



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, 3061200, 6540463 Fax : +91-265-2232130

Website : www.gacl.com CIN NO : L24110GJ1973PLC002247

Ref. : SEC/SE/2019/

30th August, 2019

<p>The General Manager Corporate Relations Department BSE Ltd. 1st Floor, New Trading Ring Phiroze Jeejeebhoy Towers Dalal Street MUMBAI : 400 001</p> <p>Company Code No. : 530001</p>	<p>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</p> <p>Company Code No. : GUJALKALI</p>
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Dear Sir / Madam,

Sub. : 46th Annual Report for the Financial Year 2018-19 together with the Notice of 46th Annual General Meeting of the Company scheduled to be held on 27th September, 2019.

We submit herewith the 46th Annual Report of the Company for the Financial Year 2018-19 together with the Notice of 46th Annual General Meeting of the Company scheduled to be held on Friday, the 27th September, 2019 at 11:00 am in the premises of the Company at P.O Petrochemicals: 391 346, Dist.: Vadodara.

The said Annual Report together with the Notice is also available on the website of the Company at www.gacl.com

The same is being dispatched to the shareholders of the Company, soft copy by e-mail and physical copy by courier to those shareholders whose e-mail address is not available or who have requested for physical copy.

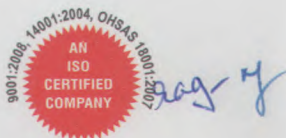
This is for your information and record.

Thanking you,

Yours faithfully,
For GUJARAT ALKALIES AND CHEMICALS LIMITED

(S S BHATT)
COMPANY SECRETARY &
GENERAL MANAGER (LEGAL & CC)

