services (India) Ltd. and the Corporate Actions were completed on 22.11.2019.

The balance of Unclaimed Shares lying in the said Suspense Account with SHCIL (in demat mode) as on 31.03.2020 is as under:

Particulars	Shareholders (Nos.)	Outstanding Shares (Nos.)
At the beginning of the year (01.04.2019)	31	1157
Shares transferred to IEPF Authority in respect of which dividend is not claimed for seven consecutive years.	2	12
No. of Shareholders who claimed shares during the year	—	—
No. of Shareholders to whom Share Certificates are dispatched	—	—
At the end of the year (31.03.2020)	29	1145

The voting rights on the said 1145 Shares shall remain frozen till the rightful owner of such shares claims the shares.

The Company endeavors to trace the current address of the shareholders (whose share certificates are unclaimed) through their neighbors at registered address and by reference to telephone directory. The share certificates are released on receipt of their claim along with KYC documents like copy of PAN Card and residence proof etc.

**6. QUARTERLY COMPLIANCE REPORT:**

The Company has submitted Corporate Governance Compliance Report in the prescribed format for each quarter during the Financial Year 2019-20 to BSE Limited and National Stock Exchange of India Limited, where the Company's Securities are listed, within fifteen (15) days from the close of respective quarters.

## 7. FINANCIAL RESULTS – 2019-20:

[Rs. in Lakhs]

PARTICULARS	QUARTER				Total F.Y. 2019-20
	I	II	III	IV	
Total Income	76,547	73,549	67,377	63,964	2,81,437
Total Expenses	(49,648)	(54,744)	(56,120)	(54,176)	(2,14,688)
<b>Profit Before Interest, Depreciation and Tax</b>	<b>26,899</b>	<b>18,805</b>	<b>11,257</b>	<b>9,788</b>	<b>66,749</b>
Interest	(400)	(323)	(396)	(285)	(1,404)
Depreciation	(3,701)	(3,834)	(3,884)	(4,764)	(16,183)
<b>Profit Before Tax</b>	<b>22,798</b>	<b>14,648</b>	<b>6,977</b>	<b>4,739</b>	<b>49,162</b>
<i>Less :- Provision For Tax</i>	(6,909)	(4,422)	(996)	(3,551)	(15,878)
<b>Profit After Tax</b>	<b>15,889</b>	<b>10,226</b>	<b>5,981</b>	<b>1,188</b>	<b>33,284</b>
Other Comprehensive Income	(1,580)	(1,048)	17,495	(10,988)	3,879
Total Comprehensive Income	14,309	9,178	23,476	(9,800)	37,163
<b>Earning Per Share (Not Annualized)</b>	<b>21.64</b>	<b>13.92</b>	<b>8.14</b>	<b>1.62</b>	<b>45.32</b>

## 8. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has followed the applicable mandatory Accounting Standards prescribed under the Companies Act, 2013 in the preparation of its Annual Financial Statements.

## 9. INSIDER TRADING:

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors at its Meeting held on 26th May, 2015 have adopted the Code of Conduct to Regulate, Monitor and Report Trading by Insiders and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information.

SEBI has vide Notification No. SEBI/LAD-NRO/GN/2018/59 dated 31<sup>st</sup> December, 2018, further amended SEBI (Prohibition of Insider Trading) Regulations, 2015, w.e.f. 1<sup>st</sup> April, 2019 and as per the amended provisions of the Regulations, the Board of Directors amended the Policies viz. 1. Code of Conduct to Regulate, Monitor and Report Trading by Insiders and 2. the Code of Practices and Procedures of Fair Disclosure of Unpublished Price Sensitive Information (UPSI). The Board also formulated new Policies on Whistle Blower Policy in case of leak or suspected leak of UPSI and Policy for determination of legitimate purposes which are part of 1 and 2 Policies referred above. The said Policies are available on the Website of the Company at Weblink : [https://gacl.com/upload\\_files/8c1ee\\_Insider\\_Trading.pdf](https://gacl.com/upload_files/8c1ee_Insider_Trading.pdf) and [https://gacl.com/upload\\_files/9acb0\\_corporate\\_disclosure.pdf](https://gacl.com/upload_files/9acb0_corporate_disclosure.pdf) Closure of Trading Window starts immediately on close of the quarter and ends after 48 hours (Forty Eight Hours) of the Board Meeting Date.

With a view to provide awareness about the recent amendments on the SEBI (Prohibition of Insider Trading) Regulations, 2015, amongst designated employees, the Company had conducted 8 programmes covering all the designated employees from 16.02.2019 to 28.03.2019.

The Company Secretary & Chief General Manager (Legal & CC) is designated as the Compliance Officer for this purpose.

## 10. DISCLOSURE OF MATERIAL TRANSACTIONS TO THE BOARD BY SENIOR MANAGEMENT:

The senior management personnel give disclosure on annual basis to the Board for all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. As per the disclosures received, no such transaction has taken place during the Financial Year 2019-20.

**11. MEANS OF COMMUNICATION:**

Financial Results of the Company are published in the following newspapers:

Period	Date of approval by the Board	Date of Publication	Newspapers
Standalone & Consolidated Unaudited Financial Results for 1 <sup>st</sup> Quarter ended on 30.06.2019.	09.08.2019	10.08.2019	Business Standard (English) – All India Editions Loksatta (Gujarati), Vadodara
Standalone & Consolidated Unaudited Financial Results for 2 <sup>nd</sup> Quarter ended on 30.09.2019.	07.11.2019	08.11.2019	Financial Express (English) – All India Editions Financial Express (Gujarati) – All Gujarat Editions
Standalone & Consolidated Unaudited Financial Results for 3 <sup>rd</sup> Quarter ended on 31.12.2019.	06.02.2020	07.02.2020	Business Standard (English) – All India Editions Loksatta (Gujarati), Vadodara
Standalone & Consolidated Audited Financial Results for 4 <sup>th</sup> Quarter and for the financial year ended on 31.03.2020.	18.06.2020	19.06.2020	Financial Express (English) – All India Editions Financial Express (Gujarati) – All Gujarat Editions

Shareholders' Information is available on the Company's website <http://www.gacl.com> under "Investors" Section. Annual Report, latest Shareholding Pattern, Quarterly, Half Yearly and Annual Financial Results are available under the said section. Full Annual Report is sent to each shareholder at his / her e-mail ID.

Official news releases, media releases and other updates are sent to the Stock Exchanges. The Conference Call Transcript with analysts / Presentation to Investors / Analysts are available on the website of the Company.

**12. OTHER DISCLOSURES:**

12.1 Disclosure on materially significant related party transactions i.e. transactions of the Company of material nature, with its Promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

The Company does not have any materially significant related party transaction, which may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 37 of Notes to Accounts.

As per Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018 and as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors of the Company at its Meeting held on 31<sup>st</sup> January, 2019 has amended "Related Party Transactions Policy" and the same is available on the Company's Website at Weblink: [https://gacl.com/upload\\_files/1d10d\\_87407\\_related\\_party\\_tran\\_policy-1.pdf](https://gacl.com/upload_files/1d10d_87407_related_party_tran_policy-1.pdf)

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

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties / strictures have been imposed against it during the last three years.

12.3 Details of Policy for determining material subsidiaries.

GACL-NALCO Alkalies & Chemicals Pvt. Ltd., a subsidiary of the Company does not fall within the criteria laid down under Regulation 16 (1) (c) read with Regulation 46 (2) (h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to "material subsidiary". As per Notification No. SEBI/LAD-NRO/GN/2018/10 dated 9<sup>th</sup> May, 2018 and as per SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, the Board of Directors of the Company at its Meeting held on 31<sup>st</sup> January, 2019 has formulated Policy on Material Subsidiary and the same is available on the Company's Website at Weblink: [https://gacl.com/upload\\_files/25c45\\_policy\\_on\\_material\\_subsidiaries.pdf](https://gacl.com/upload_files/25c45_policy_on_material_subsidiaries.pdf)



12.4 Whistle Blower Policy and affirmation that no personnel were denied access to the Audit Committee.

The Company has formulated a Vigil Mechanism-cum-Whistle Blower Policy ("Policy") as per the requirements of Section 177 of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Policy is applicable to all the Directors and employees of the Company.

As per the said Policy, protected disclosures can be made by whistle blower to the Chairman of the Audit Committee. No personnel has been denied access to the Audit Committee and that the Company has provided protection to whistle blower from adverse personnel action.

12.5 Disclosure on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. No. of Complaints filed during the F. Y. 2019-20 - NIL
- b. No. of Complaints resolved during F. Y. 2019-20 - NIL
- c. No. of Complaints pending at the end of F. Y. 2019-20 - NIL

12.6 Details of utilization of fund raised through Preferential Allotment or Qualified Institutional Placement as specified u/s 32(SA) - NIL

12.7 None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Director by SEBI / MCA / Statutory Authorities and the same has been confirmed by Shri Niraj Trivedi, Practicing Company Secretary in his Certificate which is attached to this Report.

12.8 Total fees paid by the Company to M/s. Deloitte Haskins & Sells (previous Statutory Auditors) and M/s. K C Mehta and Co., Statutory Auditors of the Company is disclosed in Note No. 38 of Notes to Accounts. M/s. K C Mehta and Co., Statutory Auditors of the Company are not the Statutory Auditors of the Subsidiary Company i.e. GACL-NALCO Alkalies & Chemicals Private Limited.

12.9 The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all the amendments from time to time.

### 13. GENERAL INFORMATION FOR MEMBERS:

Detailed information in this regard is provided hereafter in the '[General Information for Members](#)' section which forms part of this Report.

### 14. CEO AND CFO CERTIFICATION:

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have issued necessary certificate as per Regulations 17 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as specified in Part 'B' in Schedule II and the same is annexed and forms part of this Report.

### B. DISCRETIONARY REQUIREMENTS

The status of discretionary requirements adopted by the Company is as under:

#### (1) CHAIRMAN OF THE BOARD:

The Chairman of the Board is a Non-Executive Chairman. The Company does not bear expenses towards maintenance of Chairman's Office.

#### (2) UNMODIFIED OPINION:

The Company has complied with the requirements for the Financial Statements for F.Y. 2019-20. The Statutory Auditors have given unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

#### (3) SEPARATE POST OF CHAIRPERSON AND CEO:

The Company has separate persons for the posts of Chairperson and Chief Executive Officer / Managing Director.



### Declaration by CEO regarding compliance of 'Code of Conduct' by Directors and Senior Management Personnel of the Company

The Board has adopted 'Code of Conduct' for Directors and Senior Management Personnel of the Company as per Regulations 17 (5) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 26 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors and Senior Management Personnel have affirmed compliance with the said Code of Conduct of the Company for the Financial Year 2019-20.

For **GUJARAT ALKALIES AND CHEMICALS LIMITED**

Sd/-

Place : VADODARA

Date : 10.06.2020

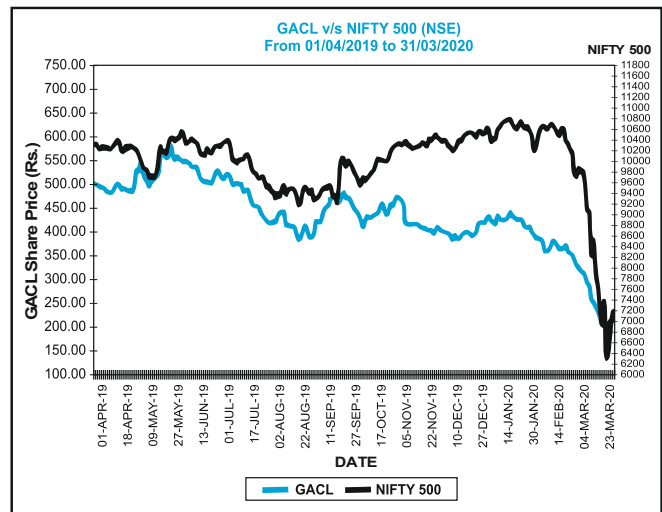
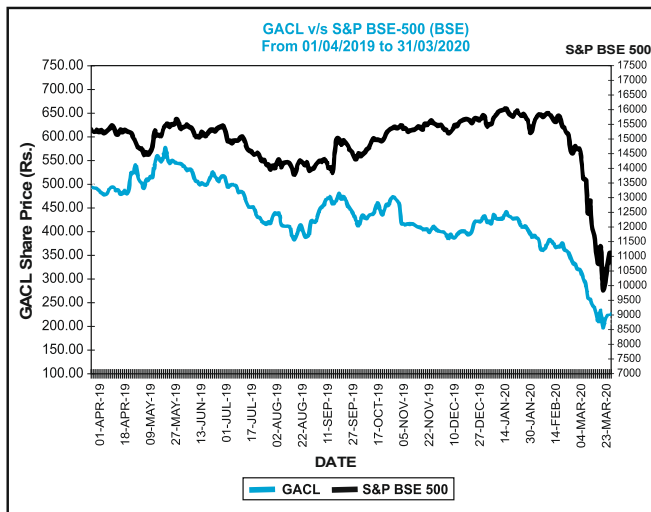
**P K Gera, IAS (Retd.)**

*Managing Director & CEO*

### GENERAL INFORMATION FOR MEMBERS

- |   |   |  |
|---|---|--|
| <b>1. Financial Year of the Company</b>           | : 1 <sup>st</sup> April, 2019 to 31 <sup>st</sup> March, 2020   |  |
| <b>2. Day, Date and Time of 47th AGM</b>          | : Friday, the 25 <sup>th</sup> September, 2020 at 11:30 A.M.  |  |
| <b>3. Venue of AGM</b>                            | : Through Video Conference/Other Audio Visual Means as set out in the Notice convening the Annual General Meeting.                            |  |
| <b>4. Dates of Book Closure</b>                   | : From Saturday, 19.09.2020 to Friday, 25.09.2020<br>(Both days inclusive).   |  |
| <b>5. Dividend payment date</b>                   | : On or after Thursday, 01.10.2020  |  |
| <b>6. Listing on Stock Exchanges</b>              | <b>BSE Ltd.</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort,<br>Mumbai : 400 001.<br>(Scrip Code : 530001)<br>(Scrip ID : GUJALKALI)   | <b>National Stock Exchange of India Ltd.</b><br>"Exchange Plaza"<br>Bandra-Kurla Complex, Bandra (East)<br>Mumbai : 400 051.<br>(Scrip Symbol : GUJALKALI) |
| <b>7. Annual Listing Fees</b>                     | : The Company has paid Annual Listing Fees for the Financial Years 2019-20 and 2020-21 to BSE Ltd. and National Stock Exchange of India Ltd.  |  |
| <b>8. Company's ISIN No. with NSDL &amp; CDSL</b> | : INE 186A01019   |  |
| <b>9. No. of Employees</b>                        | : 1582  |  |
| <b>10. Stock Market Data</b>                      | : Monthly high and low market price and the volume of shares traded at the BSE Ltd. and National Stock Exchange of India Ltd. are as follows: |  |

Month	BSE Ltd.			National Stock Exchange of India Ltd.		
	High (Rs.)	Low (Rs.)	Volume (No.of Shares)	High (Rs.)	Low (Rs.)	Volume (No.of Shares)
April, 2019	523.35	474.00	70567	514.80	475.05	870289
May, 2019	595.80	481.65	221209	595.00	482.00	2918179
June, 2019	556.55	491.35	63510	557.00	490.85	460701
July, 2019	523.05	406.50	54741	523.85	405.90	507448
August, 2019	448.00	376.10	60640	448.00	370.00	459585
September, 2019	487.35	382.35	115260	484.70	383.05	1326678
October, 2019	480.00	395.00	55116	481.00	395.00	588092
November, 2019	479.65	390.80	63157	480.00	390.00	1020656
December, 2019	424.00	380.55	52785	425.00	380.00	596641
January, 2020	450.55	394.05	79222	450.00	394.00	1188981
February, 2020	405.80	324.50	200374	405.75	323.90	2202834
March, 2020	347.75	165.00	123196	348.95	180.10	1470234
<b>Total</b>			<b>11,59,777</b>			<b>1,36,10,318</b>
<b>Average 2019-20</b>	476.82	388.49		476.17	389.15	
Average 2018-19	619.16	519.49		619.01	520.94	



## 11. REGISTRAR & SHARE TRANSFER AGENT:

Link Intime India Pvt. Ltd., Vadodara is the Registrar & Share Transfer Agent (R & T Agent) of the Company. The contact details of R & T Agent are given as under :

### LINK INTIME INDIA PRIVATE LIMITED (UNIT: GACL)

B-102 & 103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara: 390 020 (GUJARAT) Phone : (0265)-2356573, E-mail : vadodara@linkintime.co.in Website : www.linkintime.co.in

Shareholders holding shares in Physical mode should communicate to the said R&T Agent of the Company at the above address, for Transmission, Transposition, Deletion of Name, Consolidation, Sub-division, Issue of Duplicate Share Certificates, Nomination, Change of Address & Bank details etc.

## 12. Share Transfer System:

As per SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 and SEBI Circular No. PR No.: 51/2018 dated 3<sup>rd</sup> December, 2018 transfer of shares in physical mode were allowed up to 31.03.2019 and w.e.f. 01.04.2019, transfer of shares of Listed Company can only be effected in the dematerialized form.

Hence, the R & T Agent of the Company has stopped accepting any fresh lodgement of transfer of shares in physical form. The Company had sent communication to the shareholders encouraging them to dematerialise their holding in the Company. Shareholders hold shares in physical form are advised to avail the facility of dematerialisation.

Requests for transmission or deletion of name or Change in name etc in case of physical share certificates are processed by the R & T Agent of the Company and are approved by the approving authority as per the powers delegated by the Stakeholders' Relationship-cum-Investors' Grievance Committee of Directors of the Company. The service requests of such nature are generally processed within a period of fifteen (15) days from the date of receipt of the relevant documents by the R & T Agent of the Company.

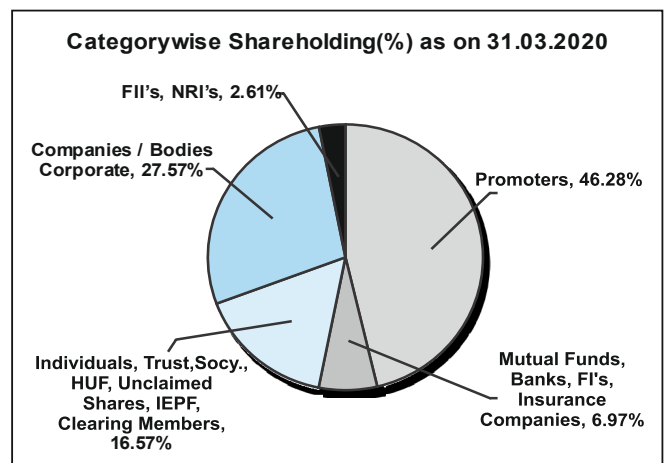
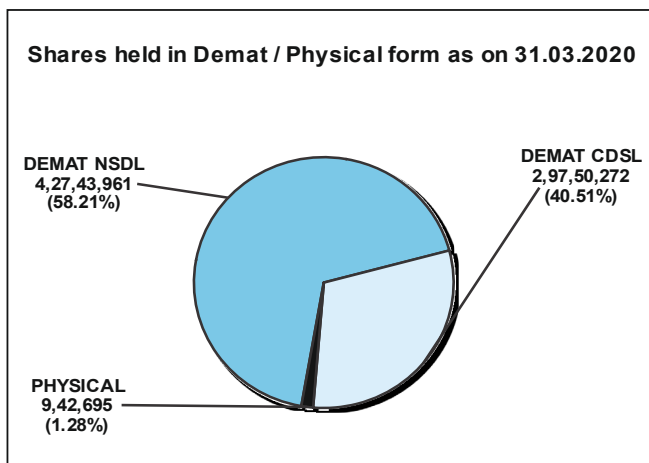
During the Financial Year 2019-20, the total 1,39,913 equity shares were transferred (lodged prior to deadline i.e. 01.04.2019 and returned due to deficiency in the document and re-lodged after deadline) & dematerialized and Nil equity shares were rematerialized.

**13. (A) Distribution of Shareholding as on 31st March, 2020:**

No. of Equity Shares held	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto 500	4956370	6.75	55639	92.94
501 to 1,000	1883162	2.56	2542	4.25
1,001 to 2,000	1473153	2.01	1032	1.72
2,001 to 3,000	650305	0.89	259	0.43
3,001 to 4,000	439193	0.60	125	0.21
4,001 to 5,000	296419	0.40	65	0.11
5,001 to 10,000	689388	0.94	93	0.16
10,001 to 50,000	1428185	1.94	72	0.12
50,001 to 1,00,000	699831	0.95	10	0.02
1,00,001 and above	60920922	82.96	24	0.04
<b>TOTAL as on 31.03.2020</b>	<b>7,34,36,928</b>	<b>100.00</b>	<b>59861</b>	<b>100.00</b>
TOTAL as on 31.03.2019	7,34,36,928	100.00	59,304	100.00

**(B) Summary of Shareholders & Shares held in Physical and Demat mode as on 31st March, 2020 :**

PARTICULARS	PHYSICAL	DEMAT		TOTAL
		NSDL	CDSL	
Total Shareholders (No.)	9,143	28,995	21,723	59,861
Percentage (%)	15.27	48.44	36.29	100
Total Shares (No.)	9,42,695	4,27,43,961	2,97,50,272	7,34,36,928
Percentage (%)	1.28	58.21	40.51	100



**14. Category of Shareholders as on 31st March, 2020 :**

Category	Share-holders	Percentage (%)	Physical Holding	Electronic Holding	Total Shares	Percentage (%)
Promoters	7	0.01	0	3,39,86,310	3,39,86,310	46.28
Directors & their relatives	0	0.00	0	0	0	0.00
Mutual Funds, Banks, FI's, NBFC	32	0.05	1168	32,32,675	32,33,843	4.40
Insurance Companies	3	0.01	50	18,83,794	18,83,844	2.57
Individuals	57,223	95.59	8,76,122	1,05,43,172	1,14,19,294	15.55
Companies/ Bodies Corporate	442	0.74	4,135	2,02,40,916	2,02,45,051	27.57
FI's, NRI's	1,000	1.67	2,749	19,15,519	19,18,268	2.61
Trusts	4	0.01	52,094	1,436	53,530	0.07
Unit Trust of India	0	0.00	0	0	0	0.00
Co-operative Societies	9	0.02	6,377	0	6,377	0.01
HUF	1,024	1.71	0	4,11,331	4,11,331	0.56
Unclaimed Shares	1	0.00	0	1,145	1,145	0.00
IEPF Authority	1	0.00	0	2,25,563	2,25,563	0.31
Clearing Members	115	0.19	0	52,372	52,372	0.07
<b>Total</b>	<b>59,861</b>	<b>100.00</b>	<b>9,42,695</b>	<b>7,24,94,233</b>	<b>7,34,36,928</b>	<b>100.00</b>

**15. Outstanding Global Depository Receipts (GDR) of American Depository Receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity:**

NIL / NOT APPLICABLE.

**16. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:****Risk Management Policy of the listed entity with respect to commodities including through hedging:**

During the year ended March 31, 2020, the Company has not hedged the Foreign Currency. In order to mitigate the Forex Risk, the Company has opened Exchange Earners' Foreign Currency Account (EEFC) US Dollar account as per RBI Guidelines to deposit the export earnings in the said account and to utilize the same for making US Dollar repayments towards interest and principal amount of ECB Loans. This mitigates the risk of volatility of INR vis-à-vis USD. The Company strives to increase USD exports, so as to generate sufficient reserves of USD in this account to meet repayment obligations.

The Company has adequate risk assessment and minimization system in place including for commodities. The Company does not have material exposure of any commodity and accordingly, no hedging activities for the same are carried out. Therefore, there is no disclosure for offer in terms of SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018.

Details of foreign currency transactions are disclosed in Note Nos. 2.6, 17, 36.5 & 41 to the Financial Statements.

**17. CREDIT RATING :**

The Company's financial discipline and prudence is reflected in the strong Credit Rating described by Rating Agency viz. M/s. CARE Ratings Limited (CARE) as per the following particulars:

Instrument	Rating Agency	Rating	Date of Rating
Long Term Bank Facilities	CARE Ratings Limited (CARE)	CARE AA+ (Double A Plus)	CARE Letter No. CARE/ARO/RL/2019-20/1942 dated 30 <sup>th</sup> September, 2019
Short Term Bank Facilities	CARE Ratings Limited (CARE)	CARE A1+ (A One Plus)	CARE Letter No. CARE/ARO/RL/2019-20/1942 dated 30 <sup>th</sup> September, 2019
Commercial Paper issue aggregating to Rs. 100 crores	CARE Ratings Limited (CARE)	CARE A1+ (A One Plus)	CARE Letter No. CARE/ARO/RL/2019-20/1943 dated 30 <sup>th</sup> September, 2019

There has been no revision in Credit Ratings obtained from CARE during the year under review.



**18. List of shareholders holding more than 1% of the total Share Capital of the Company as on 31st March, 2020.**

Sr. No.	Shareholder's Name	No. of Shares held	Percentage (%)
1.	LOK PRAKASHAN LTD	1,62,15,732	22.08
2.	GUJARAT STATE INVESTMENTS LIMITED	1,53,29,373	20.87
3.	GUJARAT INDUSTRIAL INVESTMENT CORPORATION LIMITED	71,19,028	9.69
4.	GUJARAT MINERAL DEVELOPMENT CORPORATION LTD	41,45,433	5.64
5.	GUJARAT INDUSTRIAL DEVELOPMENT CORPORATION	28,97,740	3.95
6.	GUJARAT MARITIME BOARD	27,34,719	3.72
7.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND	23,70,297	3.23
8.	GUJARAT NARMADA VALLEY FERTILIZERS & CHEMICALS LTD.	17,59,996	2.40
9.	GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED	16,55,040	2.25
10.	SHRI SHREYANS SHANTILAL SHAH	13,28,407	1.81
11.	THE NEW INDIA ASSURANCE COMPANY LIMITED	11,73,870	1.60
12.	GUJARAT INDUSTRIES POWER COMPANY LTD.	11,03,360	1.50

**PLANT LOCATIONS :****(1) BARODA COMPLEX & COELHO COMPLEX**

P.O.: Petrochemicals - 391 346  
Dist.: Vadodara,  
GUJARAT (INDIA)

**(2) DAHEJ COMPLEX**

Village : Dahej - 392 130  
Taluka : Vagra, Dist.: Bharuch,  
GUJARAT (INDIA)



## 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 of  
GUJARAT ALKALIES AND CHEMICALS LIMITED  
(CIN: L24110GJ1973PLC002247)  
PO PETROCHEMICALS: 391346  
DIST. VADODARA

Dear Sir / Madam,

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. GUJARAT ALKALIES AND CHEMICALS LIMITED** CIN - L24110GJ1973PLC002247, having registered office at P.O. Petrochemicals : 391 346, Dist.: Vadodara (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the Covid-19 Pandemic. I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Shri Rajiv Lochan Jain	00161022	06/01/2016
2.	Shri Prem Kumar Gera	05323992	19/02/2016
3.	Shri Manoj Kumar Das	06530792	03/08/2017
4.	Smt. Vasuben Narendra Trivedi	08181467	03/08/2018
5.	Shri Satyanarayan Banwarilal Dangayach	01572754	09/08/2019
6.	Shri Rohitbhai Jashbhai Patel	00088482	27/11/2019
7.	Shri Anil Gopishankar Mukim	02842064	11/12/2019
8.	Shri Pankaj Harischandra Joshi	01532892	27/12/2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on the basis of 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.

Place: Vadodara  
Date: 11<sup>th</sup> August, 2020

Signature : **Sd/-**  
Name of PCS : NIRAJ TRIVEDI  
FCS : 3844  
C. P. No. : 3123  
UDIN : F003844B000568254



**CERTIFICATE ON CORPORATE GOVERNANCE**  
(Pursuant to the Regulation 34(3) and Schedule V Para E of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**GUJARAT ALKALIES AND CHEMICALS LIMITED**  
(CIN: L24110GJ1973PLC002247)  
P.O. Petrochemicals - 391 346,  
Dist. Vadodara.

Dear Sir / Madam,

We have examined the compliance of the conditions of Corporate Governance by **M/s. Gujarat Alkalies and Chemicals Limited**, CIN: L24110GJ1973PLC002247, having Registered Office at P.O. Petrochemicals - 391 346, Dist. Vadodara (hereinafter referred to as "the Company"), for the Financial Year ended on 31<sup>st</sup> March, 2020 as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 collectively referred to as "SEBI Listing Regulations, 2015".

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned SEBI Listing Regulations, 2015.

We state that as per the records maintained, no investor complaint / grievances against the Company are pending for a period exceeding one month before Stakeholders' Relationship-cum-Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Date : 11<sup>th</sup> August, 2020  
Place : Vadodara

Sd/-  
**Niraj Trivedi**  
Practicing Company Secretary  
C P. NO.: 3123  
P. R. NO. : 499/2016  
UDIN: F003844B000568265

**CERTIFICATION BY CEO AND CFO TO THE BOARD OF DIRECTORS**

- a) We have reviewed the Balance Sheet and Statement of Profit And Loss and Notes on Accounts as well as the Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2020 and certify that to the best of our knowledge and belief :
  - i) these statements do not contain any materially untrue statement or omit any material fact nor contain statement that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the 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 to 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 internal control systems of the Company pertaining to financial reporting and that we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of which such internal controls, if any, of which we are aware, and the steps we have taken or proposed to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) significant changes in internal controls over financial reporting during the year;
  - ii) significant changes in the 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.

Sd/-  
**(P K GERA, IAS (Retd.))**  
MANAGING DIRECTOR

Sd/-  
**(VINAYAK KUDTARKAR)**  
GENERAL MANAGER (FINANCE)  
& CHIEF FINANCIAL OFFICER

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

## INDEPENDENT AUDITORS' REPORT

### To the Members of Gujarat Alkalies and Chemicals Limited

#### Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying standalone financial statements of **Gujarat Alkalies and Chemicals Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified

under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the Standalone 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 standalone financial statements under the provisions of the Act and the Rules made 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.

#### Emphasis of Matter

We draw your attention to Note 43 of the Standalone Financial Statements, which describes the impact of coronavirus disease 2019 (COVID-19) on the operations and financials of the Company.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the matter
1.	<p><b><u>Valuation of Equity Investments (Unquoted) (Refer to note 6 and 36.9.1 to the standalone financial statements)</u></b></p> <p>Investments in Equity Instruments (Unquoted) aggregates 4% of the Company's Total assets as at March 31, 2020.</p> <p>The Company measures its investments in Equity Instruments (Unquoted) at Fair Value through Other Comprehensive Income as at the Balance Sheet date. Fair value is determined using valuation approach / methodology for which significant inputs are unobservable inputs (Level 3 inputs).</p> <p>The valuation approach / methodology adopted by the management in certain cases are single valuation methods and, in some cases, multiple valuation approaches, and hence involve significant judgment as regards the methods and inputs used.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit procedures included:</p> <ol style="list-style-type: none"> <li>1) Evaluated and tested the design and operating effectiveness of the key controls implemented by the Company with respect to the valuation of Investments in Equity instruments (unquoted), inter alia controls around:               <ol style="list-style-type: none"> <li>a) periodic review by management of the risks of the valuation approach/ methodology;</li> <li>b) the verification and validation of unobservable inputs;</li> <li>c) selection and competence evaluation of external valuer;</li> </ol> </li> <li>2) Involved the Internal fair value experts and:               <ol style="list-style-type: none"> <li>a) Assessed the reasonableness of the valuation approach / methodology and inputs used;</li> <li>b) Assessed the reasonableness of the valuation results determined by the external valuer.</li> </ol> </li> </ol>

Sr. No.	Key Audit Matter	How our audit addressed the matter
		<p><b><u>Conclusion:</u></b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.</p>
2.	<p><b><u>Adoption of Ind AS 116 – Leases (Refer to note 3 (b) and 34 to the standalone financial statements)</u></b></p> <p>The Company has adopted Ind AS 116 - Leases w.e.f April 1, 2019. The application and transition to this Ind AS is complex and is an area of focus in our audit since the Company has a number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>Our audit procedures on adoption of Ind AS 116 included:</p> <ul style="list-style-type: none"> <li>• Assessing the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>• Evaluating the method of transition and related adjustments; the reasonableness of the discount rates applied in determining the lease liabilities;</li> <li>• Assessing the key terms and conditions of each lease with the underlying lease contracts</li> <li>• Assuring completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> <li>• Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul> <p><b><u>Conclusion:</u></b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.</p>

**Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Report on Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances and the applicable laws and regulations.