Encl. as above



The bond of growth



GNAL
Building Bonds

46th Annual Report 2018-19

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

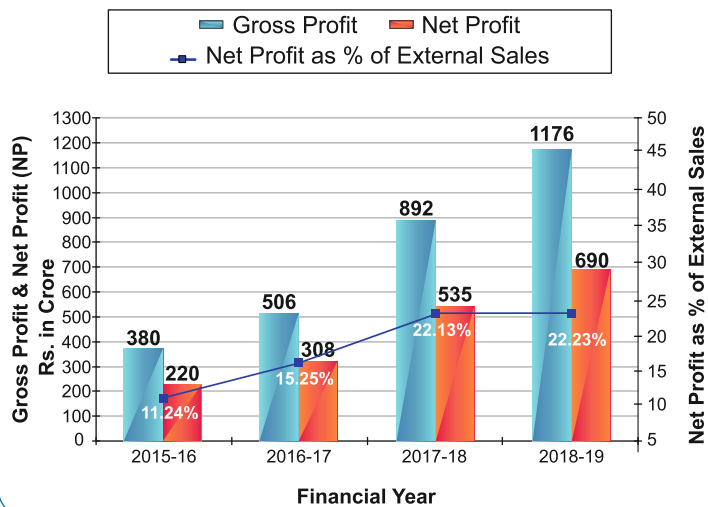
MAIN PRODUCTS AND THEIR USERS

SR. NO.	PRODUCTS	PRODUCTION (MT)		INCREASE / (DECREASE) %	POTENTIAL END USERS
		2018-19	2017-18		
1.	Caustic Soda Lye	4,32,407	4,03,090	7.27	Soaps and Detergents, Rayon, Textiles, Pulp and Paper, Chemicals.
2.	Caustic Soda Flakes / Prills	1,33,597	1,16,809	14.37	
3.	Potassium Hydroxide	24,761	24,087	2.80	
4.	Potassium Carbonate	7,872	7,870	0.03	
5.	Caustic Potash Flakes	13,508	13,263	1.85	
6.	Chlorine Gas / Liquid	3,98,762	3,72,361	7.09	Plastics (including PVC), Chlorinated Paraffins, Pesticides and other chemicals, Hydrochloric Acid, Chloromethanes and Water Treatment.
7.	Hydrochloric Acid (30%)	3,10,216	3,74,675	(17.20)	Chemicals, Fertilizers, Water Treatment and Phosphoric Acid.
8.	Chloromethanes	51,325	32,742	56.76	Solvent, Fluorocarbon refrigerants, Pharmaceuticals, Aerosol Propellants.
9.	Phosphoric Acid (85%)	27,555	27,418	0.50	Phosphate salts and phosphating of metals, Pharmaceuticals, Sugar refining and Fine Chemicals.
10.	Hydrogen Peroxide (100%)	48,414	45,017	7.55	Textiles, Pulp and Paper, Chemicals, Pharmaceuticals Pesticides, Dyes and Effluent Treatment.
11.	Aluminium Chloride	37,494	35,085	6.87	Pesticides and Pharmaceuticals, Aromatic Chemicals, Reforming Hydrocarbons, Electrolysis Production of Aluminium.
12.	Poly Aluminium Chloride	51,919	37,989	36.67	Water Treatment, Separation of slurry, Sizing in Paper Industry, Decolorisation & Decontamination of Dyes in Textile Industry and Sewage Water Treatment.
13.	Chlorinated Paraffin Wax	5,621	3,572	57.36	Secondary Plasticiser in PVC compounding for Pipes, Hoses, Cables, etc., Additive in Lubricating Oils and Paints.
14.	Chlorotoluene Products	11,606	9,134	27.06	As general solvent for inks, paints, lacquers and epoxyresin, medication solution as preservative and photography industries, Vat Dyes, Pharmaceuticals.
15.	Stable Bleaching Powder	17,030	16,200	5.12	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	20,006	20,118	(0.56)	Bleaching agent in paper industry & water treatment industry.
	TOTAL (1) to (16)	15,92,093	15,39,430	3.42	

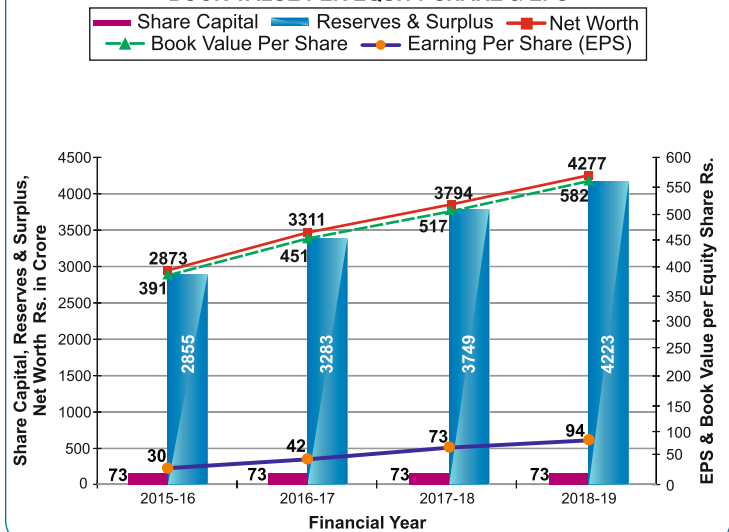
Financial Highlights (on Standalone basis)

- Highest ever sales, Profit Before Tax (PBT) and Profit After Tax (PAT) achieved during the year 2018-19.
- Highest ever sales (including Excise Duty) of Rs.3,102.32 crores during the year 2018-19 as against Rs.2,479.52 crores in the previous year.
- Gross Profit has increased by 31.77% to Rs.1,175.93 crores during the year 2018-19 from Rs.892.44 crores in previous year.
- Profit Before Tax (PBT) has increased by 35.30% to Rs.1,015.02 crores during the year 2018-19 from Rs.750.22 crores in previous year.
- Profit After Tax (PAT) has increased by 28.90% to Rs.689.65 crores during the year 2018-19 from Rs.535.02 crores in previous year.
- PAT as % of External Sales has increased to 22.23% during the year 2018-19 from 22.13% in previous year.

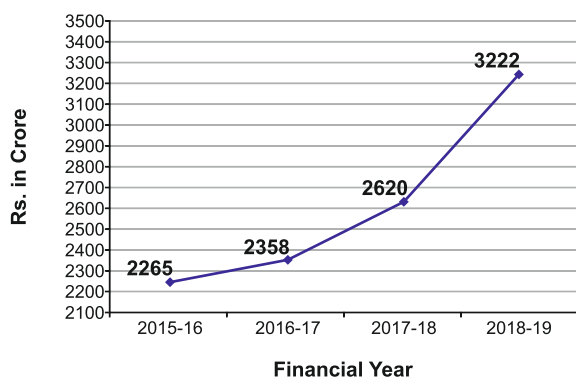
GROSS PROFIT - NET PROFIT (NP) AND NP AS % OF EXTERNAL SALES



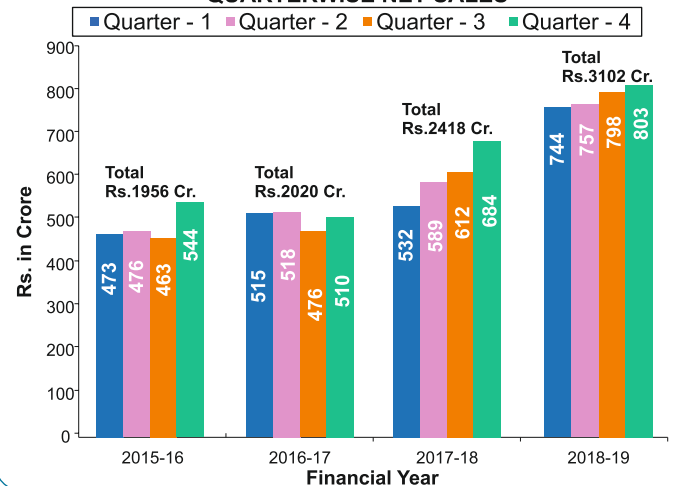
SHARE CAPITAL, RESERVES & SURPLUS, NET WORTH, BOOK VALUE PER EQUITY SHARE & EPS



Total Revenue



QUARTERWISE NET SALES



Raising the bar of growth consistently

GACL is continuously setting benchmarks and has registered highest ever profit record since the last four consecutive financial years. Our turnover and net profit have soared to Rs.3,161 Crore & Rs.690 Crore respectively in 2018-19. The ambition is to touch Rs.5,000 Crore turnover by the year 2021-22.



Embracing newer possibilities



We have broadened our capabilities so as to fuel our progressive ambitions. During the last financial year, we commissioned 14,000 TPD Hydrogen Peroxide Plant at Dahej Complex, 32,000 TPD Poly Aluminium Chloride Plant at Vadodara Complex. We have also increased the production capacity of Chloromethane Plant from 110 TPD to 170 TPD at Vadodara Complex. Our joint venture with M/s. NALCO for putting up a new 800 TPD Caustic Soda Plant integrated with a 130 MW Coal based power plant is going at a full pace too. A host of other important projects are in different stages of implementation.

BOARD OF DIRECTORS (AS ON 09.08.2019)

Dr. J N Singh, IAS.....Chairman

Dr. Rajiv I Modi.....Independent Director

Shri Arvind Agarwal, IAS

Shri Rajiv Lochan Jain.....Independent Director

Shri M K Das, IAS

Smt. Vasuben Trivedi....Independent Director

Shri J N Godbole...Independent Director
(upto 30.05.2019)

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

Shri P K Gera, IAS.....Managing Director

COMPANY SECRETARY

Shri Sanjay S. Bhatt

CHIEF FINANCIAL OFFICER

Dr. H. B. Patel (upto 31.05.2019)

Shri Vinayak Kudtarkar (from 01.06.2019)

AUDITORS

Messrs Deloitte Haskins & Sells
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) - 2232681-82/2232981-82/2232701

DAHEJ COMPLEX :

Village : Dahej - 392 130

Tal. : Vagra, Dist. : Bharuch

GUJARAT (INDIA)

Phone : (02641) - 256315-16-17/256235

Company's Website : 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

**46th Annual General Meeting**Date : 27th September, 2019

Day : Friday

Time : 11:00 a.m.

Place

In the premises of the Company at
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.