**Responsibilities of Management and those charged with Governance for the Standalone 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. 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 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 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 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.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 standalone 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 auditors' report to the related disclosures in the standalone 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 auditors' 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matters 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**

The comparative financial information included in these standalone financial statements, are based on the previously issued standalone financial statements for the year ended March 31, 2019 of the Company prepared in accordance with the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of Companies Act, 2013. Those standalone financial statements prepared under Ind AS were audited by the predecessor auditor, whose audit report dated May 28, 2019 expressed an unmodified opinion on those financial results.

Our opinion is not modified in respect of the above matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act;
  - e. on the basis of the written representations received from the directors as on March 31, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act;
  - f. with respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
  - g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act; and
  - h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the standalone financial statements;
    - ii. the Company did not have any long term contracts including derivative contracts as at March 31, 2020 for which there were any material foreseeable losses;
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **K.C. Mehta & Co.**  
Chartered Accountants  
Firm's Registration No. 106237W

**Vishal P. Doshi**  
Partner

Membership No. 101533  
UDIN: 20101533AAAABO9301

Place: Vadodara  
Date: June 18, 2020

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

The annexure referred to in our Independent Auditors' Report to the members of **Gujarat Alkalies and Chemicals Limited** ("the Company") on the financial statements for the year ended March 31, 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from the lender. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the

- Company, where the Company is the lessee in the agreement except the lease deed in respect of Plot No. 3 for the balance land admeasuring 44,032 sq. meters acquired at Dahej having value of Rs. 15.86 Lakhs is pending for execution.
- ii. The Inventories have been physically verified by the management during the year and in our opinion, the frequency of verification is reasonable. As explained to us, there were no material discrepancies on physical verification of inventory as compared to the book records.
  - iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore, reporting under clause (iii) of the Order is not applicable to the Company.
  - iv. The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 186 of the Act in respect of the Investments made.
  - v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of Section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder and therefore, reporting under clause (v) of the Order is not applicable to the Company.
  - vi. We have broadly reviewed the records maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
  - vii. (a) According to the information and explanations given to us, the Company has been generally regular in depositing with appropriate authorities undisputed statutory dues, including provident fund, employee's state insurance, income tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. Further, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, value added tax, goods and service tax, cess and any other statutory dues were in arrears, as at March 31, 2020 for a period of more than six months from the date they become payable.  
(b) Dues of Income tax, sales tax, value added tax and excise which have not been deposited on account of any dispute as on March 31, 2020 are as follows:

(Rs in lakhs)

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the Amount relates	Amount involved	Amount Unpaid
Gujarat Sales Tax Act, 1969	Sales Tax Liability (Including Purchase Tax Liability)	Joint Commissioner of Appeals	2000-01 to 2005-06	20,431.56	20,431.56
		Gujarat Sales Tax Tribunal	2002-03 to 2005-06	50.18	46.68
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2009-10, 2013-14 to 2015-16	1,136.84	Nil
		High Court, Gujarat	2003-04 to 2006-07, 2007-08, 2009-10, 2010-11	10,116.58	7,812.00
		Supreme Court	2007-08	3,586.71	3,586.71
Finance Act, 1994	Service Tax	High Court	April 2010 to January 2015	74.61	68.08
		Central Excise and Service Tax Appellate Tribunal	October 2004 to June 2017	637.09	595.12
		Commissioner (Appeals)	April 2011 to February 2016	1.59	1.48

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the Amount relates	Amount involved	Amount Unpaid
Central Excise Act, 1944	Central Excise	Central Excise and Service Tax Appellate Tribunal	January 2004 to June 2017	1,718.67	1,649.21
		High Court, Gujarat	1996-97 to 2001-02	1,719.66	462.12

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not taken any loans from financial institutions and Government and has not issued any debentures.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instrument) and term loans during the year and therefore, reporting under clause (ix) of the Order is not applicable to the Company.
- x. To the best of our knowledge and according to information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi company and therefore, reporting under clause (xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with Section 177 and
- 188 of the Act where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with directors and therefore, reporting under clause (xv) of the Order is not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act 1934.

For **K.C. Mehta & Co.**  
Chartered Accountants  
Firm's Registration No. 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533  
UDIN: 20101533AAAABO9301  
Place: Vadodara  
Date: June 18, 2020

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **Gujarat Alkalies and Chemicals Limited** on the standalone financial statements of even date)

**Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub section 3 of Section 143 of the Act.**

We have audited the internal financial controls with reference to standalone financial statements of **Gujarat Alkalies and Chemicals Limited** ("the Company") as of March 31, 2020 in

conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("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 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 standalone financial statements were 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 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 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 auditors' 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 standalone financial statements.

### Meaning of Internal Financial Controls with reference to 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 standalone 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 standalone 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 standalone 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, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **K.C. Mehta & Co.**

*Chartered Accountants*

Firm's Registration No. 106237W

**Vishal P. Doshi**

*Partner*

Membership No. 101533

UDIN: 20101533AAAABO9301

Place: Vadodara

Date: June 18, 2020



**STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

[Rs. in Lakhs]

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	2,52,113.53	2,29,341.43
(b) Right of use asset	3	8,289.67	-
(c) Capital work-in-progress	3	44,516.32	30,746.01
(d) Other Intangible assets	4	580.07	682.90
(e) Financial Assets			
(i) Investments			
(a) Investment in Joint Venture	5	36,000.00	23,929.64
(b) Other Investments	6	88,352.30	82,555.24
(ii) Loans	7	118.85	155.97
(iii) Other Financial assets	8	2,140.74	2,108.19
(f) Non-Current Tax Assets (Net)	9	8,692.67	10,032.52
(g) Other non-current assets	10	11,264.56	12,638.45
<b>Total Non - current assets</b>		<b>4,52,068.71</b>	<b>3,92,190.35</b>
<b>(2) Current assets</b>			
(a) Inventories	11	23,627.44	23,146.65
(b) Financial Assets			
(i) Other Investments	6	61.73	148.92
(ii) Trade receivables	12	37,424.03	48,702.92
(iii) Cash and cash equivalents	13	4,239.01	19,220.58
(iv) Bank balance other than (iii) above	14	163.85	7,880.44
(v) Loans	7	61,194.02	52,599.60
(vi) Other Financial assets	8	3,866.54	3,254.60
(c) Other current assets	10	6,628.03	6,061.17
<b>Total Current assets</b>		<b>1,37,204.65</b>	<b>1,61,014.88</b>
<b>TOTAL ASSETS</b>		<b>5,89,273.36</b>	<b>5,53,205.23</b>
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

3-49

As per our attached Report of even date

**For and on behalf of the Board**

For **K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(contd.)

[Rs. in Lakhs]

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity Share capital	15	7,343.84	7,343.84
(b) Other Equity	16	4,52,406.57	4,22,321.56
<b>Total Equity</b>		<b>4,59,750.41</b>	<b>4,29,665.40</b>
<b>(2) LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	13,710.00	18,458.81
(ii) Other financial liabilities	21	68.93	-
(b) Provisions	18	10,420.79	9,687.64
(c) Deferred tax liabilities (Net)	19	52,522.06	44,591.17
<b>Total Non-current liabilities</b>		<b>76,721.78</b>	<b>72,737.62</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	213.49	292.50
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	20	1,645.68	1,426.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	30,488.44	29,707.92
(iii) Other financial liabilities	21	14,887.11	13,520.32
(b) Other current liabilities	22	2,469.67	4,231.20
(c) Provisions	18	1,028.34	804.18
(d) Current Tax Liabilities (Net)	9	2,068.44	819.19
<b>Total Current Liabilities</b>		<b>52,801.17</b>	<b>50,802.21</b>
<b>Total Liabilities</b>		<b>1,29,522.95</b>	<b>1,23,539.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,89,273.36</b>	<b>5,53,205.23</b>
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

3-49

As per our attached Report of even date

For **K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**For and on behalf of the Board**

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020



## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Rs. in Lakhs]

Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
I. Revenue from operations	23	2,72,459.33	3,16,137.77
II. Other Income	24	8,978.07	6,076.96
<b>III. Total Revenue (I +II)</b>		<b>2,81,437.40</b>	<b>3,22,214.73</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	25	91,265.35	86,096.00
Purchase of Stock-in-Trade		1,105.51	386.69
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	869.12	(1,386.93)
Employee benefits expense	27	24,389.80	20,695.81
Finance costs	28	1,404.08	2,094.13
Depreciation and amortisation expense	29	16,182.95	13,996.64
Power, Fuel & Other Utilities	30	58,320.33	62,951.19
Other expenses	31	38,737.84	35,879.02
<b>Total Expenses</b>		<b>2,32,274.98</b>	<b>2,20,712.55</b>
<b>V. Profit before Tax (III - IV)</b>		<b>49,162.42</b>	<b>1,01,502.18</b>
<b>VI. Tax expense</b>	32		
(a) Current tax		12,357.17	26,938.36
(b) Deferred tax		3,444.04	4,456.28
(c) Net Tax Adjustment of earlier year		76.82	1,142.81
		<b>15,878.03</b>	<b>32,537.45</b>
<b>VII. Profit for the year (V - VI)</b>		<b>33,284.39</b>	<b>68,964.73</b>
<b>VIII. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial Gain / (Loss) on Gratuity		(709.26)	(132.58)
Deferred Tax Assets / (liabilities) on defined benefit obligation - Gratuity		247.84	46.33
Investment adjustment - FVTOCI		5,797.06	(16,730.61)
Deferred Tax Assets / (liabilities) on net fair value gain on investment in equity instruments at FVTOCI		(1,456.89)	1,009.08
<b>Total Other Comprehensive Income (VIII)</b>		<b>3,878.75</b>	<b>(15,807.78)</b>
<b>IX. Total Comprehensive Income (VII + VIII)</b>		<b>37,163.14</b>	<b>53,156.95</b>
<b>X. Earning per equity share (face value Rs.10/-each):</b>	33		
(1) Basic (Rs.)		45.32	93.91
(2) Diluted (Rs.)		45.32	93.91
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

3-49

As per our attached Report of even date

For and on behalf of the Board

For **K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Rs. in Lakhs]

PARTICULARS	2019-20	2018-19
<b>A Cash Flow from Operating Activities</b>	<b>62,971.50</b>	<b>83,779.39</b>
<b>B Cash Flow from Investing Activities</b>	<b>(63,453.48)</b>	<b>(58,290.65)</b>
<b>C Cash Flow from Financing Activities</b>	<b>(14,585.11)</b>	<b>(13,575.83)</b>
<b>D Effect of unrealised exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>85.52</b>	<b>237.03</b>
<b>E Cash and Cash Equivalents at the beginning of the year</b>	<b>19,220.58</b>	<b>7,070.64</b>
<b>F Cash and Cash Equivalents at the end of the year</b>	<b>4,239.01</b>	<b>19,220.58</b>
<b>G Total Cash Flow During the year (A+B+C+D) or (F-E)</b>	<b>(14,981.57)</b>	<b>12,149.94</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit / (Loss) Before Tax</b>	<b>49,162.42</b>	<b>1,01,502.18</b>
<u>Adjustments For :</u>		
<b>Addition / (Deduction)</b>		
Depreciation and Amortisation Expenses	16,182.95	13,996.64
Interest Income	(5,765.42)	(4,672.01)
Dividend Received	(1,525.92)	(1,359.88)
Interest Expense	1,404.08	2,094.13
Net (Profit) / Loss on Sale of Property Plant & Equipment	8.13	11.65
Net (Gain) / Loss arising from Financial Assets designated as FVTPL	87.19	81.45
Unrealised exchange (gain)/loss	696.06	373.62
Provision for Expected credit loss allowances	571.04	327.38
Provision for Gratuity/Leave	1,212.73	455.85
Stores and Spares W/off	246.85	195.74
<b>Sub Total</b>	<b>13,117.69</b>	<b>11,504.57</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>62,280.11</b>	<b>1,13,006.75</b>
<u>Decrease or (Increase) in Assets :</u>		
Trade Receivables	10,760.32	(8,723.35)
Loans	(57.30)	(70.40)
Other Assets	(1,434.04)	(3,061.18)
Other Financial Assets	(109.71)	(151.33)
Inventories	(727.64)	3,204.12
<u>Increase / (Decrease) in Liabilities :</u>		
Trade Payables and Other Current Liabilities	(815.08)	6,231.95
Provisions	128.38	90.52
Other Financial Liabilities	(484.06)	(1,389.70)
<b>Cash Generated from Operations Before Tax</b>	<b>69,540.98</b>	<b>1,09,137.38</b>
Direct Taxes Paid	(6,569.48)	(25,357.99)
<b>Net Cash Flow generated from Operating Activities : (Total - A)</b>	<b>62,971.50</b>	<b>83,779.39</b>



## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 (contd.)

[Rs. in Lakhs]

PARTICULARS	2019-20	2018-19
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payment for Property Plant & Equipment	(41,417.44)	(32,336.29)
Payment for Intangible Assets	(0.82)	(36.04)
Proceeds from disposal of Property Plant & Equipment	5.86	-
Payment for Capital Work-in-progress	(15,959.31)	(6,280.50)
Payment for Investment in Joint Venture	(12,070.36)	(8,730.00)
Interest Received	5,230.64	4,264.33
Dividend Received	1,525.92	1,359.88
Payment for Deposit placed during the year	7,732.03	(1,532.03)
Payment for Short Term Deposits	(8,500.00)	(15,000.00)
<b>Net Cash used in Investment Activities - (Total - B)</b>	<b>(63,453.48)</b>	<b>(58,290.65)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest and Finance charges paid	(1,474.59)	(2,083.60)
Dividend paid (including dividend distribution tax)	(7,098.00)	(5,762.68)
Unpaid Dividend	15.44	8.09
Repayment from Long Term Borrowings	(5,942.31)	(5,597.38)
Proceeds from Short Term Borrowings (Net)	(79.01)	(140.26)
Payment of Lease Rent	(6.64)	-
<b>Net Cash used in Financing Activities - (Total - C)</b>	<b>(14,585.11)</b>	<b>(13,575.83)</b>
<b>D Effect of unrealised exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>85.52</b>	<b>237.03</b>
<b>E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</b>		
Cash and Cheques on Hand	461.78	307.26
Balances with Banks	2,758.80	6,763.38
Balances with Financial Institution	16,000.00	-
<b>Net Cash and Cash Equivalents at the beginning of the year (Total - E)</b>	<b>19,220.58</b>	<b>7,070.64</b>
<b>F CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</b>		
Cash and Cheques on Hand	3.51	461.78
Balances with Banks	4,235.50	2,758.80
Balances with Financial Institution	-	16,000.00
<b>Net Cash and Cash Equivalents at the end of the year (Total - F)</b>	<b>4,239.01</b>	<b>19,220.58</b>
<b>G TOTAL CASH FLOW DURING THE YEAR (A+B+C+D) OR (F-E)</b>	<b>(14,981.57)</b>	<b>12,149.94</b>

**Note :-** 1 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS -7 "Statement of Cash Flows".

2 Previous year's figures have been regrouped / rearranged to confirm to the current years presentation, wherever necessary.

See accompanying notes forming part of financial statements.

1-49

As per our attached Report of even date

**For and on behalf of the Board**

For **K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020



## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[Rs. in Lakhs]

Particulars	Equity Share Capital	Retained Earnings				Other Comprehensive Income - Fair value of equity instrument	Total Other Equity	Total Equity
		Capital Reserve	General Reserve	Security Premium	Retained Earnings			
<b>Balance as at April 1, 2018</b>	<b>7,343.84</b>	<b>0.24</b>	<b>1,70,751.08</b>	<b>23,423.18</b>	<b>1,08,412.63</b>	<b>72,332.07</b>	<b>3,74,919.20</b>	<b>3,82,263.04</b>
Profit for the year	-	-	-	-	68,964.73	-	68,964.73	68,964.73
Transfer to general reserve	-	-	34,482.00	-	(34,482.00)	-	-	-
Other comprehensive income for the year	-	-	-	-	(86.25)	(15,721.53)	(15,807.78)	(15,807.78)
<b>Total Comprehensive income for the year</b>	-	-	<b>34,482.00</b>	-	<b>34,396.48</b>	<b>(15,721.53)</b>	<b>53,156.95</b>	<b>53,156.95</b>
Dividend	-	-	-	-	(4,773.40)	-	(4,773.40)	(4,773.40)
Dividend distribution tax	-	-	-	-	(981.19)	-	(981.19)	(981.19)
<b>Balance as at March 31, 2019</b>	<b>7,343.84</b>	<b>0.24</b>	<b>2,05,233.08</b>	<b>23,423.18</b>	<b>1,37,054.52</b>	<b>56,610.54</b>	<b>4,22,321.56</b>	<b>4,29,665.40</b>
Profit for the year	-	-	-	-	33,284.39	-	33,284.39	33,284.39
Transfer to general reserve	-	-	16,642.00	-	(16,642.00)	-	-	-
Lease Financial Liabilities	-	-	-	-	4.43	-	4.43	4.43
Other comprehensive income for the year	-	-	-	-	(461.42)	4,340.17	3,878.75	3,878.75
<b>Total Comprehensive income for the year</b>	-	-	<b>16,642.00</b>	-	<b>16,185.40</b>	<b>4,340.17</b>	<b>37,167.57</b>	<b>37,167.57</b>
Dividend	-	-	-	-	(5,874.95)	-	(5,874.95)	(5,874.95)
Dividend distribution tax	-	-	-	-	(1,207.61)	-	(1,207.61)	(1,207.61)
<b>Balance as at March 31, 2020</b>	<b>7,343.84</b>	<b>0.24</b>	<b>2,21,875.08</b>	<b>23,423.18</b>	<b>1,46,157.36</b>	<b>60,950.71</b>	<b>4,52,406.57</b>	<b>4,59,750.41</b>

As per our attached Report of even date

For and on behalf of the Board

For **K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Notes forming part of the Financial Statements

#### 1. GENERAL INFORMATION

Gujarat Alkalies and Chemicals Limited (“the Company”) is a multi-product chemical manufacturing Company, having various products in its basket and is one of the leading manufacturer of Caustic Soda Lye.

The Company having CIN L24110GJ1973PLC002247 is a public limited company incorporated and domiciled in India and has its Registered Office at P. O. Petrochemicals – 391346, District Vadodara, Gujarat, India. The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.1. Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Section 133 of The Companies Act, 2013 (the “Act”) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act as amended from time to time.

##### 2.2. Application of New Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

The Company has adopted Ind AS 116, “Leases” with effect from 1<sup>st</sup> April, 2019 with modified retrospective approach method i.e. where the cumulative impact, if any, is recognized in the opening retained earnings on the date of initial application (1st April 2019).

##### 2.3. Basis of Preparation of financial statements

The financial statements have been prepared, under the historical cost convention, on the accrual basis of accounting except for certain assets and liabilities which are measured at fair value/amortized cost/ present value at the end of each reporting period as explained in the accounting policies set out below. These accounting policies have been applied consistently over all the periods presented in these financial statements except as mentioned below in 2.6

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

##### 2.4. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates,

judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in notes below. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, then effects are disclosed in the notes to the financial statements.

##### 2.5. Revenue Recognition

###### 2.5.a. Sale of Goods :

The Company derives Revenue primarily from sale of manufactured and traded products being “Chemicals”.

Revenue from the sale of products is recognised on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange of those products.

The performance obligation to transfer each distinct product consists of supplying the product to a named destination, handling charges and packing charges.

The Company accounts for discounts and incentives to customers as a reduction of revenue based on the proportionate allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increase in level of revenue transactions, the Company recognizes the liability based on its estimate of the customer’s future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction price for the time value of money.

Sale of products excludes amounts of indirect taxes on sales.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.5.b.Dividend and interest income :

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### 2.5.c.Other Operating Income and Other Income :

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

## 2.6. Leasing

### The Company as a Lessee:

The Company's lease asset class primarily consist of leases for immovable properties. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if there is an explicit or implicit identified asset in the contract and Customer controls the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### Transition

"Effective 1<sup>st</sup> April 2019, the Company has adopted Indian Accounting Standard (Ind AS) 116 "Leases". The Standard primarily requires the Company, as a lessee to recognize, at the commencement of the lease a right-of-use (ROU) asset and a lease liability (representing the present value of unpaid lease payments to be made over the lease term). Such ROU assets are subsequently depreciated in accordance with the depreciation requirements as per Ind AS 16, Property, Plant and Equipment and the lease liability reduced when paid, with the interest on the lease liability recognized as finance costs. The Company has elected to use the "Modified retrospective approach", i.e., where the cumulative impact, if any, is recognized in the opening retained earnings on the date of initial application (1<sup>st</sup> April 2019). Accordingly, previous period information has not been restated.

## 2.7. Foreign Currencies

### 2.7.a.Functional Currency :

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakhs)

### 2.7.b.Transactions and translations :

In preparing the financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

which the Company initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### 2.8. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent regarded as an adjustment to the interest costs. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.9. Employee Benefits

#### 2.9.a. Short term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, etc. and the expected cost of bonus, Ex-gratia, Leave Travel Allowance, Reimbursement of Medical Expenses, Personal Accident Policy, Deposit Linked Insurance Policy are recognised, undiscounted in the period in which the employee renders the related services.

#### 2.9.b. Post-Employment Benefits :

##### 2.9.b.1. Defined Contribution Plan :

The Company's contribution paid /payable during the year to Provident Fund, Superannuation Fund and other welfare funds are considered as defined contribution plans. The Contribution paid/ payable under these plans

are recognised in the Statement of Profit and Loss during the period in which the employee renders the services. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

##### 2.9.b.2. Defined Benefit Plans :

The Gratuity Scheme managed by Life Insurance Corporation of India through a Trust is considered as defined benefit plan. The present value of the obligation is determined based on actuarial valuation being carried out at each reporting date using the Projected Unit Credit Method.

Actuarial gains and losses are recognised immediately in other comprehensive income.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

Interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

The defined retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets.

##### 2.9.b.3. Long term Employee Benefits :

The obligation for long term employee benefits such as long term compensated absences, long service awards, etc. is recognised in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above except that the actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

### 2.10. Income Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### 2.10.a. Current Tax :

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 2.10.b. Deferred Tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits to the extent that it is probable that taxable profits will be available against which these can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 2.10.c. Current and Deferred Tax for the Year:

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

### 2.11. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, trade discount and rebate if any), Exchange rate variations attributable to the assets and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and initial estimate of decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

### Depreciation method, Estimated Useful lives and residual value

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of the assets are as follows :

Asset	Useful Life
Buildings	20-60 years
Plant and Equipment	10-40 Years
Office Equipment	3 years
Furniture and Fixtures	5-10 years
Vehicles	8-10 years

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life as prescribed under Schedule II of the Companies Act, 2013 have been followed except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- Remembraning of Membrane cell elements-4 years
- Recoating of Anode and Cathode membrane cell elements- 8 years
- Leasehold land and equipment is amortised over the duration of the lease.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of the assets not ready for intended use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses which are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.12. Intangible Assets

#### Intangible Assets acquired separately:

Intangible assets with finite useful life acquired separately, are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives from the date they are available for use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Subsequent expenditures are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

#### RESEARCH AND DEVELOPMENT

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred.

#### Useful Lives of Intangible Assets :

Estimated Useful lives of the Intangible assets are as follows:

Intangible Asset	Useful Life
Capitalised Development	5 Years
Computer Software	8 Years

### 2.13. Impairment of Tangible and Intangible Assets other than Goodwill

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If such assets are considered to be impaired, the impairment is recognized in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. After a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### 2.14. Inventories :

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence, if any. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Cost of inventories comprises of cost of purchase (net of recoverable taxes), cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Inventory cost formula is as under

Inventories	Basis of Valuation and Cost Formula
Raw material	Landed cost at weighted average basis
Raw Material (Goods in transit)	At Cost on Basic Price
Work in Progress	Raw material, labour and appropriate proportion of manufacturing expenses and overheads as per stage of completion at weighted average.
Finished Goods (Including in Transit)	Raw material, labour and appropriate proportion of manufacturing expenses and overheads at weighted average.
Stores, spares, packing materials	Landed Cost Weighted average basis



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.15. Provisions, Contingent Liabilities and Contingent Assets

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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material. If the time value of money is material, Provisions are discounted using pre-tax discount rate and when discounting is used, increase in the provision with the passage of time is recognised as a finance cost in the statement of Profit and Loss account.

A contingent liability is (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (b) a present obligation that arises from past events but is not recognised because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or (ii) the amount of the obligation can not be measured with sufficient reliability.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

A contingent asset is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more of uncertain future events not wholly within the control of the entity.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### 2.16. Financial Instruments

The Company determines the classification of its financial assets and liabilities at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### Initial Recognition and Measurement:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Effective interest method :

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### Subsequent Measurement

#### 2.16.a. Non-derivative financial instruments :

##### 2.16.a.1. Cash and Cash equivalents :

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

##### 2.16.a.2. Financial assets carried at amortised cost :

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### 2.16.a.3. Financial assets at fair value through Other Comprehensive Income (FVTOCI) :

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

subsequent changes in fair value in Other Comprehensive Income based on its business model.

On derecognition of such Financial assets, cumulative gain or loss previously recognised in Other Comprehensive Income is not reclassified from the equity to statement of Profit and Loss.

### 2.16.a.4. Financial assets at fair value through profit or loss (FVTPL) :

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

### 2.16.a.5. Investment in Joint Venture :

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company accounts for its investment in joint venture at cost.

### 2.16.a.6. Financial liabilities :

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

### 2.16.a.7. Derecognition of financial instruments :

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. On derecognition of Financial assets (except as mentioned in 2.17.a.3), the difference between the carrying amount and the consideration received is recognised in the statement of Profit and Loss account. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

### 2.16.a.8. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2.17. Share capital

### Ordinary Shares :

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity, net of any tax effects.

## 2.18. Fair Value Measurement

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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, which gives highest priority to quoted prices in active markets and the lowest priority to unobservable inputs.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for inputs other than quoted prices included within Level 1 that are observable for the asset or Liability either directly or indirectly.

Level 3 — Valuation techniques for inputs that are unobservable for the asset or liability.

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.

## 2.19. Impairment of Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the statement of profit and loss.

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, discounted at the effective interest rate.

ECL are measured taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

For Trade receivables, the Company uses a provision matrix to measure lifetime ECL on its portion of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates.

### 2.20. Earnings per share

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 2.21. Operating Segments

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The Company operates in one reportable business segments i.e. "Chemicals".

### 2.22. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### 2.23. Current/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 if it satisfies any of the following conditions:

- 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
- 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 if it satisfies any of the following conditions:

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

The company classifies all other liabilities as non-current.

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.

### 2.24. Non-Current Assets held for Sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

### 2.25. Critical accounting judgements, assumptions and Key sources of estimation uncertainty:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities, Stores & Spares Written off.

#### 2.25.a. Critical judgments in applying accounting policies

The following are the critical judgements, apart from those involving estimations (Refer note 2.25.b), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

##### 2.25.a.1. Determining whether an arrangement contain leases and classification of leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The company makes

an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

#### 2.25.b. Key sources of estimates and assumptions

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

##### 2.25.b.1. Defined benefit obligation (DBO)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations being carried out at reporting date. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, Salary escalation rate, expected rate of return on asset 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

##### 2.25.b.2. Contingent Liabilities and Assets

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 2.25.b.3. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

### 2.25.b.4. Impairment of non-financial assets

Evaluation for impairment requires use of judgment, estimates and assumptions.

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

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 CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where 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 subsidiaries or other available fair value indicators.

### 2.25.b.5. Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

### 2.25.b.6. Recognition of Deferred tax assets:

Deferred Tax Assets (DTA) are recognized for the unused tax losses/ credits to the extent that it is probable that taxable profit will be available against which the losses will be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### 2.25.b.7. Useful lives and residual value of property, plant and equipment:

The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### 2.25.b.8. Dismantling cost of property, plant and equipment:

The company estimates assets retirement obligation on estimate basis for property, plant and equipment. Estimation is done by the management considering size of the asset and its useful life in line with industry practices.

### 2.25.b.9. Stores and spares inventories:

The Company's manufacturing process is continuous and highly mechanic with wide range of different types of plant and machineries. The Company keeps stores and spares as standby to continue the operations without any disruption. Considering wide range of stores and spares and long lead time for procurement of it and based on criticality of spares, the Company believes that net realizable value would be more than cost.