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NOTICE

NOTICE IS HEREBY given that the Forty Sixth Annual General Meeting of the Shareholders of **GUJARAT ALKALIES AND CHEMICALS LIMITED (GACL)** will be held in the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara on Friday, the 27th September, 2019 at 11:00 a.m. to transact the following Ordinary and Special Business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the (i) Audited Standalone Financial Statements of the Company for the Financial Year ended 31st March, 2019; (ii) Audited Consolidated Financial Statements of the Company for the Financial Year ended 31st March, 2019; and the Reports of the Board of Directors and Auditors thereon.
2. To declare Dividend on Equity Shares for the Financial Year ended 31st March, 2019.
3. To appoint a Director in place of Shri Arvind Agarwal, IAS (DIN 00122921) who retires by rotation at this Meeting and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT as per the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, M/s. K C Mehta & Co., Chartered Accountants, Vadodara, (Firm Registration No. 106237W) be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this 46th Annual General Meeting (AGM) till the conclusion of 51st AGM i.e. for a period of five (5) consecutive years on such remuneration as may be approved by the Board of Directors of the Company, based on the recommendation of the Audit Committee plus reasonable out of pocket expenses incurred by them in connection with the audit of the Company.”

SPECIAL BUSINESS:

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 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 S B Dangayach, Director (DIN 01572754) who was appointed as an Independent Director by the Board of Directors of the Company w.e.f. 9th August, 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 signifying the intention to propose the candidature of Shri S B Dangayach 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 9th August, 2019.”

6. 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), Dr. Rajiv I Modi, Director (DIN 01394558) who was appointed as an Independent Director by the Members at the 42nd Annual General Meeting (AGM) held on 18th September, 2015 to hold office for the first term of five (5) years, effective from 1st October, 2014 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 signifying the intention to propose the candidature of Dr. Rajiv I Modi 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 of five (5) years, effective from 1st October, 2019.”

7. 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 March 31, 2020 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
& General Manager (Legal & CC)

Place : Gandhinagar

Date : 09.08.2019



ANNEXURE TO THE NOTICE OF THE 46TH ANNUAL GENERAL MEETING STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

The Shareholders of the Company at the 41st Annual General Meeting held on 22nd August, 2014 had approved appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Registration No. 117364W) as the Statutory Auditors of the Company to hold office for a period of five (5) consecutive years from conclusion of 41st Annual General Meeting (AGM) till the conclusion of this 46th AGM. M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara will complete their present term on conclusion of this AGM in terms of the said approval and Section 139 of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014. The present remuneration of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara for the Financial Year 2018-19 was Rs. 23.03 Lakhs for conducting the audit including out of pocket expenses excluding tax as applicable.

The Board of Directors of the Company, on the recommendation of the Audit Committee at their Meetings held on 28th May, 2019 approved subject to the approval of Shareholders at this AGM, appointment of M/s. K C Mehta & Co., Chartered Accountants, Vadodara (Firm Registration No.106237W) as Statutory Auditors to carry out Statutory Audit and Limited Review of quarterly Financial Results of the Company for a term of five consecutive years from the conclusion of this 46th AGM up to the conclusion of 51st AGM. The remuneration of total Rs. 81.10 Lakhs plus applicable taxes and reasonable out of pocket expenses will be payable to M/s. K C Mehta & Co. Chartered Accountants, Vadodara for the said term of five years.

The Company considered various parameters for evaluation of potential statutory auditor. These parameters include number of years in practice, number of partners in such firm, total number of qualified chartered accountants, number of audits in listed companies, number of audits in unlisted companies and other audits carried out in last five years, branch in Vadodara, Peer Review Certificate and past association, if any, with the Company. Based on the said overall evaluation, the Company found M/s. K C Mehta & Co., Chartered Accountants, Vadodara to be eligible for appointment.

The Company has received a consent letter from M/s. K C Mehta & Co., Chartered Accountants, Vadodara to the effect that their appointment if made, would be in accordance with the conditions prescribed under Section 139 (1) of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014, and they are not disqualified for such appointment within the meaning of Section 141 of the said Act.

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 No.4 of the Notice.

This Statement may also be regarded as a disclosure under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 9th August, 2019 the Board of Directors has proposed to appoint Shri S B Dangayach (DIN 01572754) as an Independent Director of the Company effective from 9th August, 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 S B Dangayach as an Independent Director of the Company for a term of five years effective from 9th August, 2019. He will not be liable to retire by rotation.

Pursuant to the provisions of Section 161 of the Act, being Independent Director, Shri S B Dangayach 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 S B Dangayach for the office of Director.

The Company has received from Shri S B Dangayach (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).

Brief profile along with other details as required pursuant to Regulations 26 (4) & 36 (3) of SEBI Listing Regulations and Secretarial Standards as applicable of Shri S B Dangayach is given in the Annexure-I forming part of this Notice.

It is recommended to appoint Shri S B Dangayach as the Independent Director of the Company.

In the opinion of the Board, Shri S B Dangayach fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of management.

Shri S B Dangayach's association would be of immense benefit to the Company and it is desirable to avail the services of Shri S B Dangayach as an Independent Director.

The terms and conditions of appointment of Independent Director applicable to Shri S B Dangayach is available on the Website of the Company at www.gacl.com

Except Shri S B Dangayach, 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

Dr. Rajiv I Modi (DIN 01394558) was appointed as an Independent Director of the Company by the Members of the Company at their 42nd Annual General Meeting (AGM) held on 18th September, 2015 to hold office for the first term of five (5) years effective from 1st October, 2014. 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 at its Meeting held on 9th August, 2019, the Board of Directors has proposed to re-appoint Dr. Rajiv I Modi as an Independent Director of the Company effective from 1st October, 2019 not liable to retire by rotation for the second term of five (5) years, subject to approval of the Members of the Company.

The Company has received from Dr. Rajiv I Modi (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 Regulations.

Brief profile of Dr. Rajiv I Modi, 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.

After taking into account, performance evaluation of Dr. Rajiv I Modi and considering his knowledge, acumen, expertise and experience and the contribution made by him during his tenure as an Independent Director, the Nomination-cum-Remuneration Committee at its Meeting held on 9th August, 2019 has recommended to the Board his re-appointment as an Independent Director for a second term of five (5) years. Based on the above, the Board of Directors at its Meeting held on 9th August, 2019 has approved the re-appointment of Dr. Rajiv I Modi as an Independent Director on the Board of the Company effective from 1st October, 2019 not liable to retire by rotation for the second term of five (5) years, subject to approval of the Members of the Company at this AGM.

It is recommended to reappoint Dr. Rajiv I Modi as the Independent Director of the Company.

In the opinion of the Board, Dr. Rajiv I Modi fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder and he is independent of management.

Dr. Rajiv I Modi's association would be of immense benefit to the Company and it is desirable to continue to avail the services of Dr. Rajiv I Modi as an Independent Director.

The terms and conditions of appointment of Independent Director applicable to Dr. Rajiv I Modi is available on the Website of the Company at www.gacl.com

Except Dr. Rajiv I Modi, 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

The Board of Directors at its Meeting held on 28th May, 2019 on the recommendation of the Audit Committee at its Meeting held on 28th May, 2019 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 2019-20 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 2019-20 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. 7 of the Notice for your ratification / approval.

Inspection of documents:

All documents referred to in this Notice and its Statement u/s. 102 of the Act are open for inspection at the Registered Office of the Company between 9:30 a.m. and 12:30 p.m. and between 2:30 p.m. and 4:30 p.m. on any working day (except Saturdays and Sundays) of the Company up to the date of the AGM.

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

Sd/-

SANJAY S. BHATT

*Company Secretary
& General Manager (Legal & CC)*

Place : Gandhinagar

Date : 09.08.2019



NOTES:

1. 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. Proxies in order to be effective, must be received by the Company, at its Registered Office not less than 48 hours before the time of commencement of the Meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the Company. A member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.

Please bring your copy of Annual Report and Attendance Slip at the Meeting. Persons other than Members or Proxy will not be allowed to attend the Meeting.