### 2.25.b.10. Fair value of investments:

The Company has invested in the equity instruments of various companies. The valuation exercise of unquoted equity instruments carried out by the Company with the help of an independent valuer, etc. has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Carrying Amounts of :</b>		
Land Freehold	102.75	102.75
Land Leasehold	-	3,786.28
Buildings	15,121.46	12,262.22
Plant and equipment	2,35,781.10	2,11,872.24
Plant and equipment under Finance Lease	398.37	412.39
Computer Equipments	316.98	480.93
Furniture and Fixture	342.70	361.46
Vehicles	50.17	63.16
	<b>2,52,113.53</b>	<b>2,29,341.43</b>
Right of use asset (Refer Note 46)	8,289.67	-
	<b>8,289.67</b>	<b>-</b>
	<b>2,60,403.20</b>	<b>2,29,341.43</b>
Capital Work-In-Progress	44,516.32	30,746.01
	<b>44,516.32</b>	<b>30,746.01</b>
<b>Total</b>	<b>3,04,919.52</b>	<b>2,60,087.44</b>

[Rs. in Lakhs]

Fixed Assets	Land Freehold	Right of Use Assets (Ref. Note No.3.1)	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Computer Equipments	Furniture & Fixture	Vehicles	Recoating/ Remem-braning	Total
<b>Cost</b>										
<b>As at April 1, 2018</b>	102.75	3,901.94	13,973.98	2,16,386.34	274.53	977.27	626.58	176.46	7,010.07	2,43,429.92
Additions	-	-	589.36	31,353.95	-	79.50	65.68	-	-	32,088.49
Adjustment	-	1.96	-	1,436.29	193.14	-	0.36	14.27	-	1,646.02
Deductions	-	-	-	(8.63)	(3.02)	-	-	-	-	(11.65)
Effect of Exchange difference	-	-	-	1,083.60	-	-	-	-	-	1,083.60
<b>As at March 31, 2019</b>	102.75	3,903.90	14,563.34	2,50,251.55	464.65	1,056.77	692.62	190.73	7,010.07	2,78,236.38
Additions	-	4,761.12	3,459.29	37,724.35	-	28.96	56.45	-	48.94	46,079.11
Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	(5.31)	(0.95)	(28.09)	-	(2.81)	-	(37.16)
Effect of Exchange difference	-	-	-	1,075.95	-	-	-	-	-	1,075.95
<b>As at March 31, 2020</b>	102.75	8,665.02	18,022.63	2,89,046.54	463.70	1,057.64	749.07	187.92	7,059.01	3,25,354.28

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

[ Rs. in Lakhs ]

Fixed Assets	Land Freehold	Right of Use Assets (Ref. Note No.3.1)	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Computer Equipments	Furniture & Fixture	Vehicles	Recoating/ Remem-braning	Total
<b>Depreciation &amp; Impairment</b>										
<b>As at April 1, 2018</b>	-	74.54	1,729.24	26,898.81	(153.94)	349.35	258.25	89.35	4,109.90	33,355.50
Depreciation for the year	-	41.12	571.88	12,050.72	13.06	226.49	72.55	23.95	893.66	13,893.43
Adjustment	-	1.96	-	1,436.29	193.14	-	0.36	14.27	-	1,646.02
Deductions	-	-	-	-	-	-	-	-	-	-
Effect of Foreign currency exchange difference	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	-	117.62	2,301.12	40,385.82	52.26	575.84	331.16	127.57	5,003.56	48,894.95
Depreciation for the year	-	257.73	600.05	14,160.07	13.07	185.45	75.21	12.72	775.00	16,079.30
Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	(20.63)	-	(2.54)	-	(23.17)
<b>As at March 31, 2020</b>	-	375.35	2,901.17	54,545.89	65.33	740.66	406.37	137.75	5,778.56	64,951.08
<b>Net Block</b>										
<b>As at March 31, 2020</b>	102.75	8,289.67	15,121.46	2,34,500.65	398.37	316.98	342.70	50.17	1,280.45	2,60,403.20
As at March 31, 2019	102.75	3,786.28	12,262.22	2,09,865.73	412.39	480.93	361.46	63.16	2,006.51	2,29,341.43

- 3.1 Right of Use Assets amortised during Financial Year 2019-20 of Rs. 257.73 lakhs (Ref. Note 2.6 ).
- 3.2 The lease deed in respect of Plot No. 3 for the partial land admeasuring 44,032 sq. mtrs acquired at Dahej Complex having value of Rs.15.86 lakhs is pending for execution.
- 3.3 Borrowing Cost capitalised during the year Rs. Nil Lakhs ( Previous Year: Rs. Nil Lakhs) for acquisition of Long Term Assets.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**4 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Carrying Amounts of:</b>		
Computer Software	580.07	682.90
	<b>580.07</b>	<b>682.90</b>

Other Intangible Assets	Computer Software
<b>Cost</b>	
<b>As at April 1, 2018</b>	<b>379.76</b>
Additions	424.83
<b>As at March 31, 2019</b>	<b>804.59</b>
Additions	0.82
<b>As at March 31, 2020</b>	<b>805.41</b>
<b>Accumulated amortisation and impairment</b>	
<b>As at April 1, 2018</b>	<b>18.48</b>
Amortisation expense	103.21
<b>As at March 31, 2019</b>	<b>121.69</b>
Amortisation expense	103.65
<b>As at March 31, 2020</b>	<b>225.34</b>
<b>Net Block</b>	
<b>As at March 31, 2020</b>	<b>580.07</b>
As at March 31, 2019	<b>682.90</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 5 INVESTMENT IN JOINT VENTURE

[ Rs. in Lakhs ]

Particulars	Nos.	Face Value Rs.	As at 31.03.2020	Nos.	As at 31.03.2019
<b>Unquoted Investments (all fully paid) :</b>					
Investment in fully paid Equity Shares of GACL-NALCO Alkalies and Chemicals Pvt. Ltd.	36,00,00,000	10	36,000.00	23,92,96,400	23,929.64
<b>GRAND TOTAL</b>			<b>36,000.00</b>		<b>23,929.64</b>

#### Details and financial information of joint venture

Name of Joint Venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Company	
			As at 31.03.2020	As at 31.03.2019
GACL-NALCO Alkalies and Chemicals Pvt. Ltd.	Manufacture and Sale of Chlor-Alkali Products	India	60%	60%

For Method of Accounting Refer Note- 2.16.a.5



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

**6 OTHER INVESTMENTS**

[Rs. in Lakhs]

Particulars	Face Value Rs.	As at 31.03.2020		As at 31.03.2019	
		Quantity	Amount	Quantity	Amount
<b>Non - Current :</b>					
<b>1 Investment in Equity Instruments (Quoted) :</b>					
a Gujarat Industries Power Company Limited	10	2,30,88,980	11,521.40	2,30,88,980	16,416.26
b Gujarat State Fertilizers and Chemicals Limited	2	75,00,000	2,741.25	75,00,000	7,818.75
c Gujarat Lease Financing Limited	10	2,50,000	3.50	2,50,000	5.40
d Gujarat Gas Limited	2	2,13,15,785	49,207.49	2,13,15,785	31,568.68
<b>Total - 1 (Quoted)</b>			<b>63,473.64</b>		<b>55,809.09</b>
<b>2 Investment in Equity Instruments (Unquoted) :</b>					
a Gujarat Data Electronics Limited	10	40,000	4.00	40,000	4.00
Less :- Provision for Diminution in the value of Investment			(4.00)		(4.00)
			-		-
b Gujarat Venture Finance Limited	10	1,80,000	304.63	1,80,000	267.84
c Gujarat Guardian Limited	10	74,25,000	10,631.86	74,25,000	12,707.89
d Gujarat State Petroleum Corporation Limited	1	2,15,43,200	1,854.87	2,15,43,200	1,725.61
e Gujarat Chemical Port Terminal Company Limited	1	6,13,90,000	11,645.69	6,13,90,000	11,602.71
f Vadodara Enviro Channel Limited	10	7,151	441.61	7,151	442.10
g Gujarat State Electricity Corporation Limited (Ref. Note No. 6.1)	10	1	0.00	-	-
<b>Total - 2 (Unquoted)</b>			<b>24,878.66</b>		<b>26,746.15</b>
<b>GRAND TOTAL</b>			<b>88,352.30</b>		<b>82,555.24</b>
<b>Current :</b>					
<b>(A) Investment in Equity Instruments (Quoted) :</b>					
1 IDBI Bank Ltd.	10	3,18,800	61.53	3,18,800	148.72
<b>Total - A</b>			<b>61.53</b>		<b>148.72</b>
<b>(B) Investment in Government Securities (Unquoted) :</b>					
Six Year National Saving Certificate (Pledged for renewal of licence)			0.20		0.20
<b>Total - B</b>			0.20		0.20
<b>GRAND TOTAL</b>			<b>61.73</b>		<b>148.92</b>
Aggregate Book Value of current quoted investments			61.53		148.72
Aggregate Book Value of non-current quoted investments			63,473.64		55,809.09
<b>Total Aggregate Book Value of quoted investments</b>			<b>63,535.17</b>		<b>55,957.81</b>
Aggregate Market Value of current quoted investments			61.53		148.72
Aggregate Market Value of non-current quoted investments			63,473.64		55,809.09
<b>Total Aggregate Market Value of quoted investments</b>			<b>63,535.17</b>		<b>55,957.81</b>
Aggregate Carrying Value of current unquoted investments			-		-
Aggregate Carrying Value of non-current unquoted investments			24,878.66		26,746.15
<b>Total Aggregate Carrying Value of unquoted investments</b>			<b>24,878.66</b>		<b>26,746.15</b>
<b>Aggregate amount of impairment in value of Investments</b>			<b>4.00</b>		<b>4.00</b>
<b>Category-wise other Investments - as per Ind AS 109 classification :-</b>					
Financial assets carried at fair value through profit or loss (FVTPL) (Equity Instruments)			61.53		148.72
Financial assets carried at amortised cost (Govt. Securities)			0.20		0.20
Financial assets measured at fair value through other comprehensive income (FVTOCI) (Equity Instruments)			88,352.30		82,555.24

6.1 During the Financial Year 2018-19 merger of Bhavnagar Energy Company Limited with Gujarat State Electricity Corporation Limited with effect from 01<sup>st</sup> April, 2018.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 7 LOANS

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>LOANS RECEIVABLE :</b>		
<b>Non-Current :</b>		
<b>Unsecured - Considered Good :</b>		
Loans to Employees	109.79	148.43
Loans to Officers	9.06	7.54
<b>Total :</b>	<b>118.85</b>	<b>155.97</b>
<b>Current :</b>		
<b>Unsecured - Considered Good :</b>		
Inter Corporate Deposit with Gujarat State Financial Services Ltd. (Related party - Refer Note-37)	61,000.00	52,500.00
Loans to Employees	189.55	95.44
Loans to Officers	4.47	4.16
<b>Total :</b>	<b>61,194.02</b>	<b>52,599.60</b>

### 8 OTHER FINANCIAL ASSETS

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - Current :</b>		
<b>Unsecured - Considered Good :</b>		
Security Deposits	2,140.74	2,108.19
<b>Total :</b>	<b>2,140.74</b>	<b>2,108.19</b>
<b>Current :</b>		
<b>Unsecured - Considered Good :</b>		
Security Deposits	306.69	212.86
Amount receivable from DGVCL for Wind Farm Credit	665.88	682.55
Interest receivable	2,893.97	2,359.19
<b>Total :</b>	<b>3,866.54</b>	<b>3,254.60</b>

### 9 NON-CURRENT TAX ASSETS (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
Tax Assets (Net)	8,692.67	10,032.52
<b>Total:</b>	<b>8,692.67</b>	<b>10,032.52</b>

### CURRENT TAX LIABILITIES (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
Tax Liabilities (Net)	2,068.44	819.19
<b>Total:</b>	<b>2,068.44</b>	<b>819.19</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS****10 OTHER ASSETS**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - Current :</b>		
<b>Unsecured - Considered Good :</b>		
Capital Advances (Refer Note No. 10.1)	9,715.35	6,184.57
Balance with Excise & Customs (Refer Note No. 10.2)	1,257.55	1,257.55
Prepaid Long Term Employee Benefits (Gratuity) (Ref. Note No. 35)	251.47	686.61
Prepaid Expenses	11.06	6.74
Prepayment for leasehold land	-	4,473.85
Other Loans and Advances	29.13	29.13
<b>Total :</b>	<b>11,264.56</b>	<b>12,638.45</b>
<b>Current :</b>		
<b>Unsecured - Considered Good :</b>		
Prepaid Current Employee Benefits (Gratuity) (Ref. Note No. 35)	51.34	-
Advance to suppliers	4,459.74	3,870.04
Export Incentive Receivable	85.98	97.52
Balance with Excise & Customs	18.99	33.91
Prepaid Expenses	78.71	222.39
Prepayment for leasehold land	-	204.94
Indirect Taxes Receivable	1,787.01	1,252.68
Other Loans and Advances	146.26	379.69
<b>Total :</b>	<b>6,628.03</b>	<b>6,061.17</b>

10.1 Capital Advances includes advance payment made for leasehold lands allotted pending execution of lease deeds :

- (i) Rs. 1,732.59 lakhs (FY 2018-19 Rs. 1,732.59 lakhs) towards plot No. D-III/3 in exchange of Plot No. 42/1 at Dahej admeasuring 5,16,548 sq. mtrs.
- (ii) Rs. 923.08 lakhs (FY 2018-19 Rs. 923.08 lakhs) towards plot No. B-37 to B-44 at village Atali admeasuring 50,714.48 sq. mtrs.

10.2 In the Financial Year 2012-13, the Company received a demand of Rs. 1,719.66 lakhs from the revenue authorities for excise duty, interest and penalty thereon. The same has been shown as provision for other liabilities under Non-Current Provisions (Note no. 18). The Company has contested the demand and has paid under protest Rs.924.23 lakhs and Rs.333.32 lakhs (Total Rs.1,257.55 lakhs) during 2012-13 and 2013-14 respectively. As the matter is pending with Honourable High Court, the amount paid has been shown under Balance with Excise and customs' under Other Non-Current Assets.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 11 INVENTORIES

[At lower of Cost and Net Realisable Value]

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Raw Materials and Components	5,960.28	5,446.93
Goods-in-Transit	4,585.09	3,272.71
	10,545.37	8,719.64
(b) Work-in-Progress	1,505.07	1,496.14
(c) Finished Goods	2,997.01	3,883.99
Goods-in-Transit	125.73	116.80
	3,122.74	4,000.79
(d) Stores and Spares	8,170.37	8,564.00
Goods-in-Transit	6.99	31.55
	8,177.36	8,595.55
(e) Others :		
Packing Materials	239.10	252.46
Building Materials	34.34	66.08
Others	3.46	15.99
	276.90	334.53
<b>Total :</b>	<b>23,627.44</b>	<b>23,146.65</b>

### 12 TRADE RECEIVABLES

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current :</b>		
(a) Secured, considered good (Refer Note No. 36.7)	6,855.95	6,493.34
(b) Unsecured		
Considered good	30,568.08	42,209.58
Considered Doubtful (Refer Note No. 12.1)	3,043.42	2,472.38
	<b>33,611.50</b>	<b>44,681.96</b>
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	-	-
	40,467.45	51,175.30
Less : Allowance for expected credit losses	3,043.42	2,472.38
<b>Total :</b>	<b>37,424.03</b>	<b>48,702.92</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 12 TRADE RECEIVABLES (Contd.)

12.1 Trade Receivables include overdue outstanding from various parties aggregating to Rs. 1,347.42 lakhs, (Previous Year Rs.1,322.42 lakhs), for which the Company has taken legal steps for recovery of the outstanding dues and the management is hopeful of the recovery. However, cumulative provision of Rs. 1,347.42 lakhs (Previous Year Rs.1,322.42 lakhs) exists for such doubtful debts as on 31.03.2020.

The average credit period on sale of goods is 53 days. However, no interest is charged on Trade Receivables for delay in payment beyond 53 days from the date of the Invoice.

The credit limits for customers are set based on security deposits and bank guarantees. Limits attributed to customers are reviewed periodically.

The Company has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the Reporting Period is as follows. :

Ageing :	Expected Credit Loss	
Particulars	As at 31.03.2020	
Within the Credit Period	0.74%	
1-60 days past due	12.99%	
61-180 days past due	39.94%	
181-2 years past due	41.00%	
2-5 years past due	100.00%	
Above 5 years past due	100.00%	

Age of Receivables :	[Rs. in Lakhs]	
Particulars	As at 31.03.2020	As at 31.03.2019
Within the Credit Period	33,382.42	47,340.02
1-60 days past due	3,880.96	1,630.83
61-180 days past due	746.95	306.68
181-2 years past due	785.07	377.43
2-5 years past due	485.57	197.41
Above 5 years past due	1,186.48	1,322.93
<b>Total :</b>	<b>40,467.45</b>	<b>51,175.30</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 12 TRADE RECEIVABLES (Contd.)

#### Movement in Expected Credit Loss Allowance :

[Rs. in Lakhs]

Particulars	As at	As at
	31.03.2020	31.03.2019
Balance at beginning of the year	2,472.38	2,145.00
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	571.04	327.38
<b>Balance at end of the year</b>	<b>3,043.42</b>	<b>2,472.38</b>

The Concentration of Credit Risk is limited due to the fact that the customer base is large and unrelated.

At March 31, 2020 and March 31, 2019, the major customers (top five) accounted for the following amounts of the Company's Trade Receivables :

[Rs. in Lakhs]

Sr. No.	Dealer Name	Balance as at 31.03.2020		Balance as at 31.03.2019	
		Amount (Rs.)	% to Total Debtors	Amount (Rs.)	% to Total Debtors
1	Dealer-A	4,516.02	11.16	8,101.08	15.83
2	Dealer-B	2,739.35	6.77	3,986.68	7.79
3	Dealer-C	2,049.21	5.06	3,256.42	6.36
4	Dealer-D	2,746.81	6.79	3,160.12	6.18
5	Dealer-E	2,457.24	6.07	2,692.42	5.26
	<b>Total ( 1 TO 5 )</b>	<b>14,508.63</b>	<b>35.85</b>	<b>21,196.72</b>	<b>41.42</b>
	<b>Total Trade Receivable-GACL</b>	<b>40,467.45</b>	<b>100.00</b>	<b>51,175.30</b>	<b>100.00</b>

### 13 CASH AND CASH EQUIVALENTS

[Rs. in Lakhs]

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Cash and Cash Equivalents :</b>		
Balances with Banks :		
Current Account	4,235.50	2,758.80
Cheques, Drafts on hand	-	458.52
Cash on hand	3.38	3.22
Others :		
Stamps on hand	0.13	0.04
Deposit with Gujarat State Financial Services Ltd.	-	16,000.00
<b>Total :</b>	<b>4,239.01</b>	<b>19,220.58</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS****14 OTHER BALANCES WITH BANKS**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Other Bank Balances consist of the following:</b>		
Fixed Deposits with Banks	-	7,732.03
Unpaid Dividend (Refer Note No. 14.1)	163.85	148.41
<b>Total :</b>	<b>163.85</b>	<b>7,880.44</b>

14.1 During the year, the Company has transferred Rs. 11.94 lakhs (Previous Year Rs.10.79 lakhs for FY 2010-11) to Investor Education & Protection Fund for FY 2011-12.

**15 SHARE CAPITAL**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Equity Share Capital</b>		
<b>(a) Authorised share capital :</b>		
10,00,00,000 Equity Shares of Rs. 10/- each	10,000.00	10,000.00
50,00,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each	5,000.00	5,000.00
	<b>15,000.00</b>	<b>15,000.00</b>
<b>(b) Issued :</b>		
7,34,39,875 Equity Shares of Rs.10/- each (As at March 31, 2019 :7,34,39,875)	7,343.99	7,343.99
<b>(c) Less : Subscribed &amp; Not Fully Paid-up (forefeited) :</b>		
2,947 Equity Shares of Rs.10/- each (As at March 31, 2019 : 2,947)	0.15	0.15
<b>(d) Subscribed &amp; Fully Paid-up :</b>		
7,34,36,928 Equity Shares of Rs.10/- each (As at March 31, 2019 :7,34,36,928)	7,343.84	7,343.84
<b>Total</b>	<b>7,343.84</b>	<b>7,343.84</b>

**(i) Reconciliation of the number of equity shares :**

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Shares outstanding at the beginning of the period	7,34,36,928	7,343.84	7,34,36,928	7,343.84
Shares outstanding at the end of the period	7,34,36,928	7,343.84	7,34,36,928	7,343.84

**(ii) Rights, preferences and restrictions attached to equity shares :**

The Company has one class of equity shares having a par value of Rs.10/- each. Each Shareholder is eligible for one vote per one 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, the equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 15 SHARE CAPITAL (Contd.)

(iii) Details of shares held by each shareholder holding more than 5% equity shares :

Sr. No.	Name of Shareholder	As at 31.03.2020		As at 31.03.2019	
		No. of shares held	% of shares held	No. of shares held	% of shares held
1	Lok Prakashan Ltd.	1,62,15,732	22.08	1,62,15,732	22.08
2	Gujarat State Investment Ltd.	1,53,29,373	20.87	1,53,29,373	20.87
3	Gujarat Industrial Investment Corporation Limited	71,19,028	9.69	71,19,028	9.69
4	Gujarat Mineral Development Corporation Ltd.	41,45,433	5.64	41,45,433	5.64

(iv) Dividend :

For current financial year 2019-20, the Company has proposed dividend of Rs.8.00 per equity share (Previous year Rs. 8.00 per share declared). Proposed dividends on equity share are subject to approval at the Annual General Meeting and are not recognised as a liability as at Balance Sheet date.

### 16 OTHER EQUITY

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
a. General Reserve	2,21,875.08	2,05,233.08
b. Securities Premium	23,423.18	23,423.18
c. Capital Reserve	0.24	0.24
d. Reserve for equity instruments through other comprehensive income	60,950.71	56,610.54
e. Retained Earnings	1,46,157.36	1,37,054.52
<b>Total :</b>	<b>4,52,406.57</b>	<b>4,22,321.56</b>

**a. General Reserve**

The General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purpose. As General Reserve is created by a transfer from one component of Equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit or loss.

**b. Securities Premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**c. Reserve for equity instruments through other comprehensive income**

The reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS****17 BORROWINGS**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non-Current :</b>		
<b>Secured - at amortised cost :</b>		
<b>Term Loans from Banks :</b>		
External Commercial Borrowing from ICICI Bank (Refer Note No.17.1)	6,965.88	8,180.29
External Commercial Borrowing from HSBC Bank (Refer Note No.17.2)	6,744.12	10,278.52
<b>Total :</b>	<b>13,710.00</b>	<b>18,458.81</b>

The terms of repayment of borrowings are stated below:

- 17.1 The Loan is secured by plant and machinery of 14.7 MW Wind Farm Project at Dist. Porbandar, Gujarat, 915 nos. Cell Elements at Ranoli Dist. Vadodara, Gujarat and 440 nos. Cell Elements at Dahej, Dist. Bharuch, Gujarat. It has to be repaid in 15 equal half yearly installments from 10.09.2017 and carries interest rate of LIBOR plus 1.64% p.a.
- 17.2 The Loan is secured by plant and machinery of 31 MW Wind Farm Project at in Dist. Rajkot & Kachchh, Gujarat and Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat. It has to be repaid in 10 equal half yearly installments from 07.01.2018 and carries interest rate of LIBOR plus 1.80% p.a.

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current :</b>		
<b>Secured</b>		
Loans repayable on demand from Banks (Refer Note No. 17.3)	213.49	292.50
<b>Total :</b>	<b>213.49</b>	<b>292.50</b>

- 17.3 The Company has working capital facilities with various Banks carrying interest rate ranging from 8.00% p.a. to 9.90% p.a. These facilities are secured by first charge by hypothecation of stocks and book debts and second charge over the immovable assets of the Company.

**18 PROVISIONS**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - current :</b>		
<b>(A) Provision for Employees' Benefits</b>		
(i) Compensated Absences (Ref. Note No. 35)	6,839.43	6,243.09
(ii) Long Service Award	65.16	52.80
<b>(B) Provision for Other Liabilities (Refer Note No. 18.1)</b>	1,719.66	1,719.66
<b>(C) Asset Retirement Obligations</b>	1,796.54	1,672.09
<b>Total :</b>	<b>10,420.79</b>	<b>9,687.64</b>
<b>Current :</b>		
<b>(A) Provision for Employees' Benefits</b>		
(i) Compensated Absences (Ref. Note No. 35)	995.54	762.95
(ii) Long Service Award	32.80	41.23
<b>Total :</b>	<b>1,028.34</b>	<b>804.18</b>

- 18.1 In the earlier Financial Year 2012-13, the Company received a demand of Rs. 1,719.66 lakhs from the revenue authorities for excise duty, interest and penalty thereon - Refer Note 10.2.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 19 DEFERRED TAX LIABILITIES (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax assets	(6,949.01)	(10,246.23)
Deferred Tax liabilities	59,471.07	54,837.40
<b>Deferred Tax Liabilities (Net)</b>	<b>52,522.06</b>	<b>44,591.17</b>

#### 2019-2020 :

[Rs. in Lakhs]

Deferred tax liabilities / (assets) in relation to:	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	MAT Credit Set off	Adjustment	Closing Balance
Property, Plant and Equipment	50,483.60	3,174.40	-	-	-	-	2.38	53,660.38
Employee Benefits	(643.72)	-	(247.84)	-	-	-	-	(891.56)
Investments	4,353.80	-	1,456.89	-	-	-	-	5,810.69
Disallowances / Allowances	(3,084.10)	269.64	-	-	-	-	-	(2,814.46)
MAT Credit (Entitlement) / Utilisation	(6,518.41)	-	-	-	-	3,221.19	54.23	(3,242.99)
<b>Total :</b>	<b>44,591.17</b>	<b>3,444.04</b>	<b>1,209.05</b>	<b>-</b>	<b>-</b>	<b>3,221.19</b>	<b>56.61</b>	<b>52,522.06</b>

#### 2018-2019 :

[Rs. in Lakhs]

Deferred tax liabilities / (assets) in relation to:	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	MAT Credit Set off	Adjustment	Closing Balance
Property, Plant and Equipment	46,195.58	4,288.02	-	-	-	-	-	50,483.60
Employee Benefits	(597.39)	-	(46.33)	-	-	-	-	(643.72)
Investments	5,362.88	-	(1,009.08)	-	-	-	-	4,353.80
Disallowances / Allowances	(3,252.36)	168.26	-	-	-	-	-	(3,084.10)
MAT Credit (Entitlement) / Utilisation	(12,610.95)	-	-	-	-	4,957.61	1,134.93	(6,518.41)
<b>Total :</b>	<b>35,097.76</b>	<b>4,456.28</b>	<b>(1,055.41)</b>	<b>-</b>	<b>-</b>	<b>4,957.61</b>	<b>1,134.93</b>	<b>44,591.17</b>

### 20 TRADE PAYABLES

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current :</b>		
Trade Payable to related parties (Refer Note-37) :	86.85	97.95
<b>Trade Payables</b>		
a Total outstanding dues of micro enterprises and small enterprises	1,645.68	1,426.90
b Total outstanding dues of creditors other than enterprises and small enterprises (Refer note below for details of dues to Micro, Small and Medium Enterprises)	30,401.59	29,609.97
<b>Total :</b>	<b>32,134.12</b>	<b>31,134.82</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 20 TRADE PAYABLES (Contd.)

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")</b>		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,645.68	1,426.90
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.		

The Company has made payments to Micro and Small suppliers within the stipulated payment period as prescribed under Micro and Small enterprises Development Act, 2006 (MSMED Act, 2006). Accordingly, no interest is payable to such suppliers. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

### 21 OTHER FINANCIAL LIABILITIES

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - Current :</b>		
Other lease financial liabilities	68.93	-
<b>Total :</b>	<b>68.93</b>	<b>-</b>
<b>Current :</b>		
Current maturities of long term secured debts (Refer Note No. 21.1)	6,557.63	5,993.43
Current maturities of other lease financial liabilities	5.76	-
Interest accrued but not due on borrowings	113.17	183.68
Unpaid dividends	163.85	148.41
Payables for capital goods	4,815.42	3,473.64
Security Deposits / Earnest Money Deposits	3,224.03	3,713.91
Current maturities of finance lease obligations (from a financial institution)	0.50	0.50
Payable to GACL-NALCO Alkalies and Chemicals Pvt. Ltd. (Related party - Refer Note - 37)	2.69	2.69
Payable to GACL Education Society (Related Party - Refer Note-37)	4.06	4.06
<b>Total :</b>	<b>14,887.11</b>	<b>13,520.32</b>

21.1 Represents repayment falling due in next twelve months :

- (i) Rs. 4,539.90 lakhs to HSBC Bank towards ECB loan secured against 0.75 times of the facility amount at all times over all the movable assets relating to 31 MW Windmills phase - VIII & IX located at Rajkot and Kutch districts, Gujarat and 0.50 times of facility amount at all times over all the movable assets relating to existing Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat including future expansion carrying interest rate of LIBOR plus 1.80% p.a.
- (ii) Rs. 2,017.73 lakhs to ICICI Bank towards ECB loan secured against plant and machinery of 14.70 MW Windmills phase-X located at Porbandar district, Gujarat, 915 nos. Cell Elements at Ranoli, Dist. Vadodara, Gujarat and 440 nos. Cell Elements at Dahej, Dist. Bharuch, Gujarat carrying interest rate of LIBOR plus 1.64% p.a.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 22 OTHER CURRENT LIABILITIES

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Other payables :</b>		
Other Statutory Liabilities	904.46	3,526.80
Advance received from customers	1,565.21	704.40
<b>Total :</b>	<b>2,469.67</b>	<b>4,231.20</b>

### 23 REVENUE FROM OPERATIONS

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
<b>(i) SALE OF PRODUCTS :</b>				
<b>[a] MANUFACTURING OPERATIONS :-</b>				
Caustic Soda Lye	77,596.52		1,00,152.10	
Caustic Soda Flakes	37,113.07		49,198.14	
Caustic Soda Prills	6,475.60		5,005.50	
Chloromethanes	22,641.42		23,974.93	
Caustic Potash Lye	4,804.96		3,458.89	
Caustic Potash Flakes	11,039.80		8,543.27	
Potassium Carbonate	6,349.21		6,433.37	
Hydrogen Peroxide	28,739.14		38,378.76	
Phosphoric Acid (85%)	15,937.58		16,170.58	
Poly Aluminium Chloride	6,478.45		5,660.31	
Aluminium Chloride	15,797.82		17,595.78	
Chlorinated Paraffin Wax	1,873.57		2,287.51	
Benzyl Chloride	2,737.64		3,190.55	
Benzyl Alcohol	4,065.36		5,164.38	
Benzaldehyde	2,469.19		2,260.79	
Sodium Chlorate	9,217.56		8,360.83	
Stable Bleaching Powder	2,407.89		2,703.79	
Liquid Chlorine	1,577.86		5,055.09	
Hydrogen Gas	2,336.37		2,039.39	
Others	2,598.03		2,533.65	
		<b>2,62,257.04</b>		<b>3,08,167.61</b>
<b>[b] TRADING ACTIVITY</b>		<b>1,240.42</b>		<b>428.38</b>
<b>[c] SALE OF POWER</b>		<b>1,922.28</b>		<b>1,635.38</b>
<b>Total (i)</b>		<b>2,65,419.74</b>		<b>3,10,231.37</b>
<b>(ii) OTHER OPERATING REVENUE :</b>				
Sale of Scrap	1,241.12		1,255.23	
Insurance claims received	12.07		0.47	
Export Incentives	287.29		199.63	
Credit balances written back (Net)	20.66		73.35	
Freight Outward Recovered (Gross)	4,365.95		4,102.62	
Other Receipts	1,112.50		275.10	
<b>Total (ii)</b>		<b>7,039.59</b>		<b>5,906.40</b>
<b>Total (i + ii)</b>		<b>2,72,459.33</b>		<b>3,16,137.77</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 24 OTHER INCOME

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>Interest Income</b>		
a) Deposit with Banks	404.24	410.96
b) Short Term Deposit / Inter Corporate Deposit	5,220.76	4,089.54
c) Others		
- From Non-Current Assets	1,713.23	125.65
- From Current Assets	15.23	45.86
<b>Dividend Income</b>		
From Non-Current Investments	1,525.92	1,359.88
All Dividends from Equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period.		
<b>Other Non-operating Income</b>		
a) Rent received from assets given on operating lease	56.26	20.90
b) Miscellaneous Income	42.43	24.17
<b>Total :</b>	<b>8,978.07</b>	<b>6,076.96</b>

### 25 COST OF MATERIALS CONSUMED

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Natural Gas (includes used in captive power plant)	31,084.21	28,269.49
Potassium Chloride	10,726.58	7,396.15
Salt	10,290.50	9,760.14
Rock Phosphate	5,813.13	5,592.42
Aluminium Ingots	10,973.48	12,413.14
Alumina Trihydrate Powder	4,960.76	3,225.24
Heavy Normal Paraffin	1,684.71	1,963.78
Toluene	5,292.72	6,154.21
Methanol - Commercial Grade	3,967.25	4,217.19
Caustic Soda Lye	-	345.55
Others	6,472.01	6,758.69
<b>Total :</b>	<b>91,265.35</b>	<b>86,096.00</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019
<b>Closing Stock :</b>			
Finished Goods	3,122.74	4,627.81	4,000.79
Process Stock	1,505.07		1,496.14
			5,496.93
<b>Less :- Opening Stock :</b>			
Finished Goods	4,000.79	5,496.93	3,542.79
Process Stock	1,496.14		567.21
			4,110.00
<b>(Increase) / Decrease :</b>		<b>869.12</b>	<b>(1,386.93)</b>

### 27 EMPLOYEE BENEFITS EXPENSE

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
a) Salaries and Wages	17,976.63	16,773.73
<b>b) Contributions to :</b>		
(i) Provident Fund (Ref. Note No. 27.1)	3,291.73	794.76
(ii) Superannuation Scheme	713.37	820.94
(iii) Gratuity Fund	292.56	272.91
(iv) Employee State Insurance Corporation	8.62	0.54
c) Staff Welfare Expenses	2,106.89	2,032.93
<b>Total :</b>	<b>24,389.80</b>	<b>20,695.81</b>

**27.1** The corpus of provident fund of employees is managed by GACL Employee Provident Fund Trust, which is registered with EPFO and exempted under the Employee Provident Fund Scheme, 1952. The conditions for exemption, inter alia, include that the employer should make good loss suffered to the trust on account of investments gone bad. Accordingly, the company is likely to be obligated for an amount of Rs. 2,448.84 Lakhs towards some of the investments, including interest, which have become overdue and other investments which are likely to be doubtful of recovery. The amount is classified as Employee Benefit Expenses.

### 28 FINANCE COSTS

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>(a) Interest Expense :</b>		
On Term Loans	959.38	1,209.33
On Cash Credit	0.02	0.12
On Dismantling Cost	124.45	91.93
On Leasehold Land	5.86	0.05
Others	58.20	575.74
<b>(b) Other Borrowing Costs :</b>		
Bank Charges	256.17	216.96
<b>Total :</b>	<b>1,404.08</b>	<b>2,094.13</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS****29 DEPRECIATION AND AMORTISATION EXPENSE**

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Depreciation of Property, Plant and Equipment (Note 3)	16,079.30	13,893.43
Amortisation of Intangible Assets (Note 4)	103.65	103.21
<b>Total :</b>	<b>16,182.95</b>	<b>13,996.64</b>

**30 POWER, FUEL & OTHER UTILITIES**

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Power	47,086.59	51,972.58
Fuel, Natural Gas and Water Charges	11,233.74	10,978.61
<b>Total :</b>	<b>58,320.33</b>	<b>62,951.19</b>

**31 OTHER EXPENSES**

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Stores and Spare-parts consumed		5,441.54
Repairs, Maintenance and Replacement Plant and Machinery	3,748.43	3,836.03
Others	5,053.43	4,774.05
Job Work / Processing Charges	8,801.86	8,610.08
Safety & Environment Expenses	5,915.68	6,004.90
Insurance	182.94	159.22
Packing Materials Consumption	955.73	265.15
Rent	4,424.97	4,673.39
Rates and Taxes	308.62	659.75
Printing and Stationery	21.21	13.18
Postage and Telephone	48.92	13.51
Vehicle Running and Maintenance including Hire Charges	71.47	75.31
Directors' Fees	549.84	567.32
Auditors' Remuneration and Expenses (Refer Note-38)	9.40	9.50
Membership and Subscription Fees	15.20	23.03
Brokerage and Comission	41.29	33.49
Travelling and Conveyance	15.99	-
Legal and Professional Charges	129.35	135.34
Research and Development Expenses	221.00	213.61
Loss on Sale of Fixed Assets (Net)	123.29	102.23
Donations & Other CSR Cost (Refer Note-47)	8.13	11.65
Provision for expected credit loss allowances	1,339.74	1,052.66
Loss on Exchange Rate (Net)	571.04	327.38
Stores & Spare -parts Written Off	566.80	299.02
General Expenses	246.85	195.74
Commission on Sales	1,283.31	1,074.96
Other Marketing Expenses	142.59	186.77
Freight Outward Paid (Gross)	1,860.99	1,524.03
Net loss arising from Financial Assets designated FVTPL	4,280.98	4,124.81
<b>Total :</b>	<b>87.19</b>	<b>81.45</b>
	<b>38,737.84</b>	<b>35,879.02</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 32 TAX EXPENSES

During the Current Year, the Tax Liability under normal Provisions of the Income Tax Act, 1961 comes to Rs.12,357.17 Lakhs (Previous Year Rs.26,938.36 Lakhs) and Tax Liability under MAT Provisions of Income Tax Act, 1961 is Rs.9,135.98 Lakhs ( Previous Year Rs.21,980.75 Lakhs). Hence, the Company is required to pay the tax under Regular Tax Provisions of Income Tax Act, 1961.