2. For the convenience of Shareholders, buses from & to Vadodara city to the place of the Meeting will be arranged by the Company on the day of the Meeting. The starting places and timing of buses will be published in local vernacular newspapers on or before the date of Annual General Meeting.
3. A Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of business under Item Nos. 5 to 7 is annexed to the Notice. With respect to appointment of the Statutory Auditors of the Company as proposed under Item No.4 of the Notice under Ordinary Business, details as required under SEBI Listing Regulations is also provided in the Annexure to the Notice.

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

4. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 21.09.2019 to Friday, the 27.09.2019 (both days inclusive).
5. The dividend on equity shares, if declared at the AGM, will be paid on or after 03.10.2019, to those shareholders holding shares in physical form and whose names appear on the Register of Members of the Company on 27.09.2019. 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 20.09.2019 as per details to be furnished by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). The dividend warrants will be dispatched from 03.10.2019 onwards.

6. (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 at RBI clearing centers 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 DP. 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 correspondence to the Link Intime India Pvt. Ltd. at B-102 & 103, Shangrila Complex, 1st 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 to the R&T Agent of the Company.
7. 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 Member and verification by the Company.
8. (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 Fund	Amount Transferred (Rs.)
2010-11	16.09.2011	16.10.2011	17.10.2018	10,79,016/-

- (b) Attention of the Members is drawn to the provisions of Section 124 (6) of the Act which require 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 Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has transferred 26,352 shares of 347 Shareholders of the Company in respect of which dividend declared for the Financial Year 2010-11 has 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 2011-12, 2012-13, 2013-14, 2014-15 2015-16, 2016-17 and 2017-18 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 28th September, 2018 (date of last AGM) has been uploaded on the Company's Website (www.gacl.com) and also filed with the Ministry of Corporate Affairs.
- (d) Any person, whose unclaimed dividend or shares has been transferred to the IEPF Authority may claim the same by making an application in Form IEPF 5, which is on-line available on the Website of IEPF Authority at www.iepf.gov.in along with fees, under his signature.
9. As on 31.03.2019, Share Certificates for 1,157 shares of 31 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 3rd 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.
10. 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.
11. **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.**
12. Relevance of question/s and the order of speakers at the Meeting will be decided by the Chairman. Proxy can attend and vote on poll, but cannot speak at the Meeting.
13. 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.
14. E-Voting : The detailed process, instructions and manner for availing e-Voting facility is shown hereunder:
- 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 Regulations, 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") through e-Voting services provided by Central Depository Services (India) Limited (CDSL). The facility for voting through poll paper will also be made available at the venue of the AGM and members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the AGM through poll paper.



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

- II. The Company has fixed 20th September, 2019 as a cut-off date to record the entitlement of the Shareholders to cast their votes electronically by remote e-voting / voting by poll paper at the AGM.
- III. **The e-Voting period commences on Tuesday, 24th September, 2019 (09:00 a.m.) and ends on Thursday, 26th September, 2019 (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. 20th September, 2019 may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting after 5.00 p.m. on 26th September, 2019. 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 Members of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. **Friday, 20th September, 2019** 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 and Company's Website i.e. www.gacl.com For further guidance, Members are requested to send their query by email at 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.

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 during the voting period.
- (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.
- (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 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:

	For Members holding shares in Demat Form and Physical Form
Permanent Account Number (PAN)	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 printed on address sticker pasted on the cover of Annual Report.
Dividend Bank Details OR Date of Birth (DOB)	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) hereinabove .

- (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 (190819005) 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. M-Voting app is available on IOS, Android & Windows based 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 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.
 - 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 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 update your mobile no. 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. 20th September, 2019, for e-voting. You can not change the details from your login Id.
- (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 under ‘Help Section’ or write an email to helpdesk.evoting@cdslindia.com
- IV. 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 20th September, 2019.
- V. Mr. Niraj Trivedi, Practicing Company Secretary, 218-219, Saffron Complex, Fatehgunj, Vadodara : 390 002 (GUJARAT) has been appointed as the Scrutinizer to scrutinize the e-Voting / Poll Voting process.