#### Income Taxes relating to continuing operations

#### Income Tax Recognised in Profit or Loss

(Rs. In Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>Current Tax</b>		
In respect of current year [MAT Credit Set Off Rs.3,221.19 Lakhs (Previous year MAT credit Set Off Rs.4,957.61 lakhs)]	12,357.17	26,938.36
In Respect of Prior Year	76.82	1,142.81
<b>Total :</b>	<b>12,433.99</b>	<b>28,081.17</b>
<b>Deferred Tax</b>		
In respect of current year	2,800.32	4,456.28
In respect of earlier year	643.72	-
<b>Total :</b>	<b>3,444.04</b>	<b>4,456.28</b>
<b>Total tax expense recognised in the current year relating to continuing operation</b>	<b>15,878.03</b>	<b>32,537.45</b>

The income tax expense for the year can be reconciled to the accounting profit as follows :

(Rs. In Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit before tax from continuing operation	49,162.42	1,01,502.18
Income Tax expense calculated @ 34.944% (Previous year 34.944%)	17,179.32	35,468.92
Effect of income that is exempt from taxation	(533.22)	(475.20)
Effect of expenses that are not deductible in determining taxable profits	4,182.92	1,843.18
Effect of concession (allowances)	(5,671.53)	(5,898.03)
Adjustments recognised in current year in relation to the current tax of prior years	720.54	1,142.81
Change in rate of cess (from 3% to 4%)	-	455.77
<b>Income tax expense recognised in profit or loss (relating to continuing operation)</b>	<b>15,878.03</b>	<b>32,537.45</b>

The tax rate used for the year 2019-20 in reconciliation above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.

#### Income Tax Recognised in Other Comprehensive Income

(Rs. In Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>Deferred Tax Assets / (Liabilities)</b>		
<b>Arising on income and expenses recognised in other comprehensive income :</b>		
Net fair value gain on investment in equity shares at FVTOCI	(1,456.89)	1,009.08
Remeasurement of defined benefit obligation	247.84	46.33
	<b>(1,209.05)</b>	<b>1,055.41</b>
Arising on income and expenses reclassified from equity to profit or loss :	-	-
<b>Total income tax recognised on other comprehensive income</b>	<b>(1,209.05)</b>	<b>1,055.41</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	(1,209.05)	1,055.41
Items that may be reclassified to profit or loss	-	-
	<b>(1,209.05)</b>	<b>1,055.41</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 33 EARNING PER SHARE - FROM CONTINUING OPERATIONS

(Rs. In Lakhs)

Particulars	Units	Year ended 31.03.2020	Year ended 31.03.2019
Net Profit After Tax available for Equity Shareholders	Rs. In Lakhs	33,284.39	68,964.73
Weighted Average Number of Equity Shares of Rs.10/- each	Number	7,34,36,928	7,34,36,928
Basic Earning per Share	Rs.	45.32	93.91
Diluted Earning per share	Rs.	45.32	93.91

### 34 LEASES :

#### Company as a lessee

The company has lease contracts for rented premises used in its operations. The company's obligations under its lease are secured by the lessor's title to the leased asset.

#### (a) Amounts recognised in the Balance Sheet

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
<b>(i) Right-of-use Asset</b>		
Cost	8,832.15	-
Accumulated Depreciation	542.48	-
Net Carrying Amount	8,289.67	-
<b>(ii) Lease liabilities - Borrowings</b>		
<b>Beginning of the year/period</b>	-	-
Additions	75.51	-
Accretion of interest	5.82	-
Payments	6.64	-
Deletion	-	-
<b>Closing of the year/period</b>	74.69	-
<b>Current</b>	5.76	-
<b>Non-Current</b>	68.93	-

#### (b) Amounts recognised in the Statement Of Profit And Loss

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
<b>(i) Finance Cost</b>		
Interest Expense On Lease Liability	5.82	-
<b>(ii) Depreciation</b>		
Depreciation on right of use lease asset	257.73	-

#### (c) Amounts recognised in Cash Flow Statement

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
Total cash outflow for leases	6.64	-

#### (d) Expense relating to short-term leases and Low-value

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
Amount recognised in statement of Profit and Loss	263.55	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 35 EMPLOYEE BENEFIT PLANS

#### **Defined Contribution Plan**

An amount of Rs.3,291.73 Lakhs (FY 2018-19 Rs.794.76 Lakhs) contributed to Provident Fund Trust and amount of Rs.713.37 lakhs (FY 2018-19 Rs.820.94 lakhs) contributed to Employees Superannuation Trust is recognised as an expense and included in "Employee Benefits Expenses" (Note 27) of Statement of Profit & Loss.

The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-à-vis Statutory rate.

#### **Defined Benefit Plans**

The Company offers the following employee benefit schemes to its employees :

- i. Gratuity (included as part of b (iii) in Note 27 Employees benefit expense)
- ii. Leave encashment (included as part of a in Note 27 Employee benefit expense)

The following table sets out the funded status of the defined benefits scheme and the amount recognised in financial statement :

As per Actuarial Valuation as on March 31, 2020

Particulars	(Rs. In Lakhs)	
	31.03.2020	31.03.2019
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>		
a. Current Service Cost	331.85	298.72
b. Net Interest on net Defined Liability / (Asset)	(42.54)	(36.74)
c. Total Expenses	289.31	261.98
<b>II Amount recognised in Other Comprehensive Income</b>		
a. Actuarial (Gains) / Losses on Liability	680.47	181.99
b. Return on Plan Assets excluding amount included in Net interest on Defined Liability / (Asset) above	28.79	(49.41)
c. Total	709.26	132.58
<b>III Net Assets / (Liability) recognised in the Balance Sheet as on</b>		
a. Present Value of Defined Benefit Obligation	10,215.23	9,306.97
b. Fair Value of Plan Assets	10,518.04	9,993.58
c. Funded Status [ (Surplus) / Deficit ]	(302.81)	(686.61)
Net (Asset) / Liability	(302.81)	(686.61)
<b>IV Change in Present value of Obligation during the year ended</b>		
a. Present Value of Defined Benefit Obligation at the beginning of the year	9,306.97	8,846.27
b. Current Service Cost	331.85	298.72
c. Interest Cost	632.87	663.47
d. Benefit paid	(736.93)	(683.48)
e. Actuarial (Gain) / Loss on obligation	680.47	181.99
f. Present Value of Defined Benefit Obligation at the end of the year	10,215.23	9,306.97
<b>V Change in Fair value of Plan Assets during the year ended</b>		
a. Fair Value of Plan Assets at the beginning of the year	9,993.58	9,428.24
b. Expected Return on Plan Assets	675.41	700.21
c. Contribution by Employer	614.77	499.20
d. Actual Benefit Paid	(736.93)	(683.48)
e. Actuarial Gain / (Loss) on Plan Assets	(28.79)	49.41
f. Fair Value of Plan Assets at the end of the year	10,518.04	9,993.58
g. Actuarial Gain / (Loss) to be recognised	-	49.41

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**35 EMPLOYEE BENEFIT PLANS (Contd.)**

(Rs. In Lakhs)

Particulars	Gratuity	
	31.03.2020	31.03.2019
<b>VI Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	675.41	700.21
Actuarial Gain / (Loss) on Plan Assets	(28.79)	49.41
Actual Return on Plan Assets	646.62	749.62
<b>VII Balance Sheet Reconciliation</b>		
Opening Net Liability	(686.61)	(581.97)
Expenses Recognised in Profit & Loss Account	289.31	261.98
Amount recognised in Other Comprehensive Income	709.26	132.58
Employer's Contribution	(614.77)	(499.20)
Amount Recognised in Balance Sheet (Asset) / Liability	(302.81)	(686.61)

The major categories of Plan Assets as a percentage of Total Plan Qualifying Insurance Policy : 100%

The expected contributions for Defined Benefit Plan for the next Financial Year will be in line with 2018-19.

**Experience Adjustments**

(Rs. In Lakhs)

Gratuity	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of funded Obligations	10,215.23	9,306.97	8,846.27	7,475.81	6,790.16
Fair Value of Plan Assets	10,518.04	9,993.58	9,428.24	7,282.90	7,116.57
Funded Status [(Surplus) / Deficit]	(302.81)	(686.61)	(581.97)	192.91	(326.41)
Experience adjustments on Plan Liabilities	231.17	(46.72)	1,577.54	42.20	(9.55)
Experience adjustments on Plan Assets	(28.78)	49.41	(127.83)	86.09	-

(Rs. In Lakhs)

Particulars	Leave Salary	
	31.03.2020	31.03.2019
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>		
a. Current Service Cost	270.87	249.39
b. Net Interest on net Defined Liability / Asset	476.41	483.42
c. Actuarial (Gains) / Losses on Liability	733.60	349.94
d. Total Expenses	1,480.88	1,082.75
<b>II Net Assets / (Liability) recognised in the Balance Sheet as on</b>		
a. Present Value of Unfunded Obligations	7,834.96	7,006.04
b. Unrecognised Past Service Cost	-	-
c. Fair Value of Plan Assets	-	-
Net Liability	7,834.96	7,006.04
<b>III Change in Present value of Obligation during the year ended</b>		
a. Present Value of Unfunded Obligation at the beginning of the year	7,006.04	6,445.56
b. Current Service Cost	270.87	249.39
c. Interest Cost	476.41	483.42
d. Actuarial Gain / Loss	733.60	349.94
e. Benefit paid	(651.96)	(522.27)
f. Present Value of Unfunded Obligation at the end of the year	7,834.96	7,006.04



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 35 EMPLOYEE BENEFIT PLANS (Contd.)

#### Experience Adjustments

(Rs. In Lakhs)

Leave Salary	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of Unfunded Obligations	7,834.96	7,006.04	6,445.56	5,286.73	4,604.52
Fair Value of Plan Assets	-	-	-	-	-
Funded Status [(Surplus) / Deficit]	7,834.96	7,006.04	6,445.56	5,286.73	4,604.52
Experience adjustments on Plan Liabilities	346.00	255.13	1,474.63	116.22	338.54
Experience adjustments on Plan Assets	-	-	-	-	-

#### Actuarial Assumptions

	Year ended 31.03.2020	Year ended 31.03.2019
1 Discount Rate	6.80% p.a.	7.50 % p.a.
2 Expected Return on Plan Assets	6.80% p.a.	7.50% p.a.
3 Withdrawal Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale.	
4 Salary Growth Rate	7.00% p.a.	7.00 % p.a.

#### Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(Rs. In Lakhs)

(Positive amount means increase in liability and negative amount means decrease in liability)

Particulars	Gratuity		Leave Salary	
	2019-20	2018-19	2019-20	2018-19
<b>Discount Rate :</b>				
One percentage increase	(630.87)	(643.01)	(543.28)	(550.01)
One percentage decrease	711.15	732.25	620.18	635.82
<b>Salary Escalation Rate :</b>				
One percentage increase	702.76	728.63	612.82	632.65
One percentage decrease	(635.36)	(651.54)	(547.12)	(557.25)
<b>Withdrawal Rate :</b>				
One percentage increase	(7.20)	6.71	(6.96)	7.37
One percentage decrease	7.93	(6.98)	7.77	(7.76)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 36 FINANCIAL INSTRUMENTS

#### 36.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders through optimisation of the Debt and Equity Balance.

The Company is subject to externally imposed capital requirements as part of its debt covenants such as maintaining a Total Debt to EBDITA ratio of 2.75 times (standalone) for one bank and 3 times (consolidated) for another bank, a Debt Service Coverage ratio of 2 times for one bank and 1.3 times for another bank and a Total Debt to Tangible Net Worth ratio of 1 : 1.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital by computing the above ratios on an annual basis and ensuring that the same is in Compliance with the requirements of the Financial Covenants.

The Total Debt to EBDITA ratio at the end of the reporting period was as follows :

(Rs. In Lakhs)		
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Total Debt	20,481.63	24,745.24
EBIDTA	66,493.28	1,17,375.99
<b>Total debt / EBDITA</b>	<b>0.31</b>	<b>0.21</b>

The Total Debt service coverage ratio at the end of the reporting period was as follows :

(Rs. In Lakhs)		
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
EBIDTA	66,493.28	1,17,375.99
Interest and Installment on loans	7,699.68	7,871.09
<b>Debt Service Coverage</b>	<b>8.64</b>	<b>14.91</b>

The Total Debt to tangible Net Worth ratio at the end of the reporting period was as follows :

(Rs. In Lakhs)		
Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Total Debt	20,481.63	24,745.24
Tangible Net Worth	4,59,170.34	4,28,982.50
<b>Total Debt / Tangible Net Worth</b>	<b>0.04</b>	<b>0.06</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 36 FINANCIAL INSTRUMENTS (Contd.)

#### 36.2 Categories of financial instruments

The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

(Rs. In Lakhs)

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	4,239.01	4,239.01	4,239.01
Other Balances with Banks	-	-	163.85	163.85	163.85
Quoted investments (Level 1)	63,473.64	61.53	-	63,535.17	63,535.17
Unquoted investments (Level 3)	24,878.66	-	0.20	24,878.86	24,878.86
Investment in Joint Venture	-	-	36,000.00	36,000.00	36,000.00
Trade receivables	-	-	37,424.03	37,424.03	37,424.03
Loans	-	-	61,194.03	61,194.03	61,194.03
Other financial asset	-	-	3,866.54	3,866.54	3,866.54
<b>Total</b>	<b>88,352.30</b>	<b>61.53</b>	<b>1,42,887.66</b>	<b>2,31,301.49</b>	<b>2,31,301.49</b>
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	213.49	213.49	213.49
Long Term borrowings	-	-	13,710.00	13,710.00	13,003.62
Trade Payables	-	-	32,134.12	32,134.12	32,134.12
Other financial liabilities	-	-	14,887.11	14,887.11	14,887.11
<b>Total</b>	<b>-</b>	<b>-</b>	<b>60,944.72</b>	<b>60,944.72</b>	<b>60,238.34</b>

The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

(Rs. In Lakhs)

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	19,220.58	19,220.58	19,220.58
Other Balances with Banks	-	-	7,880.44	7,880.44	7,880.44
Quoted investments (Level 1)	55,809.09	148.72	-	55,957.81	55,957.81
Unquoted investments (Level 3)	26,746.15	-	0.20	26,746.35	26,746.35
Investment in Joint Venture	-	-	23,929.64	23,929.64	23,929.64
Trade receivables	-	-	48,702.92	48,702.92	48,702.92
Loans	-	-	52,755.57	52,755.57	52,755.57
Other financial asset	-	-	5,362.79	5,362.79	5,362.79
<b>Total</b>	<b>82,555.24</b>	<b>148.72</b>	<b>1,57,852.14</b>	<b>2,40,556.10</b>	<b>2,40,556.10</b>
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	292.50	292.50	292.50
Long Term borrowings	-	-	18,458.81	18,458.81	16,498.26
Trade Payables	-	-	31,134.82	31,134.82	31,134.82
Other financial liabilities	-	-	13,520.32	13,520.32	13,520.32
<b>Total</b>	<b>-</b>	<b>-</b>	<b>63,406.45</b>	<b>63,406.45</b>	<b>61,445.90</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 36 FINANCIAL INSTRUMENTS (Contd.)

#### 36.3 Financial Risk Management objectives

The Company's Corporate Treasury Function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Compliance with policies and exposure limits is reviewed internally on a continuous basis. The Corporate Treasury does not enter into any trade financial instruments, including derivative financial instruments and relies on natural hedge.

The Corporate Treasury Function monitors risks and policies implemented to mitigate risk exposures on a periodical basis.

#### 36.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company currently has not hedged any External Commercial Borrowings (ECBs). The Company performs an analysis of the impact of not hedging its ECBs. This has been done by comparing the actual cash outflows related to ECBs under current unhedged conditions in the past vis-a-vis the scenario of complete hedging of individual ECB on the disbursement day through quotes provided by the banks. Further, the Company parks its earnings in foreign currency in Exchange Earners Foreign Currency (EEFC) account and discharges its obligations in case of foreign currency loans out of the said account.

The Company's investments in listed and non-listed equity securities are susceptible to price risk arising from uncertainties about future value of the investment securities. The Company's non-current investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The Company's Board of Directors reviews and approves all equity investment decisions.

#### 36.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. Further, the Company parks its earnings in foreign currency in Exchange Earners Foreign Currency (EEFC) account and discharges its obligations in case of foreign currency loans and towards import obligations out of the said account.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are restated at the end of each quarter. The same at the end of the reporting period are as follows :

(Amount in INR in Lakhs)

Particulars	Currency	Year ended 31.03.2020		Year ended 31.03.2019	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
Receivables for export	US\$	19,27,243	1,458.25	10,33,820	714.94
	EURO	2,71,036	224.34	27,000	20.97
	GBP	4,74,968	444.11	1,82,364	165.09
Advance to suppliers	CHF	-	-	6,81,000	486.64
	JPY	-	-	21,91,00,000	1,414.51
	GBP	6,17,095	570.47	-	-
	US\$	1,80,000	136.20	-	-
	EURO	16,985	13.16	-	-
Payables for imports	JPY	-	-	4,50,000	2.99
	US\$	17,34,478	1,265.66	5,65,930	405.09
	EURO	13,317	10.83	9,680	7.64
	GBP	-	-	30,200	27.40
Commission payable on exports	US\$	26,279	19.88	9,652	6.67
Other payables	US\$	3,69,940	279.92	-	-
	EURO	25,631	21.21	19,227	14.93
	GBP	3,200	2.99	5,500	4.98
ECB Borrowings	US\$	2,71,49,562	20,542.72	3,59,32,277	24,848.97

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 36 FINANCIAL INSTRUMENTS (Contd.)

#### 36.5 Foreign currency risk management (Contd.)

##### Foreign Currency Sensitivity Analysis

The Company is mainly exposed to US Dollar.

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is a sensitivity rate used when reporting foreign currency internally to the key management personnel and represents management's assessment of the reasonably possible changes in the foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in the foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. In Lakhs)

Currency	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	2019-20	2018-19	2019-20	2018-19
USD	1,043.49	1,226.61	678.33	802.11
GBP	30.18	(6.65)	19.62	(4.35)
EUR	(10.31)	0.09	(6.70)	0.06
CHF	-	(24.33)	-	(15.91)
JPY	-	(70.58)	-	(46.15)

#### 36.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at floating interest rates. The risk is managed by the Company by monitoring the exchange rate on regular basis and also parking the export proceeds in the EEFC account which also provides a natural hedge for the outflows in foreign currency. Further, the Company performs an impact analysis of not hedging its ECBs. This has been done by comparing the actual cash outflows related to ECBs under current unhedged conditions in the past vis-a-vis the scenario of complete hedging of individual ECB on the disbursement day through quotes provided by the banks.

##### Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If the interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended would be impacted to the extent of Rs.122 Lakhs (Rs.149 lakhs for the year 2018-19).

#### 36.7 Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is operating through network of dealers based at different locations. In order to ensure the security of receivables, the Marketing Department computes an exposure ratio for every dealer based on his past turnover, track record, etc. The same is overseen and approved by the Board. Further, the Company also collects bank guarantees / security deposits from the respective dealers. Regular monitoring of the receivables is undertaken by the Marketing Department and in case the limits are exceeded, an auto lock system is in place in the SAP system of the Company to stop further supplies to the concerned dealer till the amount outstanding is recovered. In case of new customers, the goods are supplied only against advance receipts. For the export made by the Company, the sales are backed by letters of credit or advance receipts. The internal risk management committee of the Company meets regularly to discuss the dealers and credit risks, measures taken to address them and the status and level of risk after the measures taken.

Domestic & Export trade receivables are secured to the extent of interest free security deposits and bank guarantees / letter of credit received from the customers amounting to Rs.6,855.95 Lakhs and Rs.6,493.34 Lakhs as at 31st March, 2020 and 31st March, 2019 respectively. (Refer Note No. 12 for Trade Receivables outstanding).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 36 FINANCIAL INSTRUMENTS (Contd.)

#### 36.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages its funds mainly from internal accruals. The liquidity risk is managed by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

#### Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Weighted average effective interest rate (%)		Carrying Value	Upto 1 year	1-5 years	5+ years	Total
<b>March 31, 2020</b>							
Variable Interest rate Instruments	6.24%	US \$ in Million		8.67	18.33		27.00
Trade Payables		Rs. In Lakhs	20,267.64	6,506.50	13,761.14	-	20,267.64
Other Financial Liabilities			32,134.12	32,134.12	-	-	32,134.12
			8,329.48	8,162.44	163.85	3.19	8,329.48
<b>March 31, 2019</b>							
Variable Interest rate Instruments	5.25%	US \$ in Million		8.66	24.33	2.67	35.66
Trade Payables		Rs. In Lakhs	24,452.24	5,993.44	17,536.73	922.07	24,452.24
Other Financial Liabilities			31,134.82	31,134.82	-	-	31,134.82
			7,526.89	7,375.28	148.42	3.19	7,526.89

#### Financing facilities

(Rs. In Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Secured Bank Loan facilities		
- amount used	213.49	292.50
- amount unused	12,786.51	12,707.50
Cash and cash equivalents	4,239.01	19,220.58
Other Bank Balances	163.85	7,880.44



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 36 FINANCIAL INSTRUMENTS (Contd.)

#### 36.9 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

#### 36.9.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used). [Rs. In Lakhs]

Financial assets / financial liabilities	Fair value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31.03.2020	31.03.2019		
1) Investments in equity instruments (quoted) (see note 6)	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs.63,535.17	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs.55,957.81	Level 1	Quoted bid prices in an active market

[Rs. In Lakhs]

Financial assets / financial liabilities	Fair value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relation of unobservable inputs to fair value
	31.03.2020	31.03.2019				
2) Investments in equity instruments at FVTOCI (unquoted) (see note 6)	a 1) Investment in equity securities of a company belonging to the manufacturing sector domiciled in India- Rs.10,631.86	a 1) Investment in equity securities of a company belonging to the manufacturing sector domiciled in India- Rs.12,707.89	Level 3	Market Approach-Comparable Companies- In this approach, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. (Refer note 36.9.1.1 below).	Annual Report for the previous year, shareholding pattern as on the valuation date, publicly available information and information available from secondary sources, discussion with Company personnel	The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee company including projections about their profitability, balance sheet status and cash flow expectations are not available.
	a. 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs.1,854.87	a. 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs.1,725.61	Level 3	(Refer note below)	Discount factor, Sales Volume and Trading Margin	No Sensitivity analysis has been carried out as at 31.03.2020 on account of non-availability of data.
	Note - 36.9.1.1 - Discounted Free Cash flow method has been used to arrive at the enterprise value of the gas marketing business of the investee and the exploration and production assets are valued using price of recent investment / transaction (PORI) method and reserve multiple approach. Under DCF technique, the projected free cash flows from gas marketing business of the Company are discounted at the weighted average cost of capital and the sum of the present value of such free cash flows would represent the value of business. Under the reserve multiple method past transaction multiples of oil and gas companies is used to arrive at the valuation. The investee has various investments in subsidiaries / Other investments. Each of these subsidiary and Other investments have been separately valued using market price method, DCF method, CCM method and book value (NAV) method and applied the investee's stake percentage to arrive at the fair value of investee's investment. Under the market price method, the valuation is derived from the quoted market price of the share of the Company as at the valuation date. Under CCM Method, peer multiple for one or more comparable Companies is used. Under the NAV method, the valuation is derived by calculating the net assets value of the investee as at the valuation date.					
	b) Investment in equity securities of various companies belonging to the conveyance of the treated waste water and Venture Capital Fund sector domiciled in India- Rs.746.24	b) Investment in equity securities of various companies belonging to the conveyance of the treated waste water and Capital Fund sector domiciled in India- Rs.709.94	Level 3	Cost Approach- Net asset value- In this approach, total value is based on the sum of net asset value as recorded on the balance sheet. A net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business. (Refer notes 36.9.1.1 and 36.9.1.2).	Shareholding pattern as on the valuation date, publicly available information and information available from secondary sources, discussion with Company personnel	The fair valuation estimates are based on historical annual accounts / annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.
	c) Investment in equity securities of a company belonging to the shipping and storage sector domiciled in India- Rs.11,645.69	c) Investment in equity securities of a company belonging to the shipping and storage sector domiciled in India- Rs.11,602.71	Level 3	Market Approach-Comparable Companies- In this approach, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. (Refer note 36.9.1.1).	Annual Report for the previous year, shareholding pattern as on the valuation date, publicly available information and information available from secondary sources, discussion with Company personnel	The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 36 FINANCIAL INSTRUMENTS (Contd.)

#### 36.9 Fair Value Measurements (Contd.)

**36.9.1.1** The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the independent valuer appointed by the Company has estimated fair value based on available historical Annual Reports of such companies and other information as available in the public domain and is being relied upon. Since the future projections are not available, discounted cashflow approach for fair value determination has not been followed.

**36.9.1.2** In case of some companies, there are no comparable companies valuations available. In light of no information available for future projections, capacity utilisation, commencement of operations, etc., the valuation is based on cost approach.

#### 36.9.2 Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

##### Fair Value Hierarchy as at 31.03.2020

(Rs. in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Long Term Borrowings	-	-	13,003.62	13,003.62

##### Fair Value Hierarchy as at 31.03.2019

(Rs. in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Long Term Borrowings	-	-	16,498.26	16,498.26

#### 36.9.3 Reconciliation of Level 3 fair value measurements

(Rs. in lakhs)

Particulars	Investment in unquoted shares irrevocably designated as FVTOCI
<b>For the year ended March 31, 2020</b>	
Opening Balance	26,746.15
Purchases	-
Total gains/(losses) in other comprehensive income	(1,867.49)
<b>Closing balance</b>	<b>24,878.66</b>
<b>For the year ended March 31, 2019</b>	
Opening Balance	32,853.47
Purchases	-
Total gains/(losses) in other comprehensive income	(6,107.32)
<b>Closing balance</b>	<b>26,746.15</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 37 RELATED PARTY TRANSACTIONS

The Company is controlled by Government of Gujarat and Gujarat Industrial Investment Corporation Limited and hence the Company is a Government related entity as per Ind AS 24 'Related Party Disclosures'.

[Rs. In Lakhs]

Name of the Party	Nature of Relationship	Nature of Transaction	Volume of Transaction in 2019-20	Amount Outstanding as on 31.03.2020	Volume of Transaction in 2018-19	Amount Outstanding as on 31.03.2019
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Joint Venture	Expenses incurred on behalf of Joint Venture	11.31	-	692.26	-
		Rent Receipt	49.02	-	13.34	-
		Assets Purchase	2.90	-	-	-
		Security Deposit Received	-	2.69	-	2.69
		Investment in Equity Shares	12,070.36	36,000.00	8,730.00	23,929.64
Delhi Jal Board	Government related Entity	Sale of Goods	727.98	319.19	843.21	203.28
Gujarat Water Supply & Sewage Board	Government related Entity	Sale of Goods	125.51	87.28	115.69	53.54
Public Health Engineering Department	Government related Entity	Sale of Goods	894.28	1,310.44	828.99	812.29
Gujarat State Petroleum Corporation Ltd.	Government related Entity	Investment in Equity Shares	-	1,349.99	-	1,349.99
Gujarat State Financial Services Limited	Government related Entity	Deposits - Placed	70,000.00	61,000.00	52,500.00	52,500.00
		Deposits - Withdraw	61,500.00	-	37,500.00	-
		Interest Received	5,209.12	-	4,089.54	-
Gujarat State Investment Ltd.	Government related Entity	Share Capital	-	1,532.93	-	1,532.93
Gujarat Industrial Investment Corporation Ltd.	Government related Entity	Share Capital	-	711.90	-	711.90
Gujarat Mineral Development Corporation Ltd.	Government related Entity	Share Capital	-	414.54	-	414.54
Bhavnagar Energy Company Limited	Government related Entity	Sale of Goods	-	-	0.87	17.83
Gujarat State Fertilizers & Chemicals Ltd.	Government related Entity	Investment in Equity Shares	-	1,500.00	-	1,500.00
		Purchase of Goods	816.39	79.94	1,242.48	89.18
		Sale of Goods	1,740.12	204.16	2,281.13	197.71
		Dividend Received	165.00	-	165.00	-
Gujarat Narmada Valley Fertilizers & Chemicals Limited	Government related Entity	Purchase of Goods	90.28	6.91	1,428.56	8.77
		Sale of Goods	984.34	163.67	1,882.14	287.80
Gujarat Industries Power Company Limited.	Government related Entity	Investment in Equity Shares	-	8,139.82	-	8,139.82
		Sale of Goods	42.58	8.29	44.27	4.02
		Dividend Received	669.58	-	623.40	-
Gujarat Gas Limited	Government related Entity	Investment in Equity Shares	-	2,000.00	-	2,000.00
		Dividend Received	213.16	-	170.53	-
Gujarat Guardian Limited	Associates	Investment in Equity Shares	-	742.50	-	742.50
		Dividend Received	386.10	-	400.95	-
Lok Prakashan Ltd.	Shareholder more than 20%	Share Capital	-	1,621.57	-	1,621.57
GACL Education Society	Government related Entity	Contribution towards CSR Activities	822.09	-	942.18	-
		Rent Receipt	6.62	-	8.23	-
		Security Deposit Received	-	4.06	4.06	4.06
		Expenses incurred on behalf of Education Society	2.83	-	-	-
Shri P K Gera, IAS, Managing Director	Key Management Personnel	Remuneration	78.49*	-	33.67	-
Dr. H. B Patel – Executive Director (Finance) & Chief Financial Officer (upto 31.05.2020)	Key Management Personnel	Remuneration	7.57	-	43.93	-
		Loans	-	-	-	5.45
Shri S S Bhatt, Company Secretary and GM (Legal)	Key Management Personnel	Remuneration	33.68	-	36.76	-
		Loans	-	3.94	-	6.25
Vinayak Kudtarkar – General Manager (Finance) & Chief Financial Officer (From 01.06.2019)	Key Management Personnel	Remuneration	22.30	-	-	-
		Loans	10.90	9.59	-	-
Dr. J N Singh, IAS - Chairman (upto 06.12.2019)	Key Management Personnel	Sitting Fees	0.50	-	1.20	-
Shri Anil Mukim, IAS - Chairman (From 11.12.2019)	Key Management Personnel	Sitting Fees	0.30	-	-	-
Shri M K Das, IAS - Director	Key Management Personnel	Sitting Fees	0.20	-	0.80	-
Shri Arvind Agarwal, IAS – Director (upto 09.12.2019)	Key Management Personnel	Sitting Fees	0.60	-	0.10	-
Shri J N Godbole - Director (upto 30.05.2019)	Key Management Personnel	Sitting Fees	0.70	-	2.80	-
Smt. Vasuben Trivedi - Director (From 03.08.2018)	Key Management Personnel	Sitting Fees	2.40	-	1.10	-
Shri Rajiv Lochan Jain - Director	Key Management Personnel	Sitting Fees	2.80	-	3.50	-
Shri S B Dangayach - Director (From 09.08.2019)	Key Management Personnel	Sitting Fees	1.20	-	-	-
Shri Rohitbhai J Patel - Director (From 27.11.2019)	Key Management Personnel	Sitting Fees	0.50	-	-	-
Shri Pankaj Joshi, IAS - Director (From 27.12.2019)	Key Management Personnel	Sitting Fees	0.20	-	-	-

\*Rs.25.20 Lakhs paid on behalf of Government of Gujarat.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 38 THE BREAK-UP OF PAYMENT TO AUDITORS (NET OF TAXES) IS AS UNDER :

Particulars	[Rs. In Lakhs]	
	2019-20	2018-19
Audit Fees - Standalone & Consolidated	10.50	16.50
Quarterly/Half Yearly Review (Rs.2.00 Lakhs paid to previous Auditors)	4.00	5.05
Out of Pocket Expenses (Rs.0.70 Lakhs paid to previous Auditors)	0.70	1.48
Other services	-	-
<b>Total</b>	<b>15.20</b>	<b>23.03</b>

### 39 INCOME AND EXPENDITURE IN FOREIGN CURRENCY

Sr. No.	Particulars	[Rs. In Lakhs]	
		2019-20	2018-19
(a)	Earnings in Foreign Exchange - Export of Goods on F.O.B. basis (includes Deemed Export sales)	33,479.36	34,084.53
(b)	Expenditure in Foreign Currency (on accrual basis) on account of :		
(i)	Interest	959.38	1,209.33
(ii)	Foreign Tour Expenses	16.01	12.46
(iii)	Bank charges and Commission	-	1.53
(iv)	Subscription	15.18	2.08
(v)	Commission on Export Sales	25.80	6.67
(vi)	AMC & Other Charges (For ISO Tank)	58.41	35.42
(vii)	Other Expenses	2,334.96	2,475.00

### 40 VALUE OF IMPORTS ON CIF BASIS

Particulars	[Rs. In Lakhs]	
	2019-20	2018-19
Raw Materials	19,363.99	18,748.18
Stores and Spare Parts	802.14	1,779.18
Capital Goods	15,960.40	6,918.34

### 41 FOREIGN CURRENCY EXPOSURES

The Company has not taken any derivative instrument during the year. The year end unhedged foreign currency exposures are given below :

Amount Receivable on account of export of goods and services and Advance to Suppliers :

Particulars	Currency	As on 31.03.2020		As on 31.03.2019	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
Receivable for Exports	US \$	1,458.25	19,27,243	714.94	10,33,820
	EURO	224.34	2,71,036	20.97	27,000
	GBP	444.11	4,74,968	165.09	1,82,364
Advance to Suppliers	CHF	-	-	486.64	6,81,000
	JPY	-	-	1,414.51	21,91,00,000
	GBP	570.47	6,17,096	-	-
	US \$	136.20	1,80,000	-	-
	EURO	13.16	16,985	-	-

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 41 FOREIGN CURRENCY EXPOSURES (Contd.)

Amount payable on account of import of goods, services and others :

Particulars	Currency	As on 31.03.2020		As on 31.03.2019	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
Payables for Imports	JPY	-	-	2.81	4,50,000
	US \$	1,265.66	17,34,478	391.55	5,66,187
	EURO	10.83	13,317	7.52	9,680
	GBP	-	-	27.33	30,200
Commission payable on exports	US \$	19.88	26,279	6.67	9,652
Other Payables	US \$	279.92	3,69,940	-	-
	GBP	2.99	3,200	4.98	5,500
	EURO	21.21	25,631	14.93	19,227

Amount payable on account of ECB Borrowings :

Particulars	Currency	As on 31.03.2020		As on 31.03.2019	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
ECB and Accrued interest	US \$	20,542.72	2,71,49,562	24,848.97	3,59,32,278

### 42 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

[Rs. In Lakhs]

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>(i) Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debt	21,836.47	19,648.84
(b) Various pending cases before Labour court and Industrial Tribunal	Not ascertainable	Not ascertainable
(c) Disputed Sales Tax liability [Including Purchase Tax Liability (2000-01 to 2005-06)]	20,481.74	20,481.74
(d) Disputed Excise Duty liability	1,718.67	1,669.76
(e) Disputed Service Tax liability	706.50	393.31
(f) Disputed Income Tax liability (excluding interest) :		
(i) Pending Before Appellate Authorities in respect of which the Company is in appeal	1,423.37	5,576.64
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	13,416.77	15,648.14
	<b>59,583.52</b>	<b>63,418.43</b>
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums / authorities.		
(g) Guarantees given by the Company's Bankers for various purposes are	12,829.93	10,716.30
<b>Total (i)</b>	<b>72,413.45</b>	<b>74,134.73</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	79,572.53	33,196.13
<b>Total (ii)</b>	<b>79,572.53</b>	<b>33,196.13</b>
<b>Total</b>	<b>1,51,985.98</b>	<b>1,07,330.86</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

**43** COVID-19 virus, a global pandemic has affected the world economy including India leading to significant decline and the volatility in the financial markets and the decline in economic activities.

On 24<sup>th</sup> March 2020, the Company had decided to shut down all of its manufacturing facilities at Baroda and Dahej complexes as a precautionary measure to contain the spread of COVID-19.

The Company has subsequently reopened the manufacturing facilities, partially, in a phased manner to meet the demands of municipal corporations and other industries after obtaining the required permissions. Due to the ongoing disruption in manufacturing operations and supply chain, the Company's business has been impacted, beginning from the latter part of March 2020.

### **Estimation of uncertainties:**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets and the possible obligations. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

### **Property, Plant and Equipment:**

The Company has estimated recoverable amount of the cash generating units and has determined it to be greater than the carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

### **Capital Work-in-Progress:**

The Company has communicated to Stock Exchanges vide letter dated 24<sup>th</sup> March 2020 that activities related to ongoing projects have been hampered which may result into delays in implementation of these projects.

However, the Company expects that the ongoing projects will be resumed and that the projects will remain commercially viable, taking into account the current and projected future macroeconomic factors, market demand for finished goods,

### **Investments, Loans and Advances & Other Assets:**

In assessing the recoverability of Company's assets such as investments, loans, advances and other financial and non-financial assets, the Company has considered internal and external information up to the date of approval of these financial results. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets.

### **Inventories:**

The Company has evaluated the recoverability of carrying amount of inventories based on various internal and external information available, including latest selling prices, customer orders on hand and margins. The Company has assessed that carrying amounts of inventories are realizable.

### **Trade Receivables:**

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has been in contact with the customers with respect to impact of COVID-19. In assessing the recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risks profile of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these results.

### **Employee and Other Costs:**

The Company is making payments of salaries and wages to all employees on its payrolls as also the contract workers during the time of shutdown. Further, the Company is also incurring various other costs, including fixed costs during the period of full/partial shutdown. This may impact the profitability levels of the Company.

### **Contracts and Commitments:**

The Company has binding purchase contracts with few of the suppliers for raw materials, natural gas, power, etc. The Company has evaluated the impact of disruptions of business operations on those contracts. The Company does not expect to pay any significant penalties under the contracts.

### **Going Concern:**

The management has evaluated the various financial ratios, expected ageing and maturities of assets and liabilities and the various internal and external information available. The management does not see any risks to Company's ability to continue as a going concern and expects that Company will be able to meet its liabilities in the foreseeable future, as and when the same fall due.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

- 44** The Company's operations fall under single segment namely "Chemicals" hence no separate disclosure of segment reporting is required to be made as required under Ind AS 108 'Operating Segments'.
- 45** The impact on account of applying the amendment in respect of Appendix B to Ind AS 21 The Effects of Changes in Foreign Exchange Rates on the results of operations of the Company for the year ended on March 31, 2020 is Rs.0.66 Lakhs ( Previous Year Rs.5.72 Lakhs).
- 46** "Effective 1<sup>st</sup> April 2019, the Company has adopted Indian Accounting Standard (Ind AS) 116 "Leases". The Standard primarily requires the Company, as a lessee to recognize, at the commencement of the lease a right-of-use (ROU) asset and a lease liability (representing the present value of unpaid lease payments). Such ROU assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability recognized as finance costs. The Company has elected to use the "Modified retrospective approach", i.e., where the cumulative impact, if any, is recognized on the date of initial application (1<sup>st</sup> April 2019). Accordingly previous period information has not been restated. Application of Ind AS 116 has resulted in recognizing ROU asset of Rs.8,665 lakhs. Further, the transition adjustment to retained earnings and the effect on the profit for the period and earnings per share is insignificant."
- 47 CORPORATE SOCIAL RESPONSIBILITIES (CSR)**
- 47.1** CSR amount required to be spent as per Section 135 of the Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs.1,380.13 Lakhs. (Previous Year Rs.878.09 Lakhs).
- 47.2** Expenditure related to Corporate Social Responsibility is Rs.839.74 Lakhs (Previous Year Rs.1052.66 Lakhs).
- 47.3** Out of note 47.2 above, Rs.822.09 Lakhs (Previous year Rs.942.18 Lakhs) is spent through GACL Education Society.
- 47.4** Out of note 47.2 above, Rs.Nil Lakhs (Previous year Rs.Nil Lakhs) is towards construction / acquisition of an assets that will be owned by the Company.
- 48** Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.
- 49 Approval of Financial Statements**
- The financial statements are approved for issue by the Board of Directors on 18<sup>th</sup> June, 2020.

As per our attached Report of even date

For **K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**For and on behalf of the Board**

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**Gujarat Alkalies and Chemicals Limited**  
**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying consolidated financial statements of **Gujarat Alkalies and Chemicals Limited** (“the Holding Company” or “the Company”) and its jointly controlled entity (Holding Company and its jointly controlled entity together referred to as “the Group”) which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 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 report of other auditor on separate financial statements and on the other financial information of the jointly controlled entity as referred to in the “Other Matters” Paragraph 1, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (‘Ind AS’) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated 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 (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and ICAI’s Code of Ethics.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred in to paragraph 1 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Emphasis of Matter

We draw your attention to Note 43 of the Consolidated Financial Statements, which states the impact of coronavirus disease 2019 (COVID19) on the operations and financials of the company.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of these consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	How our audit addressed the matter
1.	<p><b><u>Valuation of Equity Investments (Unquoted) (Refer to note 6 and 36.9.1 to the consolidated financial statements)</u></b></p> <p>Investments in Equity Instruments (Unquoted) aggregates 4% of the Company’s Total assets as at March 31, 2020.</p> <p>The Company measures its investments in Equity Instruments (Unquoted) at Fair Value through Other Comprehensive Income as at the Balance Sheet date.</p> <p>Fair value is determined using valuation approach / methodology for which significant inputs are unobservable inputs (Level 3 inputs).</p> <p>The valuation approach / methodology adopted by the management in certain cases are single valuation methods and, in some cases, multiple valuation approaches, and hence involve significant judgment as regards the methods and inputs used.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures included:</p> <ol style="list-style-type: none"> <li>1) Evaluated and tested the design and operating effectiveness of the key controls implemented by the Company with respect to the valuation of Investments in Equity instruments (unquoted), inter alia controls around:               <ol style="list-style-type: none"> <li>a) periodic review by management of the risks of the valuation approach/ methodology;</li> <li>b) the verification and validation of unobservable inputs;</li> <li>c) selection and competence evaluation of external valuer;</li> </ol> </li> </ol>

Sr. No.	Key Audit Matter	How our audit addressed the matter
		2) Involved the Internal fair value experts and: <ol style="list-style-type: none"> <li>Assessed the reasonableness of the valuation approach / methodology and inputs used;</li> <li>Assessed the reasonableness of the valuation results determined by the external valuer.</li> </ol> <p><b>Conclusion:</b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.</p>
2.	<p><b>Adoption of Ind AS 116 - Leases (Refer to note 3 (b) and 34 to the consolidated financial statements)</b></p> <p>The Company has adopted Ind AS 116 - Leases w.e.f April 1, 2019. The application and transition to this Ind AS is complex and is an area of focus in our audit since the Company has a number of leases with different contractual terms.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet.</p> <p>The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgements and estimates including, determination of the discount rates and the lease term.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p>	<p><b>Principal Audit Procedures</b></p> <p>Our audit procedures on adoption of Ind AS 116 included:</p> <ul style="list-style-type: none"> <li>Assessing the Company's evaluation on the identification of leases based on the contractual agreements and our knowledge of the business;</li> <li>Evaluating the method of transition and related adjustments; the reasonableness of the discount rates applied in determining the lease liabilities;</li> <li>Assessing the key terms and conditions of each lease with the underlying lease contracts</li> <li>Assuring completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</li> <li>Assessed and tested the presentation and disclosures relating to Ind AS 116 including, disclosures relating to transition.</li> </ul> <p><b>Conclusion:</b> Based on the procedures described above, we did not identify any material exceptions to the management's assertions and treatment, presentation and disclosure of the subject matter in financial statements.</p>

### Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report on Corporate Governance and Shareholder's Information but does not include the consolidated financial statements and our auditors' report thereon. The above-referred information is expected to be made available to us after the date of this audit report

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

identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions necessitated by the circumstances & the applicable laws and regulations.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated

financial position, consolidated financial performance consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows 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.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

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

#### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 Group incorporated in India have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' 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 financial statements, including the disclosures, and whether the consolidated 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, to express an opinion on the consolidated financial statements. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor 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 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 of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse

consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

1. The consolidated financial statements also include the Holding Company's share of total assets of Rs. 35,817.57 lakhs as at March 31, 2020 and share of net loss of Rs 74.93 lakhs for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of jointly controlled entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on the report of the other auditor.
2. The comparative financial information of the Group included in these consolidated financial statements, are based on the previously issued consolidated financial statements for the year ended March 31, 2019 which were audited by the predecessor auditor who, vide their report dated May 28, 2019, expressed an unmodified opinion.

Our opinion on the consolidated 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 auditor.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of other auditor on separate financial statements and on the other financial information of jointly controlled entity, as noted in "Other Matters" paragraph 1 above, we report, to the extent applicable, that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of the other auditor;
  - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements;

- d. in our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
- e. on the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its jointly controlled entity incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. with respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g. with respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, to its directors during the year is in accordance with the provisions of section 197 of the Act; and
- h. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group Refer Note 42 to the consolidated financial statements;
  - ii. the Group did not have any long term contracts including derivative contracts for which there were material foreseeable losses as at March 31, 2020;
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

**For K.C. Mehta & Co.**  
Chartered Accountants  
Firm's Registration No. 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533  
UDIN: 20101533AAAABP6117

Place: Vadodara  
Date: June 18, 2020



## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Gujarat Alkalies and Chemicals Limited on the consolidated financial statements of even date)

### Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act.

We have audited the internal financial controls with reference to consolidated financial statements of Gujarat Alkalies and Chemicals Limited (“the Company”) (hereinafter referred to as “the Holding Company”) and its jointly controlled entity as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### Management’s Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its jointly controlled entity are 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 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.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 were 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 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 auditors’ judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated financial statements.

### Meaning of Internal Financial Controls with reference to consolidated financial statements

A company’s internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls 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 consolidated 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 consolidated 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 control 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 Holding Company and its jointly controlled entity, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K.C. Mehta & Co.**  
Chartered Accountants  
Firm's Registration No. 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533  
UDIN: 20101533AAAABP6117

Place: Vadodara  
Date: June 18, 2020

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020**

[Rs. in Lakhs]

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	3	2,52,113.53	2,29,341.43
(b) Right of use asset	3	8,289.67	-
(c) Capital work-in-progress	3	44,516.32	30,746.01
(d) Other Intangible assets	4	580.07	682.90
(e) Financial Assets			
(i) Investments			
(a) Investment in Joint Venture	5	35,817.57	23,822.14
(b) Other Investments	6	88,352.30	82,555.24
(ii) Loans	7	118.85	155.97
(iii) Other Financial assets	8	2,140.74	2,108.19
(f) Non-Current Tax Assets (Net)	9	8,692.67	10,032.52
(g) Other non-current assets	10	11,264.56	12,638.45
<b>Total Non - current assets</b>		<b>4,51,886.28</b>	<b>3,92,082.85</b>
<b>(2) Current assets</b>			
(a) Inventories	11	23,627.44	23,146.65
(b) Financial Assets			
(i) Other Investments	6	61.73	148.92
(ii) Trade receivables	12	37,424.03	48,702.92
(iii) Cash and cash equivalents	13	4,239.01	19,220.58
(iv) Bank balance other than (iii) above	14	163.85	7,880.44
(v) Loans	7	61,194.02	52,599.60
(vi) Other Financial assets	8	3,866.54	3,254.60
(c) Other current assets	10	6,628.03	6,061.17
<b>Total Current assets</b>		<b>1,37,204.65</b>	<b>1,61,014.88</b>
<b>TOTAL ASSETS</b>		<b>5,89,090.93</b>	<b>5,53,097.73</b>
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

3-49

As per our attached Report of even date.

**For and on behalf of the Board**

**For K. C. Mehta & Co.**  
**Chartered Accountants**  
**Firm Reg. No. : 106237W**

**Vishal P. Doshi**  
**Partner**  
**Membership No. 101533**

**P. K. Gera, IAS (Retd.)**  
**Managing Director**  
**DIN No. : 05323992**

**Vinayak Kudtarkar**  
**General Manager (Finance) &**  
**Chief Financial Officer**

**Anil Mukim, IAS**  
**Chairman**  
**DIN No. : 02842064**

**S. S. Bhatt**  
**Company Secretary & General**  
**Manager (Legal & CC)**

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2020

(contd.)

[ Rs. in Lakhs ]

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity Share capital	15	7,343.84	7,343.84
(b) Other Equity	16	4,52,224.14	4,22,214.06
<b>Total Equity</b>		<b>4,59,567.98</b>	<b>4,29,557.90</b>
<b>(2) LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	13,710.00	18,458.81
(ii) Other financial liabilities	21	68.93	-
(b) Provisions	18	10,420.79	9,687.64
(c) Deferred tax liabilities (Net)	19	52,522.06	44,591.17
<b>Total Non-current liabilities</b>		<b>76,721.78</b>	<b>72,737.62</b>
<b>Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	17	213.49	292.50
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	20	1,645.68	1,426.90
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	30,488.44	29,707.92
(iii) Other financial liabilities	21	14,887.11	13,520.32
(b) Other current liabilities	22	2,469.67	4,231.20
(c) Provisions	18	1,028.34	804.18
(d) Current Tax Liabilities (Net)	9	2,068.44	819.19
<b>Total Current Liabilities</b>		<b>52,801.17</b>	<b>50,802.21</b>
<b>Total Liabilities</b>		<b>1,29,522.95</b>	<b>1,23,539.83</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,89,090.93</b>	<b>5,53,097.73</b>
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

3-49

As per our attached Report of even date.

**For K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**For and on behalf of the Board**

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[ Rs. in Lakhs ]

Particulars	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
<b>I. Revenue from operations</b>	23	2,72,459.33	3,16,137.77
<b>II. Other Income</b>	24	8,978.07	6,076.96
<b>III. Total Revenue (I + II)</b>		<b>2,81,437.40</b>	<b>3,22,214.73</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	25	91,265.35	86,096.00
Purchase of Stock-in-Trade		1,105.51	386.69
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	869.12	(1,386.93)
Employee benefits expense	27	24,389.80	20,695.81
Finance costs	28	1,404.08	2,094.13
Depreciation and amortisation expense	29	16,182.95	13,996.64
Power, Fuel & Other Utilities	30	58,320.33	62,951.19
Other expenses	31	38,737.84	35,879.02
<b>Total Expenses</b>		<b>2,32,274.98</b>	<b>2,20,712.55</b>
<b>V. Share of Profit / (Loss) of Joint Venture</b>		<b>(74.93)</b>	<b>122.86</b>
<b>VI. Profit before Tax (III - IV + V)</b>		<b>49,087.49</b>	<b>1,01,625.04</b>
<b>VII. Tax expense</b>	32		
(a) Current tax		12,357.17	26,938.36
(b) Deferred tax		3,444.04	4,456.28
(c) Net Tax Adjustment of earlier year		76.82	1,211.90
		<b>15,878.03</b>	<b>32,606.54</b>
<b>VIII. Profit for the year (VI - VII)</b>		<b>33,209.46</b>	<b>69,018.50</b>
<b>IX. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial Gain / (Loss) on Gratuity		(709.26)	(132.58)
Deferred Tax Assets / (liabilities) on defined benefit obligation - Gratuity		247.84	46.33
Investment adjustment - FVTOCI		5,797.06	(16,730.61)
Deferred Tax Assets / (liabilities) on net fair value gain on investment in equity instruments at FVTOCI		(1,456.89)	1,009.08
<b>Total Other Comprehensive Income (IX)</b>		<b>3,878.75</b>	<b>(15,807.78)</b>
<b>X. Total Comprehensive Income (VIII + IX)</b>		<b>37,088.21</b>	<b>53,210.72</b>
<b>XI. Earning per equity share (face value Rs.10/-each):</b>	33		
(1) Basic (Rs.)		45.22	93.98
(2) Diluted (Rs.)		45.22	93.98
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

3-49

As per our attached Report of even date.

**For and on behalf of the Board**

**For K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[ Rs. in Lakhs ]

PARTICULARS	2019-20	2018-19
<b>A Cash Flow from Operating Activities</b>	<b>62,971.50</b>	<b>83,779.39</b>
<b>B Cash Flow from Investing Activities</b>	<b>(63,453.48)</b>	<b>(58,290.65)</b>
<b>C Cash Flow from Financing Activities</b>	<b>(14,585.11)</b>	<b>(13,575.83)</b>
<b>D Effect of unrealised exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>85.52</b>	<b>237.03</b>
<b>E Cash and Cash Equivalents at the beginning of the year</b>	<b>19,220.58</b>	<b>7,070.64</b>
<b>F Cash and Cash Equivalents at the end of the year</b>	<b>4,239.01</b>	<b>19,220.58</b>
<b>G Total Cash Flow During the year (A+B+C+D) Or (F-E)</b>	<b>(14,981.57)</b>	<b>12,149.94</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / (Loss) Before Tax	49,087.49	1,01,625.04
Adjustments For :		
Addition / (Deduction)		
Share of (Profit) / Loss in Joint Venture	74.93	(122.86)
Depreciation and Amortisation Expenses	16,182.95	13,996.64
Interest Income	(5,765.42)	(4,672.01)
Dividend Received	(1,525.92)	(1,359.88)
Interest Expense	1,404.08	2,094.13
Net (Profit) / Loss on Sale of Property Plant & Equipment	8.13	11.65
Net (Gain) / Loss arising from Financial Assets designated as FVTPL	87.19	81.45
Unrealised exchange (gain)/loss	696.06	373.62
Provision for Expected credit loss allowances	571.04	327.38
Provision for Gratuity/Leave	1,212.73	455.85
Stores and Spares W/off	246.85	195.74
<b>Sub Total</b>	<b>13,192.62</b>	<b>11,381.71</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>62,280.11</b>	<b>1,13,006.75</b>
<b>Decrease or (Increase) in Assets :</b>		
Trade Receivables	10,760.32	(8,723.35)
Loans	(57.30)	(70.40)
Other Assets	(1,434.04)	(3,061.18)
Other Financial Assets	(109.71)	(151.33)
Inventories	(727.64)	3,204.12
<b>Increase / (Decrease) in Liabilities :</b>		
Trade Payables and Other Current Liabilities	(815.08)	6,231.95
Provisions	128.38	90.52
Other Financial Liabilities	(484.06)	(1,389.70)
<b>Cash Generated from Operations Before Tax</b>	<b>69,540.98</b>	<b>1,09,137.38</b>
Direct Taxes Paid	(6,569.48)	(25,357.99)
<b>Net Cash Flow generated from Operating Activities : ( Total - A )</b>	<b>62,971.50</b>	<b>83,779.39</b>



## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020 (contd.)

[ Rs. in Lakhs ]

PARTICULARS	2019-20	2018-19
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Payment for Property Plant & Equipment	(41,417.44)	(32,336.29)
Payment for Intangible Assets	(0.82)	(36.04)
Proceeds from disposal of Property Plant & Equipment	5.86	-
Payment for Capital Work-in-progress	(15,959.31)	(6,280.50)
Payment for Investment in Joint Venture	(12,070.36)	(8,730.00)
Interest Received	5,230.64	4,264.33
Dividend Received	1,525.92	1,359.88
Payment for Deposit placed during the year	7,732.03	(1,532.03)
Payment for Short Term Deposits	(8,500.00)	(15,000.00)
<b>Net Cash used in Investment Activities - (Total - B)</b>	<b>(63,453.48)</b>	<b>(58,290.65)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest and Finance charges paid	(1,474.59)	(2,083.60)
Dividend paid (including dividend distribution tax)	(7,098.00)	(5,762.68)
Unpaid Dividend	15.44	8.09
Repayment from Long Term Borrowings	(5,942.31)	(5,597.38)
Proceeds from Short Term Borrowings (Net)	(79.01)	(140.26)
Payment of Lease Rent	(6.64)	-
<b>Net Cash used in Financing Activities - (Total - C)</b>	<b>(14,585.11)</b>	<b>(13,575.83)</b>
<b>D Effect of unrealised exchange differences on translation of foreign currency cash and cash equivalents</b>	<b>85.52</b>	<b>237.03</b>
<b>E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</b>		
Cash and Cheques on Hand	461.78	307.26
Balances with Banks	2,758.80	6,763.38
Balances with Financial Institution	16,000.00	-
<b>Net Cash and Cash Equivalents at the beginning of the year (Total - D)</b>	<b>19,220.58</b>	<b>7,070.64</b>
<b>F CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</b>		
Cash and Cheques on Hand	3.51	461.78
Balances with Banks	4,235.50	2,758.80
Balances with Financial Institution	-	16,000.00
<b>Net Cash and Cash Equivalents at the end of the year (Total - E)</b>	<b>4,239.01</b>	<b>19,220.58</b>
<b>G TOTAL CASH FLOW DURING THE YEAR (A+B+C+D) OR (F-E)</b>	<b>(14,981.57)</b>	<b>12,149.94</b>

**Note :-** 1 The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS -7 "Statement of Cash Flows".  
2 Previous year's figures have been regrouped / rearranged to confirm to the current years presentation, wherever necessary.

See accompanying notes forming part of financial statements.

1-49

As per our attached Report of even date.

For and on behalf of the Board

**For K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992

**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064

**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2020

[ Rs. in Lakhs ]

Particulars	Equity Share Capital	Retained Earnings				Other Comprehensive Income - Fair value of equity instrument	Total Other Equity	Total Equity
		Capital Reserve	General Reserve	Security Premium	Retained Earnings			
<b>Balance as at April 1, 2018</b>	7,343.84	0.24	1,70,751.08	23,423.18	1,08,251.36	72,332.07	3,74,757.93	3,82,101.77
Profit for the year	-	-	-	-	69,018.50	-	69,018.50	69,018.50
Transfer to general reserve	-	-	34,482.00	-	(34,482.00)	-	-	-
Other comprehensive income for the year	-	-	-	-	(86.25)	(15,721.53)	(15,807.78)	(15,807.78)
<b>Total Comprehensive income for the year</b>	-	-	<b>34,482.00</b>	-	<b>34,450.25</b>	<b>(15,721.53)</b>	<b>53,210.72</b>	<b>53,210.72</b>
Dividend	-	-	-	-	(4,773.40)	-	(4,773.40)	(4,773.40)
Dividend distribution tax	-	-	-	-	(981.19)	-	(981.19)	(981.19)
<b>Balance as at March 31, 2019</b>	7,343.84	0.24	2,05,233.08	23,423.18	1,36,947.02	56,610.54	4,22,214.06	4,29,557.90
Profit for the year	-	-	-	-	33,209.46	-	33,209.46	33,209.46
Transfer to general reserve	-	-	16,642.00	-	(16,642.00)	-	-	-
Lease Financial Liabilities	-	-	-	-	4.43	-	4.43	4.43
Other comprehensive income for the year	-	-	-	-	(461.42)	4,340.17	3,878.75	3,878.75
<b>Total Comprehensive income for the year</b>	-	-	<b>16,642.00</b>	-	<b>16,110.47</b>	<b>4,340.17</b>	<b>37,092.64</b>	<b>37,092.64</b>
Dividend	-	-	-	-	(5,874.95)	-	(5,874.95)	(5,874.95)
Dividend distribution tax	-	-	-	-	(1,207.61)	-	(1,207.61)	(1,207.61)
<b>Balance as at March 31, 2020</b>	7,343.84	0.24	2,21,875.08	23,423.18	1,45,974.93	60,950.71	4,52,224.14	4,59,567.98

As per our attached Report of even date.

For K. C. Mehta & Co.  
Chartered Accountants  
Firm Reg. No. : 106237W

Vishal P. Doshi  
Partner  
Membership No. 101533

P. K. Gera, IAS (Retd.)  
Managing Director  
DIN No. : 05323992  
Vinayak Kudtarkar  
General Manager (Finance) &  
Chief Financial Officer

For and on behalf of the Board

Anil Mukim, IAS  
Chairman  
DIN No. : 02842064

S. S. Bhatt  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Notes forming part of the Financial Statements

#### 1. GENERAL INFORMATION

Gujarat Alkalies and Chemicals Limited (“the Company” or “the Holding Company”) is a multi-product chemical manufacturing Company, having various products in its basket and is one of the leading manufacturer of Caustic Soda Lye.

The Company having CIN L24110GJ1973PLC002247 is a public limited company incorporated and domiciled in India and has its Registered Office at P. O. Petrochemicals – 391346, District Vadodara, Gujarat, India. The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

The Group comprises of the Holding Company and one Joint Venture.

GACL-NALCO Alkalies and Chemicals Private Limited is a Joint Venture, having CIN U24100GJ2015PTC085247, incorporated and domiciled in India, having registered office at GACL Corporate Building, PO: Petrochemicals – 391346. The company is in process of setting up a greenfield project of 800 TPD caustic soda manufacturing plant along with a 2X65 MW coal-based cogeneration power plant at Dahej PCPIR region of Gujarat.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### 2.1. Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under Section 133 of The Companies Act, 2013 (the “Act”) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act as amended from time to time, 2013.

##### 2.2. Application of New Indian Accounting Standard

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There is no other Indian Accounting Standard that has been issued as of that date but was not mandatorily effective.

The Company has adopted Ind AS 116, “Leases” with effect from 1<sup>st</sup> April, 2019 with modified retrospective approach method i.e. where the cumulative impact, if any, is recognized in the opening retained earnings on the date of initial application (1st April 2019).

##### 2.3. Basis of Preparation of financial statements

The financial statements have been prepared, under the historical cost convention, on the accrual basis of accounting except for certain assets and liabilities which are measured at fair value/amortized cost/ present value at the end of each reporting period as explained in the accounting policies set out below. These accounting

policies have been applied consistently over all the periods presented in these financial statements except as mentioned below in 2.6

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

#### 2.4. Principles of Consolidation

2.4.a. Gujarat Alkalies and Chemicals Limited together with its Joint Venture is referred to as “the Group”.

2.4.b. The financial statements of the Joint Venture used in the consolidation is drawn up to the same reporting date as that of the holding company.

2.4.c. Interest in Joint Venture is accounted for using equity method, after initially recognising at cost in the consolidated balance sheet.

2.4.d. Under equity method, investments are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post - acquisition profit or loss of the investee in the statement of profit and loss, and the Group’s share of other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from joint venture is recognised as a reduction in the carrying amount of investment.

2.4.e. As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and appropriate adjustments are made to the financial statements of joint venture when they are used in preparing the consolidated financial statements that are presented in same manner as the holding company.

2.4.f. The Consolidated Financial Statement has been prepared in accordance with Ind AS-110 “Consolidated Financial Statement” and Ind AS-28 “Investment in Associates and Joint Venture”.

2.4.g. The Consolidated Financial Statement includes result of 60% equity Joint Venture Company – GACL-NALCO Alkalies and Chemicals Private Limited.

2.4.h. The carrying amount of equity accounted investments are tested for impairment on reporting date.

#### 2.5. Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these financial statements have been disclosed in notes

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

below. Accounting estimates could change from period to period. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and if material, then effects are disclosed in the notes to the financial statements.

### 2.6. Revenue Recognition

#### 2.6.a.Sale of Goods :

The Company derives Revenue primarily from sale of manufactured and traded products being “Chemicals”.

Revenue from the sale of products is recognised on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange of those products.

The performance obligation to transfer each distinct product consists of supplying the product to a named destination, handling charges and packing charges.

The Company accounts for discounts and incentives to customers as a reduction of revenue based on the proportionate allocation of the discounts / incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount / incentive. Also, when the level of discount varies with increase in level of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction price for the time value of money.

Sale of products excludes amounts of indirect taxes on sales.

#### 2.6.b.Dividend and interest income :

Dividend income from investments is recognised when the shareholder's right to receive the payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

#### 2.6.c.Other Operating Income and Other Income :

Revenue with respect to Other Operating Income and Other Income including insurance and other claims are recognised when a reasonable certainty as to its realisation exists.

### 2.7. Leasing

#### The Company as a Lessee:

The Company's lease asset class primarily consist of leases for immovable properties. The company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if there is an explicit or implicit identified asset in the contract and Customer controls the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company assesses whether: (1) the contract involves the use of an identified asset (2) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the company has the right to direct the use of the asset.

At the date of commencement of the lease, the company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### Transition

“Effective 1st April 2019, the Company has adopted Indian Accounting Standard (Ind AS) 116 “Leases”. The Standard primarily requires the Company, as a lessee to recognize, at the commencement of the lease a right-of-use (ROU) asset and a lease liability (representing the present value of unpaid lease payments to be made over the lease term). Such ROU assets are subsequently depreciated in accordance with the depreciation requirements as per Ind AS 16, Property, Plant and Equipment and the lease liability reduced when paid, with the interest on the lease liability recognized as finance costs. The Company has elected to use the “Modified retrospective approach”, i.e., where the cumulative impact, if any, is recognized in the opening retained earnings on the date of initial application (1st April 2019). Accordingly previous period information has not been restated.

### 2.8. Foreign Currencies

#### 2.8.a. Functional Currency :

The functional currency of the Company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to lakhs)

#### 2.8.b. Transactions and translations :

In preparing the financial statements, transactions in currencies other than the Company’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which the Company initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings

relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

### 2.9. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent regarded as an adjustment to the interest costs. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

### 2.10. Employee Benefits

#### 2.10.a. Short term Employee Benefits :

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, etc. and the expected cost of bonus, Ex-gratia, Leave Travel Allowance, Reimbursement of Medical Expenses, Personal Accident Policy, Deposit Linked Insurance Policy are recognised, undiscounted in the period in which the employee renders the related services.

#### 2.10.b. Post-Employment Benefits :

##### 2.10.b.1. Defined Contribution Plan :

The Company’s contribution paid /payable during the year to Provident Fund, Superannuation Fund and other welfare funds are considered as defined contribution plans. The Contribution paid/ payable under these plans are recognised in the Statement of Profit and Loss during the period in which the employee renders the services. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

##### 2.10.b.2. Defined Benefit Plans :

The Gratuity Scheme managed by Life Insurance Corporation of India through a Trust is considered as defined benefit plan. The present value of the obligation is determined based on actuarial valuation being carried out at each reporting date using the Projected Unit Credit Method.

Actuarial gains and losses are recognised immediately in other comprehensive income.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Past service cost is recognized immediately to the extent that the benefits are already vested and otherwise it is amortized on straight-line basis over the remaining average period until the benefits become vested.

Interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets.

The defined retirement benefit obligation recognised in the balance sheet represents the present value of the defined benefit obligation as reduced by plan assets.

### 2.10.b.3. Long term Employee Benefits :

The obligation for long term employee benefits such as long term compensated absences, long service awards, etc. is recognised in the same manner as in the case of defined benefit plans as mentioned in (b) (ii) above except that the actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

### 2.11. Income Taxes

Income tax expense represents the sum of current tax and deferred tax.

#### 2.11.a. Current Tax :

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'Profit Before Tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible in accordance with applicable tax laws. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### 2.11.b. Deferred Tax :

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits to the extent that it is probable that taxable profits will be available against which these can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent

that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 2.11.c. Current and Deferred Tax for the Year:

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in Other Comprehensive Income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive Income or directly in equity respectively.

### 2.12. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of PPE comprises of its purchase price or its construction cost (net of applicable tax credit, trade discount and rebate if any), Exchange rate variations attributable to the assets and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management and initial estimate of decommissioning costs. Direct costs are capitalized until the asset is ready for use and includes borrowing cost capitalised in accordance with the Company's accounting policy.

#### Depreciation method, Estimated Useful lives and residual value

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of the assets are as follows :

<u>Asset</u>	<u>Useful Life</u>
Buildings	20-60 years
Plant and Equipment	10-40 Years
Office Equipment	3 years
Furniture and Fixtures	5-10 years
Vehicles	8-10 years

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life as prescribed under Schedule II of the Companies Act, 2013 have been followed except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

- Remembraning of Membrane cell elements-4 years
- Recoating of Anode and Cathode membrane cell elements- 8 years
- Leasehold land and equipment is amortised over the duration of the lease.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as capital advances under Other Non-Current Assets and the cost of the assets not ready for intended use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in the Statement of Profit and Loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses which are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

### 2.13. Intangible Assets

#### Intangible Assets acquired separately:

Intangible assets with finite useful life acquired separately, are recognized only if it is probable that future economic benefits that are attributable to the assets will flow to the enterprise and the cost of assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Amortisation is recognised on a straight-line basis over their estimated useful lives from the date they are available for use. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Subsequent expenditures are capitalised only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset, and recognised in the Statement of Profit and Loss when the asset is derecognised.

#### RESEARCH AND DEVELOPMENT

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred.

#### Useful Lives of Intangible Assets :

Estimated Useful lives of the Intangible assets are as follows:

<u>Intangible Asset</u>	<u>Useful Life</u>
Capitalised Development	5 Years
Computer Software	8 Years

### 2.14. Impairment of Tangible and Intangible Assets other than Goodwill

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If such assets are considered to be impaired, the impairment is recognized in the Statement of Profit and Loss and is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years. After a reversal, the



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### 2.15. Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence, if any. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

Cost of inventories comprises of cost of purchase (net of recoverable taxes), cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Inventory cost formula is as under

Inventories	Basis of Valuation and Cost Formula
Raw material	Landed cost at weighted average basis
Raw Material (Goods in transit)	At Cost on Basic Price
Work in Progress	Raw material, labour and appropriate proportion of manufacturing expenses and overheads as per stage of completion at weighted average.
Finished Goods (Including in Transit)	Raw material, labour and appropriate proportion of manufacturing expenses and overheads at weighted average.
Stores, spares, packing materials	Landed Cost Weighted average basis

### 2.16. Provisions, Contingent Liabilities and Contingent Assets

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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying

amount is the present value of those cash flows (when the effect of the time value of money is material. If the time value of money is material, Provisions are discounted using pre-tax discount rate and when discounting is used, increase in the provision with the passage of time is recognised as a finance cost in the statement of Profit and Loss account.

A contingent liability is (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (b) a present obligation that arises from past events but is not recognised because (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or (ii) the amount of the obligation can not be measured with sufficient reliability.

Contingent liabilities are disclosed in the Financial Statements by way of notes to accounts, unless possibility of an outflow of resources embodying economic benefit is remote.

A contingent asset is a possible asset that arises from the past events and whose existence will be confirmed only by the occurrence or non- occurrence of one or more of uncertain future events not wholly within the control of the entity.

Contingent assets are disclosed in the Financial Statements by way of notes to accounts when an inflow of economic benefits is probable.

### 2.17. Financial Instruments

The Company determines the classification of its financial assets and liabilities at initial recognition. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

#### Initial Recognition and Measurement:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Subsequent Measurement

#### 2.17.a. Non-derivative financial instruments :

##### 2.17.a.1. Cash and Cash equivalents :

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

##### 2.17.a.2. Financial assets carried at amortised cost :

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### 2.17.a.3. Financial assets at fair value through Other Comprehensive Income (FVTOCI) :

A financial asset is subsequently measured at fair value through Other Comprehensive Income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in Other Comprehensive Income based on its business model.

On derecognition of such Financial assets, cumulative gain or loss previously recognised in Other Comprehensive Income is not reclassified from the equity to statement of Profit and Loss.

##### 2.17.a.4. Financial assets at fair value through profit or loss (FVTPL) :

A financial asset which is not classified in any of the above categories are subsequently measured at fair value through profit or loss.

##### 2.17.a.5. Financial liabilities :

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Interest bearing issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

##### 2.17.a.6. Derecognition of financial instruments :

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset

expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. On derecognition of Financial assets (except as mentioned in 2.17.a.3), the difference between the carrying amount and the consideration received is recognised in the statement of Profit and Loss account. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires

##### 2.17.a.7. Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

#### 2.18. Share capital

##### Ordinary Shares :

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are recognized as a deduction from equity, net of any tax effects.

#### 2.19. Fair Value Measurement

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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, which gives highest priority to quoted prices in active markets and the lowest priority to unobservable inputs.

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for inputs other than quoted prices included within Level 1 that are observable for the asset or Liability either directly or indirectly.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Level 3 — Valuation techniques for inputs that are unobservable for the asset or liability.

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.

### 2.20. Impairment of Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not measured at fair value through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the statement of profit and loss.

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, discounted at the effective interest rate.

ECL are measured taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

For Trade receivables, the Company uses a provision matrix to measure lifetime ECL on its portion of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward looking estimates.

### 2.21. Earnings per share

Basic earnings per share is computed by dividing the profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving the basic earnings per share and the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 2.22. Operating Segments

Operating segments are identified and reported taking into account the different risks and returns, the organization structure and the internal reporting systems. The Company operates in one reportable business segments i.e. "Chemicals".

### 2.23. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows are segregated into operating, investing and financing activities.

### 2.24. Current/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 if it satisfies any of the following conditions:

- 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
- 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 if it satisfies any of the following conditions:

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

The company classifies all other liabilities as non-current.

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.

### 2.25. Non-Current Assets held for Sale

Non-current assets or disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

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

The Company classifies Non-Current Assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

### **2.26. Critical accounting judgements, assumptions and Key sources of estimation uncertainty:**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Key source of judgments, assumptions and estimates in the preparation of the Financial Statements which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of useful lives of Property, Plant and Equipment, impairment, employee benefit obligations, provisions, provision for income tax, measurement of deferred tax assets and contingent assets & liabilities., Stores & Spares Written off.

#### **2.26.a. Critical judgments in applying accounting policies**

The following are the critical judgements, apart from those involving estimations (Refer note 2.26.b), that the Management have made in the process of applying the Company's accounting policies and that have the significant effect on the amounts recognized in the Financial Statements.

##### **2.26.a.1. Determining whether an arrangement contain leases and classification of leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of

such option is reasonably certain. The company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

#### **2.26.b. Key sources of estimates and assumptions**

Information about estimates and assumptions that have the significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may differ from these estimates.

##### **2.26.b.1. Defined benefit obligation (DBO)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations being carried out at reporting date. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, Salary escalation rate, expected rate of return on asset 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.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

##### **2.26.b.2. Contingent Liabilities and Assets**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgment and the use of estimates regarding the outcome of future events.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.26.b.3. Allowance for impairment of trade receivables

The expected credit loss is mainly based on the ageing of the receivable balances and historical experience. The receivables are assessed on an individual basis assessed for impairment collectively, depending on their significance. Moreover, trade receivables are written off on a case-to-case basis if deemed not to be collectible on the assessment of the underlying facts and circumstances.

### 2.26.b.4. Impairment of non-financial assets

Evaluation for impairment requires use of judgment, estimates and assumptions.

The evaluation of applicability of indicators of impairment of assets requires assessment of external factors (significant decline in asset's value, significant changes in the technological, market, economic or legal environment, market interest rates etc.) and internal factors (obsolescence or physical damage of an asset, poor economic performance of the asset etc.) which could result in significant change in recoverable amount of the Property, Plant and Equipment.

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 CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where 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 subsidiaries or other available fair value indicators.

### 2.26.b.5. Income taxes:

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

### 2.26.b.6. Recognition of Deferred tax assets:

Deferred Tax Assets (DTA) are recognized for the unused tax losses/ credits to the extent that it is probable that taxable profit will be available against which the losses will be utilized. Management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### 2.26.b.7. Useful lives and residual value of property, plant and equipment:

The Company reviews the useful life and residual value of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

### 2.26.b.8. Dismantling cost of property, plant and equipment:

The company estimates assets retirement obligation on estimate basis for property, plant and equipment. Estimation is done by the management considering size of the asset and its useful life in line with industry practices.

### 2.26.b.9. Stores and spares inventories:

The Company's manufacturing process is continuous and highly mechanic with wide range of different types of plant and machineries. The Company keeps stores and spares as standby to continue the operations without any disruption. Considering wide range of stores and spares and long lead time for procurement of it and based on criticality of spares, the Company believes that net realizable value would be more than cost.

### 2.26.b.10. Fair value of investments:

The Company has invested in the equity instruments of various companies. The valuation exercise of unquoted equity instruments carried out by the Company with the help of an independent valuer, etc. has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Carrying Amounts of :</b>		
Land Freehold	102.75	102.75
Land Leasehold	-	3,786.28
Buildings	15,121.46	12,262.22
Plant and equipment	2,35,781.10	2,11,872.24
Plant and equipment under Finance Lease	398.37	412.39
Computer Equipments	316.98	480.93
Furniture and Fixture	342.70	361.46
Vehicles	50.17	63.16
	<b>2,52,113.53</b>	<b>2,29,341.43</b>
Right of use asset (Refer Note - 46)	8,289.67	-
	<b>8,289.67</b>	-
	<b>2,60,403.20</b>	<b>2,29,341.43</b>
Capital Work-In-Progress	44,516.32	30,746.01
	<b>44,516.32</b>	<b>30,746.01</b>
<b>Total</b>	<b>3,04,919.52</b>	<b>2,60,087.44</b>

[ Rs. in Lakhs ]

Fixed Assets	Land Freehold	Right of Use Assets (Ref. Note No.3.1)	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Computer Equipments	Furniture & Fixture	Vehicles	Recoating/Remem-braning	Total
<b>Cost</b>										
<b>As at April 1, 2018</b>	102.75	3,901.94	13,973.98	2,16,386.34	274.53	977.27	626.58	176.46	7,010.07	2,43,429.92
Additions	-	-	589.36	31,353.95	-	79.50	65.68	-	-	32,088.49
Adjustment	-	1.96	-	1,436.29	193.14	-	0.36	14.27	-	1,646.02
Deductions	-	-	-	(8.63)	(3.02)	-	-	-	-	(11.65)
Effect of Exchange difference	-	-	-	1,083.60	-	-	-	-	-	1,083.60
<b>As at March 31, 2019</b>	102.75	3,903.90	14,563.34	2,50,251.55	464.65	1,056.77	692.62	190.73	7,010.07	2,78,236.38
Additions	-	4,761.12	3,459.29	37,724.35	-	28.96	56.45	-	48.94	46,079.11
Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	(5.31)	(0.95)	(28.09)	-	(2.81)	-	(37.16)
Effect of Exchange difference	-	-	-	1,075.95	-	-	-	-	-	1,075.95
<b>As at March 31, 2020</b>	102.75	8,665.02	18,022.63	2,89,046.54	463.70	1,057.64	749.07	187.92	7,059.01	3,25,354.28
<b>Depreciation &amp; Impairment</b>										
<b>As at April 1, 2018</b>	-	74.54	1,729.24	26,898.81	(153.94)	349.35	258.25	89.35	4,109.90	33,355.50



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

[ Rs. in Lakhs ]

Fixed Assets	Land Freehold	Right of Use Assets (Ref. Note)	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Computer Equipments	Furniture & Fixture	Vehicles	Recoating/ Remem-braning	Total
Depreciation for the year	-	41.12	571.88	12,050.72	13.06	226.49	72.55	23.95	893.66	13,893.43
Adjustment	-	1.96	-	1,436.29	193.14	-	0.36	14.27	-	1,646.02
Deductions	-	-	-	-	-	-	-	-	-	-
Effect of Foreign currency exchange difference	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2019</b>	-	<b>117.62</b>	<b>2,301.12</b>	<b>40,385.82</b>	<b>52.26</b>	<b>575.84</b>	<b>331.16</b>	<b>127.57</b>	<b>5,003.56</b>	<b>48,894.95</b>
Depreciation for the year	-	257.73	600.05	14,160.07	13.07	185.45	75.21	12.72	775.00	16,079.30
Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	-	-	(20.63)	-	(2.54)	-	(23.17)
<b>As at March 31, 2020</b>	-	<b>375.35</b>	<b>2,901.17</b>	<b>54,545.89</b>	<b>65.33</b>	<b>740.66</b>	<b>406.37</b>	<b>137.75</b>	<b>5,778.56</b>	<b>64,951.08</b>
<b>Net Block</b>										
<b>As at March 31, 2020</b>	<b>102.75</b>	<b>8,289.67</b>	<b>15,121.46</b>	<b>2,34,500.65</b>	<b>398.37</b>	<b>316.98</b>	<b>342.70</b>	<b>50.17</b>	<b>1,280.45</b>	<b>2,60,403.20</b>
<b>As at March 31, 2019</b>	<b>102.75</b>	<b>3,786.28</b>	<b>12,262.22</b>	<b>2,09,865.73</b>	<b>412.39</b>	<b>480.93</b>	<b>361.46</b>	<b>63.16</b>	<b>2,006.51</b>	<b>2,29,341.43</b>

- 3.1** Right of Use Assets amortised during Financial Year 2019-20 of Rs. 257.73 lakhs (Ref. Note 2.7 ).
- 3.2** The lease deed in respect of Plot No. 3 for the partial land admeasuring 44,032 sq. mtrs acquired at Dahej Complex having value of Rs.15.86 lakhs is pending for execution.
- 3.3** Borrowing Cost capitalised during the year Rs. Nil Lakhs ( Previous Year: Rs. Nil Lakhs) for acquisition of Long Term Assets.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**4 OTHER INTANGIBLE ASSETS AND INTANGIBLE ASSETS UNDER DEVELOPMENT**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Carrying Amounts of:</b>		
Computer Software	580.07	682.90
	<b>580.07</b>	<b>682.90</b>

Other Intangible Assets	Computer Software
<b>Cost</b>	
<b>As at April 1, 2018</b>	<b>379.76</b>
Additions	424.83
<b>As at March 31, 2019</b>	<b>804.59</b>
Additions	0.82
<b>As at March 31, 2020</b>	<b>805.41</b>
<b>Accumulated amortisation and impairment</b>	
<b>As at April 1, 2018</b>	<b>18.48</b>
Amortisation expense	103.21
<b>As at March 31, 2019</b>	<b>121.69</b>
Amortisation expense	103.65
<b>As at March 31, 2020</b>	<b>225.34</b>
<b>Net Block</b>	
<b>As at March 31, 2020</b>	<b>580.07</b>
<b>As at March 31, 2019</b>	<b>682.90</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 5 INVESTMENT IN JOINT VENTURE

[Rs. in Lakhs]

Particulars	Nos.	Face Value Rs.	As at 31.03.2020	Nos.	As at 31.03.2019
<b>Unquoted Investments (all fully paid) :</b>					
Investment in fully paid Equity Shares of GACL-NALCO Alkalies and Chemicals Pvt. Ltd.	36,00,00,000	10	35,817.57	23,92,96,400	23,822.14
<b>GRAND TOTAL</b>			<b>35,817.57</b>		<b>23,822.14</b>

#### Details and financial information of joint venture

Name of Joint Venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group	
			As at 31.03.2020	As at 31.03.2019
GACL-NALCO Alkalies and Chemicals Pvt. Ltd.	Manufacture and Sale of Chlor-Alkali Products	India	60%	60%

For Critical judgements applied Refer Note-2.26

#### Summarised financial information in respect of Joint Venture :

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
Non-Current Liabilities	70,110.34	4,812.56
Current Liabilities	15,865.39	4,011.85
Non-Current Assets	1,33,845.55	42,487.13
Current Assets	11,826.14	6,040.85
<b>Net Assets</b>	<b>59,695.96</b>	<b>39,703.57</b>
Proportion of the Group's ownership interest in the joint venture	60%	60%
<b>Carrying amount of the Group's interest in the joint venture</b>	<b>35,817.57</b>	<b>23,822.14</b>
<b>The above amounts of Assets and Liabilities include the following :</b>		
Cash and Cash equivalents	5,328.86	4,975.70
Current Financial Liabilities (excluding Trade Payables and Provisions)	15,677.72	3,809.20
Non-Current Financial Liabilities (excluding Trade Payables and Provisions)	70,110.34	4,812.56

[Rs. in Lakhs]

Particulars	For the Year Ended 31.03.2020	For the Year Ended 31.03.2019
Revenue	137.94	558.73
Profit/(Loss) from continuing operations	(124.88)	204.77
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	(124.88)	204.77
<b>The above profit/(loss) for the year include the following :</b>		
Depreciation and Amortisation	11.57	9.64
Interest Income	42.67	186.18
Income Tax Expense/(Income)	35.58	158.83



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**6 OTHER INVESTMENTS**

[ Rs. in Lakhs ]

Particulars	Face Value Rs.	As at 31.03.2020		As at 31.03.2019	
		Quantity	Amount	Quantity	Amount
<b>Non - Current :</b>					
<b>1 Investment in Equity Instruments (Quoted) :</b>					
a Gujarat Industries Power Company Limited	10	2,30,88,980	11,521.40	2,30,88,980	16,416.26
b Gujarat State Fertilizers and Chemicals Limited	2	75,00,000	2,741.25	75,00,000	7,818.75
c Gujarat Lease Financing Limited	10	2,50,000	3.50	2,50,000	5.40
d Gujarat Gas Limited	2	2,13,15,785	49,207.49	2,13,15,785	31,568.68
<b>Total - 1 (Quoted)</b>			<b>63,473.64</b>		<b>55,809.09</b>
<b>2 Investment in Equity Instruments (Unquoted) :</b>					
a Gujarat Data Electronics Limited	10	40,000	4.00	40,000	4.00
Less :- Provision for Diminution in the value of Investment			(4.00)		(4.00)
b Gujarat Venture Finance Limited	10	1,80,000	304.63	1,80,000	267.84
c Gujarat Guardian Limited	10	74,25,000	10,631.86	74,25,000	12,707.89
d Gujarat State Petroleum Corporation Limited	1	2,15,43,200	1,854.87	2,15,43,200	1,725.61
e Gujarat Chemical Port Terminal Company Limited	1	6,13,90,000	11,645.69	6,13,90,000	11,602.71
f Vadodara Enviro Channel Limited	10	7,151	441.61	7,151	442.10
g Gujarat State Electricity Corporation Limited (Ref. Note No. 6.1)	10	1	0.00	-	-
<b>Total - 2 (Unquoted)</b>			<b>24,878.66</b>		<b>26,746.15</b>
<b>GRAND TOTAL</b>			<b>88,352.30</b>		<b>82,555.24</b>
<b>Current :</b>					
<b>(A) Investment in Equity Instruments (Quoted) :</b>					
1 IDBI Bank Ltd.	10	3,18,800	61.53	3,18,800	148.72
<b>Total - A</b>			<b>61.53</b>		<b>148.72</b>
<b>(B) Investment in Government Securities (Unquoted) :</b>					
Six Year National Saving Certificate (Pledged for renewal of licence)			0.20		0.20
<b>Total - B</b>			<b>0.20</b>		<b>0.20</b>
<b>GRAND TOTAL</b>			<b>61.73</b>		<b>148.92</b>
Aggregate Book Value of current quoted investments			61.53		148.72
Aggregate Book Value of non-current quoted investments			63,473.64		55,809.09
<b>Total Aggregate Book Value of quoted investments</b>			<b>63,535.17</b>		<b>55,957.81</b>
Aggregate Market Value of current quoted investments			61.53		148.72
Aggregate Market Value of non-current quoted investments			63,473.64		55,809.09
<b>Total Aggregate Market Value of quoted investments</b>			<b>63,535.17</b>		<b>55,957.81</b>
Aggregate Carrying Value of current unquoted investments			-		-
Aggregate Carrying Value of non-current unquoted investments			24,878.66		26,746.15
<b>Total Aggregate Carrying Value of unquoted investments</b>			<b>24,878.66</b>		<b>26,746.15</b>
<b>Aggregate amount of impairment in value of Investments</b>			<b>4.00</b>		<b>4.00</b>
<b>Category-wise other Investments - as per Ind AS 109 classification :</b>					
Financial assets carried at fair value through profit or loss (FVTPL) (Equity Instruments)			61.53		148.72
Financial assets carried at amortised cost (Govt. Securities)			0.20		0.20
Financial assets measured at fair value through other comprehensive income (FVTOCI) (Equity Instruments)			88,352.30		82,555.24

6.1 During the Financial Year 2018-19 merger of Bhavnagar Energy Company Limited with Gujarat State Electricity Corporation Limited with effect from 01st April, 2018.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7 LOANS

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>LOANS RECEIVABLE :</b>		
<b>Non-Current :</b>		
<b>Unsecured - Considered Good :</b>		
Loans to Employees	109.79	148.43
Loans to Officers	9.06	7.54
<b>Total :</b>	<b>118.85</b>	<b>155.97</b>
<b>Current :</b>		
<b>Unsecured - Considered Good :</b>		
Inter Corporate Deposit with Gujarat State Financial Services Ltd. (Related party - Refer Note-37)	61,000.00	52,500.00
Loans to Employees	189.55	95.44
Loans to Officers	4.47	4.16
<b>Total :</b>	<b>61,194.02</b>	<b>52,599.60</b>

### 8 OTHER FINANCIAL ASSETS

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - Current :</b>		
<b>Unsecured - Considered Good :</b>		
Security Deposits	2,140.74	2,108.19
<b>Total :</b>	<b>2,140.74</b>	<b>2,108.19</b>
<b>Current :</b>		
<b>Unsecured - Considered Good :</b>		
Security Deposits	306.69	212.86
Amount receivable from DGVCL for Wind Farm Credit	665.88	682.55
Interest receivable	2,893.97	2,359.19
<b>Total :</b>	<b>3,866.54</b>	<b>3,254.60</b>

### 9 NON-CURRENT TAX ASSETS (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
Tax Assets (Net)	8,692.67	10,032.52
<b>Total:</b>	<b>8,692.67</b>	<b>10,032.52</b>

### CURRENT TAX LIABILITIES (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
Tax Liabilities (Net)	2,068.44	819.19
<b>Total:</b>	<b>2,068.44</b>	<b>819.19</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****10 OTHER ASSETS**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - Current :</b>		
<b>Unsecured - Considered Good :</b>		
Capital Advances (Refer Note No. 10.1)	9,715.35	6,184.57
Balance with Excise & Customs (Refer Note No. 10.2)	1,257.55	1,257.55
Prepaid Long Term Employee Benefits (Gratuity) (Ref. Note No. 35)	251.47	686.61
Prepaid Expenses	11.06	6.74
Prepayment for leasehold land	-	4,473.85
Other Loans and Advances	29.13	29.13
<b>Total :</b>	<b>11,264.56</b>	<b>12,638.45</b>
<b>Current :</b>		
<b>Unsecured - Considered Good :</b>		
Prepaid Current Employee Benefits (Gratuity) (Ref. Note No. 35)	51.34	-
Advance to suppliers	4,459.74	3,870.04
Export Incentive Receivable	85.98	97.52
Balance with Excise & Customs	18.99	33.91
Prepaid Expenses	78.71	222.39
Prepayment for leasehold land	-	204.94
Indirect Taxes Receivable	1,787.01	1,252.68
Other Loans and Advances	146.26	379.69
<b>Total :</b>	<b>6,628.03</b>	<b>6,061.17</b>

10.1 Capital Advances includes advance payment made for leasehold lands allotted pending execution of lease deeds :

- (i) Rs. 1,732.59 lakhs (FY 2018-19 Rs. 1,732.59 lakhs) towards plot No. D-III/3 in exchange of Plot No. 42/1 at Dahej admeasuring 5,16,548 sq. mtrs.
- (ii) Rs. 923.08 lakhs (FY 2018-19 Rs. 923.08 lakhs) towards plot No. B-37 to B-44 at village Atali admeasuring 50,714.48 sq. mtrs.

10.2 In the Financial Year 2012-13, the Company received a demand of Rs. 1,719.66 lakhs from the revenue authorities for excise duty, interest and penalty thereon. The same has been shown as provision for other liabilities under Non-Current Provisions (Note no. 18). The Company has contested the demand and has paid under protest Rs.924.23 lakhs and Rs.333.32 lakhs (Total Rs.1,257.55 lakhs) during 2012-13 and 2013-14 respectively. As the matter is pending with Honourable High Court, the amount paid has been shown under Balance with Excise and customs' under Other Non-Current Assets.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11 INVENTORIES

[At lower of Cost and Net Realisable Value]

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Raw Materials and Components	5,960.28	5,446.93
Goods-in-Transit	4,585.09	3,272.71
	10,545.37	8,719.64
(b) Work-in-Progress	1,505.07	1,496.14
(c) Finished Goods	2,997.01	3,883.99
Goods-in-Transit	125.73	116.80
	3,122.74	4,000.79
(d) Stores and Spares	8,170.37	8,564.00
Goods-in-Transit	6.99	31.55
	8,177.36	8,595.55
(e) Others :		
Packing Materials	239.10	252.46
Building Materials	34.34	66.08
Others	3.46	15.99
	276.90	334.53
<b>Total :</b>	<b>23,627.44</b>	<b>23,146.65</b>

### 12 TRADE RECEIVABLES

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current :</b>		
(a) Secured, considered good (Refer Note No. 36.7)	6,855.95	6,493.34
(b) Unsecured		
Considered good	30,568.08	42,209.58
Considered Doubtful (Refer Note No. 12.1)	3,043.42	2,472.38
	<b>33,611.50</b>	<b>44,681.96</b>
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	-	-
	40,467.45	51,175.30
Less : Allowance for expected credit losses	3,043.42	2,472.38
<b>Total :</b>	<b>37,424.03</b>	<b>48,702.92</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12 TRADE RECEIVABLES (Contd.)

12.1 Trade Receivables include overdue outstanding from various parties aggregating to **Rs. 1,347.42** lakhs, (Previous Year Rs.1,322.42 lakhs), for which the Company has taken legal steps for recovery of the outstanding dues and the management is hopeful of the recovery. However, cumulative provision of **Rs. 1,347.42** lakhs (Previous Year Rs.1,322.42 lakhs) exists for such doubtful debts as on 31.03.2020.

The average credit period on sale of goods is 53 days. However, no interest is charged on Trade Receivables for delay in payment beyond 53 days from the date of the Invoice.

The credit limits for customers are set based on security deposits and bank guarantees. Limits attributed to customers are reviewed periodically.

The Company has used a practical expedient by computing the expected credit loss allowance for Trade Receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the Reporting Period is as follows. :

Ageing :	Expected Credit Loss	
Particulars	As at 31.03.2020	
Within the Credit Period	0.74%	
1-60 days past due	12.99%	
61-180 days past due	39.94%	
181-2 years past due	41.00%	
2-5 years past due	100.00%	
Above 5 years past due	100.00%	

Age of Receivables :	[Rs. in Lakhs]	
Particulars	As at 31.03.2020	As at 31.03.2019
Within the Credit Period	33,382.42	47,340.02
1-60 days past due	3,880.96	1,630.83
61-180 days past due	746.95	306.68
181-2 years past due	785.07	377.43
2-5 years past due	485.57	197.41
Above 5 years past due	1,186.48	1,322.93
<b>Total :</b>	<b>40,467.45</b>	<b>51,175.30</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 12 TRADE RECEIVABLES (Contd.)

#### Movement in Expected Credit Loss Allowance :

[Rs. in Lakhs]

Particulars	As at	As at
	31.03.2020	31.03.2019
Balance at beginning of the year	2,472.38	2,145.00
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	571.04	327.38
<b>Balance at end of the year</b>	<b>3,043.42</b>	<b>2,472.38</b>

The Concentration of Credit Risk is limited due to the fact that the customer base is large and unrelated.

At March 31, 2020 and March 31, 2019, the major customers (top five) accounted for the following amounts of the Company's Trade Receivables :

[Rs. in Lakhs]

Sr. No.	Dealer Name	Balance as at 31.03.2020		Balance as at 31.03.2019	
		Amount (Rs.)	% to Total Debtors	Amount (Rs.)	% to Total Debtors
1	Dealer-A	4,516.02	11.16	8,101.08	15.83
2	Dealer-B	2,739.35	6.77	3,986.68	7.79
3	Dealer-C	2,049.21	5.06	3,256.42	6.36
4	Dealer-D	2,746.81	6.79	3,160.12	6.18
5	Dealer-E	2,457.24	6.07	2,692.42	5.26
	<b>Total ( 1 TO 5 )</b>	<b>14,508.63</b>	<b>35.85</b>	<b>21,196.72</b>	<b>41.42</b>
	<b>Total Trade Receivable-GACL</b>	<b>40,467.45</b>	<b>100.00</b>	<b>51,175.30</b>	<b>100.00</b>

### 13 CASH AND CASH EQUIVALENTS

[Rs. in Lakhs]

Particulars	As at	As at
	31.03.2020	31.03.2019
<b>Cash and Cash Equivalents :</b>		
Balances with Banks :		
Current Account	4,235.50	2,758.80
Cheques, Drafts on hand	-	458.52
Cash on hand	3.38	3.22
Others :		
Stamps on hand	0.13	0.04
Deposit with Gujarat State Financial Services Ltd.	-	16,000.00
<b>Total :</b>	<b>4,239.01</b>	<b>19,220.58</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14 OTHER BALANCES WITH BANKS

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Other Bank Balances consist of the following:</b>		
Fixed Deposits with Banks	-	7,732.03
Unpaid Dividend (Refer Note No. 14.1)	163.85	148.41
<b>Total :</b>	<b>163.85</b>	<b>7,880.44</b>

14.1 During the year, the Company has transferred Rs. 11.94 lakhs (Previous Year Rs.10.79 lakhs for FY 2010-11) to Investor Education & Protection Fund for FY 2011-12.

### 15 SHARE CAPITAL

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Equity Share Capital</b>		
<b>(a) Authorised share capital :</b>		
10,00,00,000 Equity Shares of Rs. 10/- each	10,000.00	10,000.00
50,00,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each	5,000.00	5,000.00
	<b>15,000.00</b>	<b>15,000.00</b>
<b>(b) Issued :</b>		
7,34,39,875 Equity Shares of Rs.10/- each (As at March 31, 2019 :7,34,39,875)	7,343.99	7,343.99
<b>(c) Less : Subscribed &amp; Not Fully Paid-up (forefeited) :</b>		
2,947 Equity Shares of Rs.10/- each (As at March 31, 2019 : 2,947)	0.15	0.15
<b>(d) Subscribed &amp; Fully Paid-up :</b>		
7,34,36,928 Equity Shares of Rs.10/- each (As at March 31, 2019 :7,34,36,928)	7,343.84	7,343.84
<b>Total</b>	<b>7,343.84</b>	<b>7,343.84</b>

#### (i) Reconciliation of the number of equity shares :

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number	(Rs. in lakhs)	Number	(Rs. in lakhs)
Shares outstanding at the beginning of the period	7,34,36,928	7,343.84	7,34,36,928	7,343.84
Shares outstanding at the end of the period	7,34,36,928	7,343.84	7,34,36,928	7,343.84

#### (ii) Rights, preferences and restrictions attached to equity shares :

The Company has one class of equity shares having a par value of Rs.10/- each. Each Shareholder is eligible for one vote per one 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, the equity Shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15 SHARE CAPITAL (Contd.)

(iii) Details of shares held by each shareholder holding more than 5% equity shares :

Sr. No.	Name of Share holder	As at 31.03.2020		As at 31.03.2019	
		No. of shares held	% of shares	No. of shares held	% of shares
1	Lok Prakashan Ltd.	1,62,15,732	22.08	1,62,15,732	22.08
2	Gujarat State Investment Ltd.	1,53,29,373	20.87	1,53,29,373	20.87
3	Gujarat Industrial Investment Corporation Limited	71,19,028	9.69	71,19,028	9.69
4	Gujarat Mineral Development Corporation Ltd.	41,45,433	5.64	41,45,433	5.64

(iv) Dividend :

For current financial year 2019-20, The Company has proposed dividend of Rs. 8.00 per equity share (Previous year Rs. 8.00 per share declared). Proposed dividends on equity share are subject to approval at the Annual General Meeting and are not recognised as a liability as at Balance Sheet date.

### 16 OTHER EQUITY

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
a. General Reserve	2,21,875.08	2,05,233.08
b. Securities Premium	23,423.18	23,423.18
c. Capital Reserve	0.24	0.24
d. Reserve for equity instruments through other comprehensive income	60,950.71	56,610.54
e. Retained Earnings	1,45,974.93	1,36,947.02
<b>Total :</b>	<b>4,52,224.14</b>	<b>4,22,214.06</b>

**a. General Reserve**

The General Reserve is used from time to time to transfer profits from Retained Earnings for appropriation purpose. As General Reserve is created by a transfer from one component of Equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit or loss.

**b. Securities Premium**

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

**c. Reserve for equity instruments through other comprehensive income**

The reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****17 BORROWINGS**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non-Current :</b>		
<b>Secured - at amortised cost :</b>		
<b>Term Loans from Banks :</b>		
External Commercial Borrowing from ICICI Bank (Refer Note No.17.1)	6,965.88	8,180.29
External Commercial Borrowing from HSBC Bank (Refer Note No.17.2)	6,744.12	10,278.52
<b>Total :</b>	<b>13,710.00</b>	<b>18,458.81</b>

The terms of repayment of borrowings are stated below:

- 17.1 The Loan is secured by plant and machinery of 14.7 MW Wind Farm Project at Dist. Porbandar, Gujarat, 915 nos. Cell Elements at Ranoli Dist. Vadodara, Gujarat and 440 nos. Cell Elements at Dahej, Dist. Bharuch, Gujarat. It has to be repaid in 15 equal half yearly installments from 10.09.2017 and carries interest rate of LIBOR plus 1.64% p.a.
- 17.2 The Loan is secured by plant and machinery of 31 MW Wind Farm Project at in Dist. Rajkot & Kachchh, Gujarat and Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat. It has to be repaid in 10 equal half yearly installments from 07.01.2018 and carries interest rate of LIBOR plus 1.80% p.a.

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current :</b>		
<b>Secured</b>		
Loans repayable on demand from Banks (Refer Note No. 17.3)	213.49	292.50
<b>Total :</b>	<b>213.49</b>	<b>292.50</b>

- 17.3 The Company has working capital facilities with various Banks carrying interest rate ranging from 8.00% p.a. to 9.90% p.a. These facilities are secured by first charge by hypothecation of stocks and book debts and second charge over the immovable assets of the Company.

**18 PROVISIONS**

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - current :</b>		
<b>(A) Provision for Employees' Benefits</b>		
(i) Compensated Absences (Ref. Note No. 35)	6,839.43	6,243.09
(ii) Long Service Award	65.16	52.80
<b>(B) Provision for Other Liabilities (Refer Note No. 18.1)</b>	1,719.66	1,719.66
<b>(C) Asset Retirement Obligations</b>	1,796.54	1,672.09
<b>Total :</b>	<b>10,420.79</b>	<b>9,687.64</b>
<b>Current :</b>		
<b>(A) Provision for Employees' Benefits</b>		
(i) Compensated Absences (Ref. Note No. 35)	995.54	762.95
(ii) Long Service Award	32.80	41.23
<b>Total :</b>	<b>1,028.34</b>	<b>804.18</b>

- 18.1 In the earlier Financial Year 2012-13, the Company received a demand of Rs. 1,719.66 lakhs from the revenue authorities for excise duty, interest and penalty thereon - Refer Note 10.2.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19 DEFERRED TAX LIABILITIES (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax assets	(6,949.01)	(10,246.23)
Deferred Tax liabilities	59,471.07	54,837.40
<b>Deferred Tax Liabilities (Net)</b>	<b>52,522.06</b>	<b>44,591.17</b>

#### 2019-2020 :

[Rs. in Lakhs]

Deferred tax liabilities / (assets) in relation to:	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	MAT Credit Set off	Adjustment	Closing Balance
Property, Plant and Equipment	50,483.60	3,174.40	-	-	-	-	2.38	53,660.38
Employee Benefits	(643.72)	-	(247.84)	-	-	-	-	(891.56)
Investments	4,353.80	-	1,456.89	-	-	-	-	5,810.69
Disallowances / Allowances	(3,084.10)	269.64	-	-	-	-	-	(2,814.46)
MAT Credit Entitlement	(6,518.41)	-	-	-	-	3,221.19	54.23	(3,242.99)
<b>Total :</b>	<b>44,591.17</b>	<b>3,444.04</b>	<b>1,209.05</b>	<b>-</b>	<b>-</b>	<b>3,221.19</b>	<b>56.61</b>	<b>52,522.06</b>

#### 2018-2019 :

[Rs. in Lakhs]

Deferred tax liabilities / (assets) in relation to:	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	MAT Credit Set off	Adjustment	Closing Balance
Property, Plant and Equipment	46,195.58	4,288.02	-	-	-	-	-	50,483.60
Employee Benefits	(597.39)	-	(46.33)	-	-	-	-	(643.72)
Investments	5,362.88	-	(1,009.08)	-	-	-	-	4,353.80
Disallowances / Allowances	(3,252.36)	168.26	-	-	-	-	-	(3,084.10)
MAT Credit Entitlement	(12,637.44)	-	-	-	-	4,957.61	1,161.42	(6,518.41)
<b>Total :</b>	<b>35,071.27</b>	<b>4,456.28</b>	<b>(1,055.41)</b>	<b>-</b>	<b>-</b>	<b>4,957.61</b>	<b>1,161.42</b>	<b>44,591.17</b>

### 20 TRADE PAYABLES

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Current :</b>		
Trade Payable to related parties (Refer Note-37) :	86.85	97.95
<b>Trade Payables</b>		
a Total outstanding dues of micro enterprises and small enterprises	1,645.68	1,426.90
b Total outstanding dues of creditors other than enterprises and small enterprises (Refer note below for details of dues to Micro, Small and Medium Enterprises)	30,401.59	29,609.97
<b>Total :</b>	<b>32,134.12</b>	<b>31,134.82</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 20 TRADE PAYABLES (Contd.)

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")</b>		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,645.68	1,426.90
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-
Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the Auditors.		

The Company has made payments to Micro and Small suppliers within the stipulated payment period as prescribed under Micro and Small enterprises Development Act, 2006 (MSMED Act, 2006). Accordingly, no interest is payable to such suppliers. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

### 21 OTHER FINANCIAL LIABILITIES

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Non - Current :</b>		
Other lease financial liabilities	68.93	-
<b>Total :</b>	<b>68.93</b>	<b>-</b>
<b>Current :</b>		
Current maturities of long term secured debts (Refer Note No. 21.1)	6,557.63	5,993.43
Current maturities of other lease financial liabilities	5.76	-
Interest accrued but not due on borrowings	113.17	183.68
Unpaid dividends	163.85	148.41
Payables for capital goods	4,815.42	3,473.64
Security Deposits / Earnest Money Deposits	3,224.03	3,713.91
Current maturities of finance lease obligations (from a financial institution)	0.50	0.50
Payable to GACL-NALCO Alkalies and Chemicals Pvt. Ltd. (Related party - Refer Note - 37)	2.69	2.69
Payable to GACL Education Society (Related Party - Refer Note-37)	4.06	4.06
<b>Total :</b>	<b>14,887.11</b>	<b>13,520.32</b>

21.1 Represents repayment falling due in next twelve months :

- (i) Rs. 4,539.90 lakhs to HSBC Bank towards ECB loan secured against 0.75 times of the facility amount at all times over all the movable assets relating to 31 MW Windmills phase - VIII & IX located at Rajkot and Kutch districts, Gujarat and 0.50 times of facility amount at all times over all the movable assets relating to existing Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat including future expansion carrying interest rate of LIBOR plus 1.80% p.a.
- (ii) Rs. 2,017.73 lakhs to ICICI Bank towards ECB loan secured against plant and machinery of 14.70 MW Windmills phase-X located at Porbandar district, Gujarat, 915 nos. Cell Elements at Ranoli, Dist. Vadodara, Gujarat and 440 nos. Cell Elements at Dahej, Dist. Bharuch, Gujarat carrying interest rate of LIBOR plus 1.64% p.a.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 22 OTHER CURRENT LIABILITIES

[Rs. in Lakhs]

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Other payables :</b>		
Other Statutory Liabilities	904.46	3,526.80
Advance received from customers	1,565.21	704.40
<b>Total :</b>	<b>2,469.67</b>	<b>4,231.20</b>

### 23 REVENUE FROM OPERATIONS

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
<b>(i) SALE OF PRODUCTS :</b>				
<b>[a] MANUFACTURING OPERATIONS :-</b>				
Caustic Soda Lye	77,596.52		1,00,152.10	
Caustic Soda Flakes	37,113.07		49,198.14	
Caustic Soda Prills	6,475.60		5,005.50	
Chloromethanes	22,641.42		23,974.93	
Caustic Potash Lye	4,804.96		3,458.89	
Caustic Potash Flakes	11,039.80		8,543.27	
Potassium Carbonate	6,349.21		6,433.37	
Hydrogen Peroxide	28,739.14		38,378.76	
Phosphoric Acid (85%)	15,937.58		16,170.58	
Poly Aluminium Chloride	6,478.45		5,660.31	
Aluminium Chloride	15,797.82		17,595.78	
Chlorinated Paraffin Wax	1,873.57		2,287.51	
Benzyl Chloride	2,737.64		3,190.55	
Benzyl Alcohol	4,065.36		5,164.38	
Benzaldehyde	2,469.19		2,260.79	
Sodium Chlorate	9,217.56		8,360.83	
Stable Bleaching Powder	2,407.89		2,703.79	
Liquid Chlorine	1,577.86		5,055.09	
Hydrogen Gas	2,336.37		2,039.39	
Others	2,598.03		2,533.65	
		<b>2,62,257.04</b>		<b>3,08,167.61</b>
<b>[b] TRADING ACTIVITY</b>		<b>1,240.42</b>		<b>428.38</b>
<b>[c] SALE OF POWER</b>		<b>1,922.28</b>		<b>1,635.38</b>
<b>Total (i)</b>		<b>2,65,419.74</b>		<b>3,10,231.37</b>
<b>(ii) OTHER OPERATING REVENUE :</b>				
Sale of Scrap	1,241.12		1,255.23	
Insurance claims received	12.07		0.47	
Export Incentives	287.29		199.63	
Credit balances written back (Net)	20.66		73.35	
Freight Outward Recovered (Gross)	4,365.95		4,102.62	
Other Receipts	1,112.50		275.10	
<b>Total (ii)</b>		<b>7,039.59</b>		<b>5,906.40</b>
<b>Total (i + ii)</b>		<b>2,72,459.33</b>		<b>3,16,137.77</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****24 OTHER INCOME**

[Rs. in Lakhs]

<b>Particulars</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
<b>Interest Income</b>		
a) Deposit with Banks	404.24	410.96
b) Short Term Deposit / Inter Corporate Deposit	5,220.76	4,089.54
c) Others		
- From Non-Current Assets	1,713.23	125.65
- From Current Assets	15.23	45.86
<b>Dividend Income</b>		
From Non-Current Investments	1,525.92	1,359.88
All Dividends from Equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period.		
<b>Other Non-operating Income</b>		
a) Rent received from assets given on operating lease	56.26	20.90
b) Miscellaneous Income	42.43	24.17
<b>Total :</b>	<b>8,978.07</b>	<b>6,076.96</b>

**25 COST OF MATERIALS CONSUMED**

[Rs. in Lakhs]

<b>Particulars</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Natural Gas (includes used in captive power plant)	31,084.21	28,269.49
Potassium Chloride	10,726.58	7,396.15
Salt	10,290.50	9,760.14
Rock Phosphate	5,813.13	5,592.42
Aluminium Ingots	10,973.48	12,413.14
Alumina Trihydrate Powder	4,960.76	3,225.24
Heavy Normal Paraffin	1,684.71	1,963.78
Toluene	5,292.72	6,154.21
Methanol - Commercial Grade	3,967.25	4,217.19
Caustic Soda Lye	-	345.55
Others	6,472.01	6,758.69
<b>Total :</b>	<b>91,265.35</b>	<b>86,096.00</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 26 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019
<b>Closing Stock :</b>			
Finished Goods	3,122.74	4,627.81	4,000.79
Process Stock	1,505.07		1,496.14
			5,496.93
<b>Less :- Opening Stock :</b>			
Finished Goods	4,000.79	5,496.93	3,542.79
Process Stock	1,496.14		567.21
			4,110.00
<b>(Increase) / Decrease :</b>		<b>869.12</b>	<b>(1,386.93)</b>

### 27 EMPLOYEE BENEFITS EXPENSE

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
a) Salaries and Wages	17,976.63	16,773.73
<b>b) Contributions to :</b>		
(i) Provident Fund (Ref. Note No. 27.1)	3,291.73	794.76
(ii) Superannuation Scheme	713.37	820.94
(iii) Gratuity Fund	292.56	272.91
(iv) Employee State Insurance Corporation	8.62	0.54
c) Staff Welfare Expenses	2,106.89	2,032.93
<b>Total :</b>	<b>24,389.80</b>	<b>20,695.81</b>

**27.1** The corpus of provident fund of employees is managed by GACL Employee Provident Fund Trust, which is registered with EPFO and exempted under the Employee Provident Fund Scheme, 1952. The conditions for exemption, inter alia, include that the employer should make good loss suffered to the trust on account of investments gone bad. Accordingly, the company is likely to be obligated for an amount of Rs. 2,448.84 Lakhs towards some of the investments, including interest, which have become overdue and other investments which are likely to be doubtful of recovery. The amount is classified as Employee Benefit Expenses.

### 28 FINANCE COSTS

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
<b>(a) Interest Expense :</b>		
On Term Loans	959.38	1,209.33
On Cash Credit	0.02	0.12
On Dismantling Cost	124.45	91.93
On Leasehold Land	5.86	0.05
Others	58.20	575.74
<b>(b) Other Borrowing Costs :</b>		
Bank Charges	256.17	216.96
<b>Total :</b>	<b>1,404.08</b>	<b>2,094.13</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****29 DEPRECIATION AND AMORTISATION EXPENSE**

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Depreciation of Property, Plant and Equipment (Note 3)	16,079.30	13,893.43
Amortisation of Intangible Assets (Note 4)	103.65	103.21
<b>Total :</b>	<b>16,182.95</b>	<b>13,996.64</b>

**30 POWER, FUEL & OTHER UTILITIES**

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Power	47,086.59	51,972.58
Fuel, Natural Gas and Water Charges	11,233.74	10,978.61
<b>Total :</b>	<b>58,320.33</b>	<b>62,951.19</b>

**31 OTHER EXPENSES**

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Stores and Spare-parts consumed		5,441.54
Repairs, Maintenance and Replacement		
Plant and Machinery	3,748.43	3,836.03
Others	5,053.43	4,774.05
		8,610.08
Job Work / Processing Charges	8,801.86	6,004.90
Safety & Environment Expenses	5,915.68	159.22
Insurance	182.94	265.15
Packing Materials Consumption	955.73	4,673.39
Rent	4,424.97	659.75
Rates and Taxes	308.62	13.18
Printing and Stationery	21.21	13.51
Postage and Telephone	48.92	75.31
Vehicle Running and Maintenance including Hire Charges	71.47	567.32
Directors' Fees	549.84	9.50
Auditors' Remuneration and Expenses (Refer Note-38)	9.40	23.03
Membership and Subscription Fees	15.20	33.49
Brokerage and Commission	41.29	-
Travelling and Conveyance	15.99	135.34
Legal and Professional Charges	129.35	213.61
Research and Development Expenses	221.00	102.23
Loss on Sale of Fixed Assets (Net)	123.29	11.65
Donations & Other CSR Cost	8.13	1,052.66
Provision for expected credit loss allowances	1,339.74	327.38
Loss on Exchange Rate (Net)	571.04	299.02
Stores & Spare -parts Written Off	566.80	195.74
General Expenses	246.85	1,074.96
Commission on Sales	1,283.31	186.77
Other Marketing Expenses	142.59	1,524.03
Freight Outward Paid (Gross)	1,860.99	4,124.81
Net loss arising from Financial Assets designated FVTPL	4,280.98	81.45
<b>Total :</b>	<b>38,737.84</b>	<b>35,879.02</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 32 TAX EXPENSES

During the Current Year, the Tax Liability under normal Provisions of the Income Tax Act, 1961 comes to Rs.12,357.17 Lakhs (Previous Year Rs.26,938.36 Lakhs) and Tax Liability under MAT Provisions of Income Tax Act, 1961 is Rs.9,135.98 Lakhs ( Previous Year Rs.21,980.75 Lakhs). Hence, the Company is required to pay the tax under Regular Tax Provisions of Income Tax Act, 1961.

#### Income Taxes relating to continuing operations

#### Income Tax Recognised in Profit or Loss

(Rs. In Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>Current Tax</b>		
In respect of current year [MAT Credit Set Off Rs.3,221.19 Lakhs (Previous year MAT credit Set Off Rs.4,957.61 lakhs)]	12,357.17	26,938.36
In Respect of Prior Year	76.82	1,211.90
<b>Total :</b>	<b>12,433.99</b>	<b>28,150.26</b>
<b>Deferred Tax</b>		
In respect of current year	2,800.32	4,456.28
In respect of earlier year	643.72	-
<b>Total :</b>	<b>3,444.04</b>	<b>4,456.28</b>
<b>Total tax expense recognised in the current year relating to continuing operation</b>	<b>15,878.03</b>	<b>32,606.54</b>

The income tax expense for the year can be reconciled to the accounting profit as follows :

(Rs. In Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Profit before tax from continuing operation	49,162.42	1,01,502.18
Income Tax expense calculated @ 34.944% (Previous year 34.944%)	17,179.32	35,468.92
Effect of income that is exempt from taxation	(533.22)	(475.20)
Effect of expenses that are not deductible in determining taxable profits	4,182.92	1,843.18
Effect of concession (allowances)	(5,671.53)	(5,898.03)
Adjustments recognised in current year in relation to the current tax of prior years	720.54	1,211.90
Change in rate of cess (from 3% to 4%)	-	455.77
<b>Income tax expense recognised in profit or loss (relating to continuing operation)</b>	<b>15,878.03</b>	<b>32,606.54</b>

The tax rate used for the year 2019-20 in reconciliation above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.

#### Income Tax Recognised in Other Comprehensive Income

(Rs. In Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>Deferred Tax Assets / (Liabilities)</b>		
<b>Arising on income and expenses recognised in other comprehensive income :</b>		
Net fair value gain on investment in equity shares at FVTOCI	(1,456.89)	1,009.08
Remeasurement of defined benefit obligation	247.84	46.33
	<b>(1,209.05)</b>	<b>1,055.41</b>
Arising on income and expenses reclassified from equity to profit or loss :	-	-
<b>Total income tax recognised on other comprehensive income</b>	<b>(1,209.05)</b>	<b>1,055.41</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	(1,209.05)	1,055.41
Items that may be reclassified to profit or loss	-	-
	<b>(1,209.05)</b>	<b>1,055.41</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 33 EARNING PER SHARE - FROM CONTINUING OPERATIONS

(Rs. In Lakhs)

Particulars	Units	Year ended 31.03.2020	Year ended 31.03.2019
Net Profit After Tax available for Equity Shareholders	Rs. In Lakhs	33,209.46	69,018.50
Weighted Average Number of Equity Shares of Rs.10/- each	Number	7,34,36,928	7,34,36,928
Basic Earning per Share	Rs.	45.22	93.98
Diluted Earning per share	Rs.	45.22	93.98

### 34 LEASES :

#### Company as a lessee

The company has lease contracts for rented premises used in its operations. The company's obligations under its lease are secured by the lessor's title to the leased asset.

#### (a) Amounts recognised in the Balance Sheet

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
<b>(i) Right-of-use Asset</b>		
Cost	8,832.15	-
Accumulated Depreciation	542.48	-
Net Carrying Amount	8,289.67	-
<b>(ii) Lease liabilities - Borrowings</b>		
<b>Beginning of the year/period</b>	-	-
Additions	75.51	-
Accretion of interest	5.82	-
Payments	6.64	-
Deletion	-	-
<b>Closing of the year/period</b>	74.69	-
<b>Current</b>	5.76	-
<b>Non-Current</b>	68.93	-

#### (b) Amounts recognised in the Statement Of Profit And Loss

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
<b>(i) Finance Cost</b>		
Interest Expense On Lease Liability	5.82	-
<b>(ii) Depreciation</b>		
Depreciation on right of use lease asset	257.73	-

#### (c) Amounts recognised in Cash Flow Statement

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
Total cash outflow for leases	6.64	-

#### (d) Expense relating to short-term leases and Low-value

(Rs. In Lakhs)

Particulars	31.03.2020	31.03.2019
Amount recognised in statement of Profit and Loss	263.55	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 EMPLOYEE BENEFIT PLANS

#### Defined Contribution Plan

An amount of Rs.3,291.73 Lakhs (FY 2018-19 Rs.794.76 Lakhs) contributed to Provident Fund Trust and amount of Rs.713.37 lakhs (FY 2018-19 Rs.820.94 lakhs) contributed to Employees Superannuation Trust is recognised as an expense and included in "Employee Benefits Expenses" (Note 27) of Statement of Profit & Loss.

The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund and Miscellaneous Provisions Act, 1952. Conditions for grant of exemptions stipulate that the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-à-vis Statutory rate.

#### Defined Benefit Plans

The Company offers the following employee benefit schemes to its employees :

- i. Gratuity (included as part of b (iii) in Note 27 Employees benefit expense)
- ii. Leave encashment (included as part of a in Note 27 Employee benefit expense)

The following table sets out the funded status of the defined benefits scheme and the amount recognised in financial statement :

As per Actuarial Valuation as on March 31, 2020

Particulars	(Rs. In Lakhs)	
	31.03.2020	31.03.2019
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>		
a. Current Service Cost	331.85	298.72
b. Net Interest on net Defined Liability / (Asset)	(42.54)	(36.74)
c. Total Expenses	289.31	261.98
<b>II Amount recognised in Other Comprehensive Income</b>		
a. Actuarial (Gains) / Losses on Liability	680.47	181.99
b. Return on Plan Assets excluding amount included in Net interest on Defined Liability / (Asset) above	28.79	(49.41)
c. Total	709.26	132.58
<b>III Net Assets / (Liability) recognised in the Balance Sheet as on</b>		
a. Present Value of Defined Benefit Obligation	10,215.23	9,306.97
b. Fair Value of Plan Assets	10,518.04	9,993.58
c. Funded Status [ (Surplus) / Deficit ]	(302.81)	(686.61)
Net (Asset) / Liability	(302.81)	(686.61)
<b>IV Change in Present value of Obligation during the year ended</b>		
a. Present Value of Defined Benefit Obligation at the beginning of the year	9,306.97	8,846.27
b. Current Service Cost	331.85	298.72
c. Interest Cost	632.87	663.47
d. Benefit paid	(736.93)	(683.48)
e. Actuarial (Gain) / Loss on obligation	680.47	181.99
f. Present Value of Defined Benefit Obligation at the end of the year	10,215.23	9,306.97
<b>V Change in Fair value of Plan Assets during the year ended</b>		
a. Fair Value of Plan Assets at the beginning of the year	9,993.58	9,428.24
b. Expected Return on Plan Assets	675.41	700.21
c. Contribution by Employer	614.77	499.20
d. Actual Benefit Paid	(736.93)	(683.48)
e. Actuarial Gain / (Loss) on Plan Assets	(28.79)	49.41
f. Fair Value of Plan Assets at the end of the year	10,518.04	9,993.58
g. Actuarial Gain / (Loss) to be recognised	-	49.41

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**35 EMPLOYEE BENEFIT PLANS (Contd.)**

(Rs. In Lakhs)

Particulars	Gratuity	
	31.03.2020	31.03.2019
<b>VI Actual Return on Plan Assets</b>		
Expected Return on Plan Assets	675.41	700.21
Actuarial Gain / (Loss) on Plan Assets	(28.79)	49.41
Actual Return on Plan Assets	646.62	749.62
<b>VII Balance Sheet Reconciliation</b>		
Opening Net Liability	(686.61)	(581.97)
Expenses Recognised in Profit & Loss Account	289.31	261.98
Amount recognised in Other Comprehensive Income	709.26	132.58
Employer's Contribution	(614.77)	(499.20)
Amount Recognised in Balance Sheet (Asset) / Liability	(302.81)	(686.61)

The major categories of Plan Assets as a percentage of Total Plan Qualifying Insurance Policy : 100%

The expected contributions for Defined Benefit Plan for the next Financial Year will be in line with 2018-19.

**Experience Adjustments**

(Rs. In Lakhs)

Gratuity	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of funded Obligations	10,215.23	9,306.97	8,846.27	7,475.81	6,790.16
Fair Value of Plan Assets	10,518.04	9,993.58	9,428.24	7,282.90	7,116.57
Funded Status [(Surplus) / Deficit]	(302.81)	(686.61)	(581.97)	192.91	(326.41)
Experience adjustments on Plan Liabilities	231.17	(46.72)	1,577.54	42.20	(9.55)
Experience adjustments on Plan Assets	(28.78)	49.41	(127.83)	86.09	-

(Rs. In Lakhs)

Particulars	Leave Salary	
	31.03.2020	31.03.2019
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>		
a. Current Service Cost	270.87	249.39
b. Net Interest on net Defined Liability / Asset	476.41	483.42
c. Actuarial (Gains) / Losses on Liability	733.60	349.94
d. Total Expenses	1,480.88	1,082.75
<b>II Net Assets / (Liability) recognised in the Balance Sheet as on</b>		
a. Present Value of Unfunded Obligations	7,834.96	7,006.04
b. Unrecognised Past Service Cost	-	-
c. Fair Value of Plan Assets	-	-
Net Liability	7,834.96	7,006.04
<b>III Change in Present value of Obligation during the year ended</b>		
a. Present Value of Unfunded Obligation at the beginning of the year	7,006.04	6,445.56
b. Current Service Cost	270.87	249.39
c. Interest Cost	476.41	483.42
d. Actuarial Gain / Loss	733.60	349.94
e. Benefit paid	(651.96)	(522.27)
f. Present Value of Unfunded Obligation at the end of the year	7,834.96	7,006.04

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 35 EMPLOYEE BENEFIT PLANS (Contd.)

#### Experience Adjustments

(Rs. In Lakhs)

Leave Salary	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of Unfunded Obligations	7,834.96	7,006.04	6,445.56	5,286.73	4,604.52
Fair Value of Plan Assets	-	-	-	-	-
Funded Status [(Surplus) / Deficit]	7,834.96	7,006.04	6,445.56	5,286.73	4,604.52
Experience adjustments on Plan Liabilities	346.00	255.13	1,474.63	116.22	338.54
Experience adjustments on Plan Assets	-	-	-	-	-

#### Actuarial Assumptions

	Year ended 31.03.2020	Year ended 31.03.2019
1 Discount Rate	6.80% p.a.	7.50 % p.a.
2 Expected Return on Plan Assets	6.80% p.a.	7.50% p.a.
3 Withdrawal Rate	5% at younger ages and reducing to 1% at older ages according to graduated scale.	
4 Salary Growth Rate	7.00% p.a.	7.00 % p.a.

#### Sensitivity Analysis of Defined Benefit Obligation with references to Key Assumptions

(Rs. In Lakhs)

(Positive amount means increase in liability and negative amount means decrease in liability)

Particulars	Gratuity		Leave Salary	
	2019-20	2018-19	2019-20	2018-19
<b>Discount Rate :</b>				
One percentage increase	(630.87)	(643.01)	(543.28)	(550.01)
One percentage decrease	711.15	732.25	620.18	635.82
<b>Salary Escalation Rate :</b>				
One percentage increase	702.76	728.63	612.82	632.65
One percentage decrease	(635.36)	(651.54)	(547.12)	(557.25)
<b>Withdrawal Rate :</b>				
One percentage increase	(7.20)	6.71	(6.96)	7.37
One percentage decrease	7.93	(6.98)	7.77	(7.76)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36 FINANCIAL INSTRUMENTS

#### 36.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as a Going Concern while maximising the return to stakeholders through optimisation of the Debt and Equity Balance.

The Company is subject to externally imposed capital requirements as part of its debt covenants such as maintaining a Total Debt to EBDITA ratio of 2.75 times (standalone) for one bank and 3 times (consolidated) for another bank, a Debt Service Coverage ratio of 2 times for one bank and 1.3 times for another bank and a Total Debt to Tangible Net Worth ratio of 1 : 1.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital by computing the above ratios on an annual basis and ensuring that the same is in Compliance with the requirements of the Financial Covenants.

The Total Debt to EBDITA ratio at the end of the reporting period was as follows :

Particulars	(Rs. In Lakhs)	
	Year ended 31.03.2020	Year ended 31.03.2019
Total Debt	20,481.63	24,745.24
EBIDTA	66,418.34	1,17,498.85
<b>Total debt / EBIDTA</b>	<b>0.31</b>	<b>0.21</b>

The Total Debt service coverage ratio at the end of the reporting period was as follows :

Particulars	(Rs. In Lakhs)	
	Year ended 31.03.2020	Year ended 31.03.2019
EBIDTA	66,418.34	1,17,498.85
Interest and Installment on loans	7,699.68	7,871.09
<b>Debt Service Coverage</b>	<b>8.63</b>	<b>14.93</b>

The Total Debt to tangible Net Worth ratio at the end of the reporting period was as follows :

Particulars	(Rs. In Lakhs)	
	Year ended 31.03.2020	Year ended 31.03.2019
Total Debt	20,481.63	24,745.24
Tangible Net Worth	4,58,987.91	4,28,875.00
<b>Total Debt / Tangible Net Worth</b>	<b>0.04</b>	<b>0.06</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36.2 Categories of financial instruments

The carrying value of financial instruments by categories as of March 31, 2020 is as follows :

(Rs. In Lakhs)					
Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	4,239.01	4,239.01	4,239.01
Other Balances with Banks	-	-	163.85	163.85	163.85
Quoted investments (Level 1)	63,473.64	61.53	-	63,535.17	63,535.17
Unquoted investments (Level 3)	24,878.66	-	0.20	24,878.86	24,878.86
Investment in Joint Venture	-	-	35,817.57	35,817.57	35,817.57
Trade receivables	-	-	37,424.03	37,424.03	37,424.03
Loans	-	-	61,194.03	61,194.03	61,194.03
Other financial asset	-	-	3,866.54	3,866.54	3,866.54
<b>Total</b>	<b>88,352.30</b>	<b>61.53</b>	<b>1,42,705.23</b>	<b>2,31,119.06</b>	<b>2,31,119.06</b>
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	213.49	213.49	213.49
Long Term borrowings	-	-	13,710.00	13,710.00	13,003.62
Trade Payables	-	-	32,134.12	32,134.12	32,134.12
Other financial liabilities	-	-	14,887.11	14,887.11	14,887.11
<b>Total</b>	-	-	<b>60,944.72</b>	<b>60,944.72</b>	<b>60,238.34</b>

The carrying value of financial instruments by categories as of March 31, 2019 is as follows :

(Rs. In Lakhs)					
Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	19,220.58	19,220.58	19,220.58
Other Balances with Banks	-	-	7,880.44	7,880.44	7,880.44
Quoted investments (Level 1)	55,809.09	148.72	-	55,957.81	55,957.81
Unquoted investments (Level 3)	26,746.15	-	0.20	26,746.35	26,746.35
Investment in Joint Venture	-	-	23,822.14	23,822.14	23,822.14
Trade receivables	-	-	48,702.92	48,702.92	48,702.92
Loans	-	-	52,755.57	52,755.57	52,755.57
Other financial asset	-	-	5,362.79	5,362.79	5,362.79
<b>Total</b>	<b>82,555.24</b>	<b>148.72</b>	<b>1,57,744.64</b>	<b>2,40,448.60</b>	<b>2,40,448.60</b>
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	292.50	292.50	292.50
Long Term borrowings	-	-	18,458.81	18,458.81	16,498.26
Trade Payables	-	-	31,134.82	31,134.82	31,134.82
Other financial liabilities	-	-	13,520.32	13,520.32	13,520.32
<b>Total</b>	-	-	<b>63,406.45</b>	<b>63,406.45</b>	<b>61,445.90</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36.3 Financial Risk Management objectives

The Company's Corporate Treasury Function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Compliance with policies and exposure limits is reviewed internally on a continuous basis. The Corporate Treasury does not enter into any trade financial instruments, including derivative financial instruments and relies on natural hedge.

The Corporate Treasury Function monitors risks and policies implemented to mitigate risk exposures on a periodical basis.

### 36.4 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company currently has not hedged any External Commercial Borrowings (ECBs). The Company performs an analysis of the impact of not hedging its ECBs. This has been done by comparing the actual cash outflows related to ECBs under current unhedged conditions in the past vis-a-vis the scenario of complete hedging of individual ECB on the disbursement day through quotes provided by the banks. Further, the Company parks its earnings in foreign currency in Exchange Earners Foreign Currency (EEFC) account and discharges its obligations in case of foreign currency loans out of the said account.

The Company's investments in listed and non-listed equity securities are susceptible to price risk arising from uncertainties about future value of the investment securities. The Company's non-current investment in equity shares are strategic investments and hence are considered as Fair Value through Other Comprehensive Income. The Company's Board of Directors reviews and approves all equity investment decisions.

### 36.5 Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. Further, the Company parks its earnings in foreign currency in Exchange Earners Foreign Currency (EEFC) account and discharges its obligations in case of foreign currency loans and towards import obligations out of the said account.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities are restated at the end of each quarter. The same at the end of the reporting period are as follows :

Particulars	Currency	(Amount in INR in Lakhs)			
		Year ended 31.03.2020		Year ended 31.03.2019	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
Receivables for export	US\$	19,27,243	1,458.25	10,33,820	714.94
	EURO	2,71,036	224.34	27,000	20.97
	GBP	4,74,968	444.11	1,82,364	165.09
Advance to suppliers	CHF	-	-	6,81,000	486.64
	JPY	-	-	21,91,00,000	1,414.51
	GBP	6,17,095	570.47	-	-
	US\$	1,80,000	136.20	-	-
	EURO	16,985	13.16	-	-
Payables for imports	JPY	-	-	4,50,000	2.99
	US\$	17,34,478	1,265.66	5,65,930	405.09
	EURO	13,317	10.83	9,680	7.64
	GBP	-	-	30,200	27.40
Commission payable on exports	US\$	26,279	19.88	9,652	6.67
Other payables	US\$	3,69,940	279.92	-	-
	EURO	25,631	21.21	19,227	14.93
	GBP	3,200	2.99	5,500	4.98
ECB Borrowings	US\$	2,71,49,562	20,542.72	3,59,32,277	24,848.97

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Foreign Currency Sensitivity Analysis

The Company is mainly exposed to US Dollar.

The following table details the Company's sensitivity to a 5% increase and decrease in the Rupee against the relevant foreign currencies. 5% is a sensitivity rate used when reporting foreign currency internally to the key management personnel and represents management's assessment of the reasonably possible changes in the foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in the foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

Currency	(Rs. In Lakhs)			
	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	2019-20	2018-19	2019-20	2018-19
USD	1,043.49	1,226.61	678.33	802.11
GBP	30.18	(6.65)	19.62	(4.35)
EUR	(10.31)	0.09	(6.70)	0.06
CHF	-	(24.33)	-	(15.91)
JPY	-	(70.58)	-	(46.15)

### 36.6 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at floating interest rates. The risk is managed by the Company by monitoring the exchange rate on regular basis and also parking the export proceeds in the EEFC account which also provides a natural hedge for the outflows in foreign currency. Further, the Company performs an impact analysis of not hedging its ECBs. This has been done by comparing the actual cash outflows related to ECBs under current unhedged conditions in the past vis-a-vis the scenario of complete hedging of individual ECB on the disbursement day through quotes provided by the banks.

#### Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If the interest rates had been 50 basis points higher / lower and all other variables were held constant, the Company's profit before tax for the year ended would be impacted to the extent of Rs.122 Lakhs (Rs.149 lakhs for the year 2018-19).

### 36.7 Credit Risk Management

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is operating through network of dealers based at different locations. In order to ensure the security of receivables, the Marketing Department computes an exposure ratio for every dealer based on his past turnover, track record, etc. The same is overseen and approved by the Board. Further, the Company also collects bank guarantees / security deposits from the respective dealers. Regular monitoring of the receivables is undertaken by the Marketing Department and in case the limits are exceeded, an auto lock system is in place in the SAP system of the Company to stop further supplies to the concerned dealer till the amount outstanding is recovered. In case of new customers, the goods are supplied only against advance receipts. For the export made by the Company, the sales are backed by letters of credit or advance receipts. The internal risk management committee of the Company meets regularly to discuss the dealers and credit risks, measures taken to address them and the status and level of risk after the measures taken.

Domestic & Export trade receivables are secured to the extent of interest free security deposits and bank guarantees / letter of credit received from the customers amounting to Rs.6,855.95 Lakhs and Rs.6,493.34 Lakhs as at 31st March, 2020 and 31st March, 2019 respectively. (Refer Note No. 12 for Trade Receivables outstanding).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages its funds mainly from internal accruals. The liquidity risk is managed by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

#### Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

Particulars	Weighted average effective interest rate (%)		Carrying Value	Upto 1 year	1-5 years	5+ years	Total
<b>March 31, 2020</b>							
Variable Interest rate	6.24%	US \$ in Million		8.67	18.33		27.00
Instruments		Rs. In Lakhs		6,506.50	13,761.14	-	20,267.64
Trade Payables			32,134.12	32,134.12	-	-	32,134.12
Other Financial Liabilities			8,329.48	8,162.44	163.85	3.19	8,329.48
<b>March 31, 2019</b>							
Variable Interest rate	5.25%	US \$ in Million		8.66	24.33	2.67	35.66
Instruments		Rs. In Lakhs	24,452.24	5,993.44	17,536.73	922.07	24,452.24
Trade Payables			31,134.82	31,134.82	-	-	31,134.82
Other Financial Liabilities			7,526.89	7,375.28	148.42	3.19	7,526.89

#### Financing facilities

(Rs. In Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Secured Bank Loan facilities		
- amount used	213.49	292.50
- amount unused	12,786.51	12,707.50
Cash and cash equivalents	4,239.01	19,220.58
Other Bank Balances	163.85	7,880.44

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 36.9 Fair Value Measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

#### 36.9.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used). [Rs. In Lakhs]

Financial assets / financial liabilities	Fair value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)
	31.03.2020	31.03.2019		
1) Investments in equity instruments (quoted) (see note 6)	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs.63,535.17	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs.55,957.81	Level 1	Quoted bid prices in an active market

[Rs. In Lakhs]

Financial assets / financial liabilities	Fair value as at		Fair Value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relation of unobservable inputs to fair value
	31.03.2020	31.03.2019				
2) Investments in equity instruments at FVTOCI (unquoted) (see note 6)	a 1) Investment in equity securities of a company belonging to the manufacturing sector domiciled in India- Rs.10,631.86	a 1) Investment in equity securities of a company belonging to the manufacturing sector domiciled in India- Rs.12,707.89	Level 3	Market Approach-Comparable Companies- In this approach, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. (Refer note 36.9.1.1 below).	Annual Report for the previous year, shareholding pattern as on the valuation date, publicly available information and information available from secondary sources, discussion with Company personnel	The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee company including projections about their profitability, balance sheet status and cash flow expectations are not available.
	a. 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs.1,854.87	a. 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs.1,725.61	Level 3	(Refer note below)	Discount factor, Sales Volume and Trading Margin	No Sensitivity analysis has been carried out as at 31.03.2020 on account of non-availability of data.
	Note - 36.9.1.1 - Discounted Free Cash flow method has been used to arrive at the enterprise value of the gas marketing business of the investee and the exploration and production assets are valued using price of recent investment / transaction (PORI) method and reserve multiple approach. Under DCF technique, the projected free cash flows from gas marketing business of the Company are discounted at the weighted average cost of capital and the sum of the present value of such free cash flows would represent the value of business. Under the reserve multiple method past transaction multiples of oil and gas companies is used to arrive at the valuation. The investee has various investments in subsidiaries / Other investments. Each of these subsidiary and Other investments have been separately valued using market price method, DCF method, CCM method and book value (NAV) method and applied the investee's stake percentage to arrive at the fair value of investee's investment. Under the market price method, the valuation is derived from the quoted market price of the share of the Company as at the valuation date. Under CCM Method, peer multiple for one or more comparable Companies is used. Under the NAV method, the valuation is derived by calculating the net assets value of the investee as at the valuation date.					
	b) Investment in equity securities of various companies belonging to the conveyance of the treated waste water and Venture Capital Fund sector domiciled in India- Rs.746.24	b) Investment in equity securities of various companies belonging to the conveyance of the treated waste water and Capital Fund sector domiciled in India- Rs.709.94	Level 3	Cost Approach- Net asset value- In this approach, total value is based on the sum of net asset value as recorded on the balance sheet. A net asset methodology is most applicable for businesses where the value lies in the underlying assets and not the ongoing operations of the business. (Refer notes 36.9.1.1 and 36.9.1.2).	Shareholding pattern as on the valuation date, publicly available information and information available from secondary sources, discussion with Company personnel	The fair valuation estimates are based on historical annual accounts / annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.
	c) Investment in equity securities of a company belonging to the shipping and storage sector domiciled in India- Rs.11,645.69	c) Investment in equity securities of a company belonging to the shipping and storage sector domiciled in India- Rs.11,602.71	Level 3	Market Approach-Comparable Companies- In this approach, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. (Refer note 36.9.1.1).	Annual Report for the previous year, shareholding pattern as on the valuation date, publicly available information and information available from secondary sources, discussion with Company personnel	The fair valuation estimates are based on historical annual accounts/annual reports and based on information collected from public domain. Information pertaining to future expected performance of investee companies including projections about their profitability, balance sheet status and cash flow expectations are not available.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**36.9.1.1** The Company has invested in the equity instruments of various companies. However, the percentage of shareholding of the Company in such investee companies is very low and hence, it has not been provided with future projections including projected profit and loss account by those investee companies. Hence, the independent valuer appointed by the Company has estimated fair value based on available historical Annual Reports of such companies and other information as available in the public domain and is being relied upon. Since the future projections are not available, discounted cashflow approach for fair value determination has not been followed.

**36.9.1.2** In case of some companies, there are no comparable companies valuations available. In light of no information available for future projections, capacity utilisation, commencement of operations, etc., the valuation is based on cost approach.

### 36.9.2 Fair value of the Company's financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

#### Fair Value Hierarchy as at 31.03.2020

(Rs. in lakhs)				
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Long Term Borrowings	-	-	13,003.62	13,003.62

#### Fair Value Hierarchy as at 31.03.2019

(Rs. in lakhs)				
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Liabilities</b>				
Long Term Borrowings	-	-	16,498.26	16,498.26

### 36.9.3 Reconciliation of Level 3 fair value measurements

(Rs. in lakhs)	
Particulars	Investment in unquoted shares irrevocably designated as FVTOCI
<b>For the year ended March 31, 2020</b>	
Opening Balance	26,746.15
Purchases	-
Total gains/(losses) in other comprehensive income	(1,867.49)
<b>Closing balance</b>	<b>24,878.66</b>
<b>For the year ended March 31, 2019</b>	
Opening Balance	32,853.47
Purchases	-
Total gains/(losses) in other comprehensive income	(6,107.32)
<b>Closing balance</b>	<b>26,746.15</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 37 RELATED PARTY TRANSACTIONS

The Company is controlled by Government of Gujarat and Gujarat Industrial Investment Corporation Limited and hence the Company is a Government related entity as per Ind AS 24 'Related Party Disclosures'.

[Rs. In Lakhs]

Name of the Party	Nature of Relationship	Nature of Transaction	Volume of Transaction in 2019-20	Amount Outstanding as on 31.03.2020	Volume of Transaction in 2018-19	Amount Outstanding as on 31.03.2019
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Joint Venture	Expenses incurred on behalf of Joint Venture	11.31	-	692.26	-
		Rent Receipt	49.02	-	13.34	-
		Assets Purchase	2.90	-	-	-
		Security Deposit Received	-	2.69	-	2.69
		Investment in Equity Shares	12,070.36	35,817.57	8,730.00	23,822.14
Delhi Jal Board	Government related Entity	Sale of Goods	727.98	319.19	843.21	203.28
Gujarat Water Supply & Sewage Board	Government related Entity	Sale of Goods	125.51	87.28	115.69	53.54
Public Health Engineering Department	Government related Entity	Sale of Goods	894.28	1,310.44	828.99	812.29
Gujarat State Petroleum Corporation Ltd.	Government related Entity	Investment in Equity Shares	-	1,349.99	-	1,349.99
Gujarat State Financial Services Limited	Government related Entity	Deposits - Placed	70,000.00	61,000.00	52,500.00	52,500.00
		Deposits - Withdraw	61,500.00	-	37,500.00	-
		Interest Received	5,209.12	-	4,089.54	-
Gujarat State Investment Ltd.	Government related Entity	Share Capital	-	1,532.93	-	1,532.93
Gujarat Industrial Investment Corporation Ltd.	Government related Entity	Share Capital	-	711.90	-	711.90
Gujarat Mineral Development Corporation Ltd.	Government related Entity	Share Capital	-	414.54	-	414.54
Bhavnagar Energy Company Limited	Government related Entity	Sale of Goods	-	-	0.87	17.83
Gujarat State Fertilizers & Chemicals Ltd.	Government related Entity	Investment in Equity Shares	-	1,500.00	-	1,500.00
		Purchase of Goods	816.39	79.94	1,242.48	89.18
		Sale of Goods	1,740.12	204.16	2,281.13	197.71
		Dividend Received	165.00	-	165.00	-
Gujarat Narmada Valley Fertilizers & Chemicals Limited	Government related Entity	Purchase of Goods	90.28	6.91	1,428.56	8.77
		Sale of Goods	984.34	163.67	1,882.14	287.80
Gujarat Industries Power Company Limited.	Government related Entity	Investment in Equity Shares	-	8,139.82	-	8,139.82
		Sale of Goods	42.58	8.29	44.27	4.02
Gujarat Gas Limited	Government related Entity	Dividend Received	669.58	-	623.40	-
		Investment in Equity Shares	-	2,000.00	-	2,000.00
Gujarat Guardian Limited	Associates	Dividend Received	213.16	-	170.53	-
		Investment in Equity Shares	-	742.50	-	742.50
Lok Prakashan Ltd.	Shareholder more than 20%	Share Capital	-	1,621.57	-	1,621.57
GACL Education Society	Government related Entity	Contribution towards CSR Activities	822.09	-	942.18	-
		Rent Receipt	6.62	-	8.23	-
		Security Deposit Received	-	4.06	4.06	4.06
		Expenses incurred on behalf of Education Society	2.83	-	-	-
Shri P K Gera, IAS, Managing Director	Key Management Personnel	Remuneration	78.49*	-	33.67	-
Dr. H. B Patel – Executive Director (Finance) & Chief Financial Officer (upto 31.05.2020)	Key Management Personnel	Remuneration	7.57	-	43.93	-
		Loans	-	-	-	5.45
Shri S S Bhatt, Company Secretary and GM (Legal)	Key Management Personnel	Remuneration	33.68	-	36.76	-
		Loans	-	3.94	-	6.25
Vinayak Kudtarkar – General Manager (Finance) & Chief Financial Officer (From 01.06.2019)	Key Management Personnel	Remuneration	22.30	-	-	-
		Loans	10.90	9.59	-	-
Dr. J N Singh, IAS - Chairman (upto 06.12.2019)	Key Management Personnel	Sitting Fees	0.50	-	1.20	-
Shri Anil Mukim, IAS - Chairman (From 11.12.2019)	Key Management Personnel	Sitting Fees	0.30	-	-	-
Shri M K Das, IAS - Director	Key Management Personnel	Sitting Fees	0.20	-	0.80	-
Shri Arvind Agarwal, IAS - Director (upto 09.12.2019)	Key Management Personnel	Sitting Fees	0.60	-	0.10	-
Shri J N Godbole - Director (upto 30.05.2019)	Key Management Personnel	Sitting Fees	0.70	-	2.80	-
Smt. Vasuben Trivedi - Director (From 03.08.2018)	Key Management Personnel	Sitting Fees	2.40	-	1.10	-
Shri Rajiv Lochan Jain - Director	Key Management Personnel	Sitting Fees	2.80	-	3.50	-
Shri S B Dangayach - Director (From 09.08.2019)	Key Management Personnel	Sitting Fees	1.20	-	-	-
Shri Rohitbhai J Patel - Director (From 27.11.2019)	Key Management Personnel	Sitting Fees	0.50	-	-	-
Shri Pankaj Joshi, IAS - Director (From 27.12.2019)	Key Management Personnel	Sitting Fees	0.20	-	-	-

\*Rs.25.20 Lakhs paid on behalf of Government of Gujarat.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 THE BREAK-UP OF PAYMENT TO AUDITORS (NET OF TAXES) IS AS UNDER :

Particulars	[Rs. In Lakhs]	
	2019-20	2018-19
Audit Fees - Standalone & Consolidated	10.50	16.50
Quarterly/Half Yearly Review (Rs.2.00 Lakhs paid to previous Auditors)	4.00	5.05
Out of Pocket Expenses (Rs.0.70 Lakhs paid to previous Auditors)	0.70	1.48
Other services	-	-
<b>Total</b>	<b>15.20</b>	<b>23.03</b>

### 39 INCOME AND EXPENDITURE IN FOREIGN CURRENCY

Sr. No.	Particulars	[Rs. In Lakhs]	
		2019-20	2018-19
(a)	Earnings in Foreign Exchange - Export of Goods on F.O.B. basis (includes Deemed Export sales)	33,479.36	34,084.53
(b)	Expenditure in Foreign Currency (on accrual basis) on account of :		
(i)	Interest	959.38	1,209.33
(ii)	Foreign Tour Expenses	16.01	12.46
(iii)	Bank charges and Commission	-	1.53
(iv)	Subscription	15.18	2.08
(v)	Commission on Export Sales	25.80	6.67
(vi)	AMC & Other Charges (For ISO Tank)	58.41	35.42
(vii)	Other Expenses	2,334.96	2,475.00

### 40 VALUE OF IMPORTS ON CIF BASIS

Particulars	[Rs. In Lakhs]	
	2019-20	2018-19
Raw Materials	19,363.99	18,748.18
Stores and Spare Parts	802.14	1,779.18
Capital Goods	15,960.40	6,918.34

### 41 FOREIGN CURRENCY EXPOSURES

The Company has not taken any derivative instrument during the year. The year end unhedged foreign currency exposures are given below :

Amount Receivable on account of export of goods and services and Advance to Suppliers :

Particulars	Currency	As on 31.03.2020		As on 31.03.2019	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
Receivable for Exports	US \$	1,458.25	19,27,243	714.94	10,33,820
	EURO	224.34	2,71,036	20.97	27,000
	GBP	444.11	4,74,968	165.09	1,82,364
Advance to Suppliers	CHF	-	-	486.64	6,81,000
	JPY	-	-	1,414.51	21,91,00,000
	GBP	570.47	6,17,096	-	-
	US \$	136.20	1,80,000	-	-
	EURO	13.16	16,985	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 41 FOREIGN CURRENCY EXPOSURES (Contd.)

Amount payable on account of import of goods, services and others :

Particulars	Currency	As on 31.03.2020		As on 31.03.2019	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
Payables for Imports	JPY	-	-	2.81	4,50,000
	US \$	1,265.66	17,34,478	391.55	5,66,187
	EURO	10.83	13,317	7.52	9,680
	GBP	-	-	27.33	30,200
Commission payable on exports	US \$	19.88	26,279	6.67	9,652
Other Payables	US \$	279.92	3,69,940	-	-
	GBP	2.99	3,200	4.98	5,500
	EURO	21.21	25,631	14.93	19,227

Amount payable on account of ECB Borrowings :

Particulars	Currency	As on 31.03.2020		As on 31.03.2019	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
ECB and Accrued interest	US \$	20,542.72	2,71,49,562	24,848.97	3,59,32,278

### 42 CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)

Particulars	[Rs. In Lakhs]	
	Year ended 31.03.2020	Year ended 31.03.2019
<b>(i) Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debt	21,836.47	19,648.84
(b) Various pending cases before Labour court and Industrial Tribunal	Not ascertainable	Not ascertainable
(c) Disputed Sales Tax liability (Including Purchase Tax Liability (2000-01 to 2005-06)	20,481.74	20,481.74
(d) Disputed Excise Duty liability	1,718.67	1,669.76
(e) Disputed Service Tax liability	706.50	393.31
(f) Disputed Income Tax liability (excluding interest) :		
(i) Pending Before Appellate Authorities in respect of which the Company is in appeal	1,423.37	5,576.64
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	13,416.77	15,648.14
	<b>59,583.52</b>	<b>63,418.43</b>
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums / authorities.		
(g) Guarantees given by the Company's Bankers for various purposes are	12,829.93	10,716.30
<b>Total (i)</b>	<b>72,413.45</b>	<b>74,134.73</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	79,572.53	33,196.13
<b>Total (ii)</b>	<b>79,572.53</b>	<b>33,196.13</b>
<b>Total</b>	<b>1,51,985.98</b>	<b>1,07,330.86</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**43** COVID-19 virus, a global pandemic has affected the world economy including India leading to significant decline and the volatility in the financial markets and the decline in economic activities.

On 24<sup>th</sup> March 2020, the Company had decided to shut down all of its manufacturing facilities at Baroda and Dahej complexes as a precautionary measure to contain the spread of COVID-19.

The Company has subsequently reopened the manufacturing facilities, partially, in a phased manner to meet the demands of municipal corporations and other industries after obtaining the required permissions. Due to the ongoing disruption in manufacturing operations and supply chain, the Company's business has been impacted, beginning from the latter part of March 2020.

### Estimation of uncertainties:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of assets and the possible obligations. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

### Property, Plant and Equipment:

The Company has estimated recoverable amount of the cash generating units and has determined it to be greater than the carrying amount. Reasonable sensitivities in key assumptions consequent to the change in estimated future economic conditions on account of possible effects relating to COVID-19 is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating unit.

### Capital Work-in-Progress:

The Company has communicated to Stock Exchanges vide letter dated 24<sup>th</sup> March 2020 that activities related to ongoing projects have been hampered which may result into delays in implementation of these projects.

However, the Company expects that the ongoing projects will be resumed and that the projects will remain commercially viable, taking into account the current and projected future macroeconomic factors, market demand for finished goods.

### Investments, Loans and Advances & Other Assets:

In assessing the recoverability of Company's assets such as investments, loans, advances and other financial and non-financial assets, the Company has considered internal and external information up to the date of approval of these financial results. The Company has performed sensitivity analysis on the assumptions used basis the internal and external information / indicators of future economic conditions and expects to recover the carrying amount of the assets.

### Inventories:

The Company has evaluated the recoverability of carrying amount of inventories based on various internal and external information available, including latest selling prices, customer orders on hand and margins. The Company has assessed that carrying amounts of inventories are realizable.

### Trade Receivables:

The Company determines the allowance for credit losses based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company has been in contact with the customers with respect to impact of COVID-19. In assessing the recoverability of trade receivables, the Company has considered subsequent recoveries, past trends, credit risks profile of the customers based on their industry, macroeconomic forecasts and internal and external information available up to the date of issuance of these results.

### Employee and Other Costs:

The Company is making payments of salaries and wages to all employees on its payrolls as also the contract workers during the time of shutdown. Further, the Company is also incurring various other costs, including fixed costs during the period of full/partial shutdown. This may impact the profitability levels of the Company.

### Contracts and Commitments:

The Company has binding purchase contracts with few of the suppliers for raw materials, natural gas, power, etc. The Company has evaluated the impact of disruptions of business operations on those contracts. The Company does not expect to pay any significant penalties under the contracts.

### Going Concern:

The management has evaluated the various financial ratios, expected ageing and maturities of assets and liabilities and the various internal and external information available. The management does not see any risks to Company's ability to continue as a going concern and expects that Company will be able to meet its liabilities in the foreseeable future, as and when the same fall due.

**44** The Group's operations fall under single segment namely "Chemicals" hence no separate disclosure of segment reporting is required to be made as required under Ind AS 108 'Operating Segments'.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- 45** The impact on account of applying the amendment in respect of Appendix B to Ind AS 21 The Effects of Changes in Foreign Exchange Rates on the results of operations of the Company for the year ended on March 31, 2020 is Rs.0.66 Lakhs (Previous Year Rs.5.72 Lakhs).
- 46** “Effective 1<sup>st</sup> April 2019, the Company has adopted Indian Accounting Standard (Ind AS) 116 “Leases”. The Standard primarily requires the Company, as a lessee to recognize, at the commencement of the lease a right-of-use (ROU) asset and a lease liability (representing the present value of unpaid lease payments). Such ROU assets are subsequently depreciated and the lease liability reduced when paid, with the interest on the lease liability recognized as finance costs. The Company has elected to use the “Modified retrospective approach”, i.e., where the cumulative impact, if any, is recognized on the date of initial application (1<sup>st</sup> April 2019). Accordingly previous period information has not been restated. Application of Ind AS 116 has resulted in recognizing ROU asset of Rs.8,665 lakhs. Further, the transition adjustment to retained earnings and the effect on the profit for the period and earnings per share is insignificant.”

### 47 ADDITIONAL INFORMATION REQUIRED BY SCHEULE III

[Rs. In Lakhs]

Name of the Entity in the Group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss)		Share in Other Compre- hensive Income		Share in Total Compre- hensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated net Profit / (Loss)	Amount	As % of Consolidated OCI	Amount	As % of Consolidated TCI	Amount
<b>Parent</b>								
Gujarat Alkalies And Chemicals Limited								
31st March 2020	92.21%	4,23,750.41	100.23%	33,284.39	100.00%	3,878.75	100.20%	37,163.14
31st March 2019	94.45%	4,05,735.76	99.82%	68,895.64	100.00%	(15,807.78)	99.77%	53,087.86
<b>Joint Venture (Accounted as per Equity Method)</b>								
GACL-NALCO Alkalies and Chemicals Pvt. Ltd.								
31st March 2020	7.79%	35,817.57	-0.23%	(74.93)	0.00%	-	-0.20%	(74.93)
31st March 2019	5.55%	23,822.14	0.18%	122.86	0.00%	-	0.23%	122.86
<b>Total</b>								
31st March 2020	100.00%	4,59,567.98	100.00%	33,209.46	100.00%	3,878.75	100.00%	37,088.21
31st March 2019	100.00%	4,29,557.90	100.00%	69,018.50	100.00%	(15,807.78)	100.00%	53,210.72

- 48** Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

- 49** Approval of Financial Statements

The financial statements are approved for issue by the Board of Directors on 18<sup>th</sup> June, 2020.

As per our attached Report of even date.

For and on behalf of the Board

**For K. C. Mehta & Co.**  
Chartered Accountants  
Firm Reg. No. : 106237W

**Vishal P. Doshi**  
Partner  
Membership No. 101533

**P. K. Gera, IAS (Retd.)**  
Managing Director  
DIN No. : 05323992  
**Vinayak Kudtarkar**  
General Manager (Finance) &  
Chief Financial Officer

**Anil Mukim, IAS**  
Chairman  
DIN No. : 02842064  
**S. S. Bhatt**  
Company Secretary & General  
Manager (Legal & CC)

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020

**FORM AOC - 1**

(Pursuant to first proviso to sub-section(3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

**Part “A” : Subsidiaries**

Sr. No.	Name of the Subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	% of share-holding
---------	------------------------	---	---	---------------	--------------------	--------------	-------------------	-------------	----------	------------------------	------------------------	-----------------------	--------------------

- Not Applicable -

**Part “B” : Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

[Rs. In lakhs]

Sr. No.	Name of Associates/ Joint Ventures	1. Latest audited Balance Sheet Date	2. Shares of Associate/Joint Ventures held by the company on the year end			3. Description of how there is significant influence	4. Reason why the associate/joint venture is not consolidated	5. Networth attributable to Shareholding as per latest audited Balance Sheet	6. Profit / Loss for the year	
			No.	Amount of investment in Associates/ Joint Venture	Extend of Holding %				i. Considered in Consolidation	ii. Not Considered in Consolidation
1	GACL-NALCO Alkalies and Chemicals Pvt. Ltd.	31.03.2020	36,00,00,000	36,000.00	60	N.A.	N.A.	35,817.57	(74.93)	-

Sd/-

**P. K. Gera, IAS (Retd.)**

Managing Director  
DIN No. : 05323992

Sd/-

**Anil Mukim, IAS**

Chairman  
DIN No. : 02842064

Sd/-

**Vinayak Kudtarkar**

General Manager (Finance) &  
Chief Financial Officer

Sd/-

**S. S. Bhatt**

Company Secretary & General  
Manager (Legal & CC )

Place : Gandhinagar  
Date : 18<sup>th</sup> June, 2020



## Growth powered by eco-friendly technologies

We have always believed in upgrading and adapting eco-friendly modern technologies and responsibly powering the growth. Our quest for the environment-friendly technology also differentiates us and makes us who we are today – the leading and reliable force in the Chlor-Alkali Sector. Our zeal is to always achieve higher milestones by ensuring maximum capacity utilization. It's a matter of great pride to share that our focus on maximum capacity utilization helped us in achieving the highest ever production in Financial Year 2019-20.



## Making every stride, Safer

Safety is paramount at GACL. It is deeply rooted in our culture. We have established world-class safety parameters for our team and the community around us. To mitigate the safety risks, we have established an Emergency Planning and Response (ERP) system. With periodic mock drills, we keep updating employees, contract labourers, suppliers, customers and communities around about the ways to manage any emergency. All these measures have also helped us register a record of Accident-free days.



## Researching and Innovating newer avenues to grow

Research and Development and Innovations have always been an important aspect of our growth. To fuel R&D measures systematically, we have created an advanced set-up which is helmed by experienced professionals. Through continuous R&D activities, we try to improve our processes and product offerings. It has also helped in serving the nation by developing import substitute products like Sodium Chlorate, Hydrazine Hydrate etc. We will continue to add more value to our growth through our focus on Research and Innovations.



## Making a positive difference beyond business

As a responsible corporate, we have always believed in serving and strengthening our society. We established GACL Education Society (GES) to reinforce our commitment and provide a structured approach to our CSR initiatives. Today, under the banner of GES, we are undertaking activities that promote education, health and hygiene, art, culture and heritage, empower special children, develop social infrastructure and skills for livelihood among others. It has brought a positive transformation in the communities around us.







## Glimpses of CSR initiatives of GACL Education Society (GES) – a CSR arm of Gujarat Alkalies and Chemicals Limited

### Images from top to bottom:

- 1) Shri P K Gera, IAS (Retd.), MD GACL addressing women in annual review meeting of project Harsh.
- 2) Project evaluation survey carried out at Mandwa Wadi in Dahod District.
- 3) Transportation service project for school children started by GES at Dahej District.
- 4) Child Protection Program at Dahej to create awareness about POCSO Act.
- 5) Shri P K Gera, IAS (Retd.), MD GACL addressing tours & travels operators to make them aware about Vadodara By Foot initiative taken by GES to promote the rich heritage of Vadodara.
- 6) Distribution of food packets & water bottles to migrant worker during lockdown due to COVID-19 at Dahej.





## **Gujarat Alkalies and Chemicals Limited**

An ISO Certified Company (Promoted by Govt. of Gujarat)

**REGD. OFFICE:** P.O. PETROCHEMICALS - 391 346, DIST.: VADODARA, GUJARAT, INDIA. **Tel.:** 0265-6111000  
**Fax:** 0265-2231208 | **E-mail:** cosec@gACL.co.in | **Website:** www.gACL.com | **CIN:** L24110GJ1973PLC002247