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VI. 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 Notices – Results section of CDSL Website i.e. www.evotingindia.com, on the Website of the Company www.gacl.com and also will be placed on the notice board of the Company.

Contact Details

Company	:	Gujarat Alkalies and Chemicals Limited P.O. : Petrochemicals : 391 346 DIST. : VADODARA (GUJARAT) Phone : (0265) 2232681/2232682. Ext. No. 454 E-mail : cosec@gacl.co.in
Registrar & Share Transfer Agent	:	Link Intime India Private Limited (Unit : GACL) B-102 & 103, Shangrila Complex, 1 st Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, VADODARA : 390 020 (GUJARAT) Phone : (0265) 2356573 E-mail : vadodara@linkintime.co.in
e-Voting Agency	:	Central Depository Services (India) Limited E-mail : helpdesk.evoting@cdslindia.com
Scrutinizer	:	Mr. Niraj Trivedi Practicing Company Secretary 218-219, Saffron Complex, Fatehgunj, VADODARA : 390 002 E-mail: csneerajtrivedi@gmail.com

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 Arvind Agarwal, IAS	Dr. Rajiv I Modi	Shri S B Dangayach
DIN	00122921	01394558	01572754
Date of Birth	23.04.1960	09.05.1960	21.08.1952
Date of first appointment on the Board	04.06.2018	01.10.2014	09.08.2019
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. Com.(Accountancy) M. Com., IAS	M. Sc. In Biological Engg. B.Tech. in Chemical Engg. from IIT Ph.D. in Biological Science from Michigan University, USA	B.Sc. (Physics) from Bombay University, MBA from IIM, Ahmedabad
Nature of Expertise/ Experience	He is Senior IAS Officer of 1984 batch. He is Additional Chief Secretary, Finance Department, Government of Gujarat. He has very rich and varied experience of around 34 years and has held distinguished positions in Government of Gujarat viz. District Development Officer and Collector – Bharuch, Labour Commissioner, Industries Commissioner, Additional Chief Secretary, Education, Industries & Mines Departments, Government of Gujarat. He was awarded as “Best Collector” during his posting in Bharuch. He has authored a Book in Gujarati language viz. “Panchayat Parichay”.	He is Chairman and Managing Director of Cadila Pharmaceuticals Ltd., Ahmedabad and on the Board of other Cadila Group companies. He has been actively associated with the Gujarat Chamber of Commerce and Industry and also Chairman of CII, Gujarat State Council. Dr. Modi had led a delegation to Japan to promote Vibrant Gujarat Investors meet in 2009. He was the Chairman of the Confederation of Indian Industries, National Committee on Pharmaceuticals for the years 2015-16 to 2017-18. He is also Chairman on the Board of Governors of Indian Institute of Technology, Guwahati.	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 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 Govt. of India and Govt. 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



Name of Director	Shri Arvind Agarwal, IAS		Dr. Rajiv I Modi		Shri S B Dangayach	
						<p>in bestselling book “Stay Hungry Stay Foolish” of Rashmi Bansal as the only “intrapreneur”.</p> <p>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.</p>
Names of other Companies in which Directorship is held	<ol style="list-style-type: none"> 1 Gujarat State Fertilizers & Chemicals Ltd. 2 Gujarat State Petroleum Corporation Ltd. 3 Sardar Sarovar Narmada Nigam Ltd. 4 Gujarat State Financial Services Ltd. 5 Gujarat State Investments Ltd. 6 Gujarat State Petronet Ltd. 7 Goods And Services Tax Network 8 Gujarat Metro Rail Corporation (GMRC) Ltd. 9 Gujarat International Finance Tech-city Company Ltd. 	<ol style="list-style-type: none"> 1 Apollo Hospitals International Ltd. 2 Cadila Pharmaceuticals Ltd. 3 Karnavati Engineering Ltd. 4 Casil Health Products Ltd. 5 IRM Ltd. 6 Green Channel Logi-Solutions Ltd. 7 CPL Biologicals Pvt. Ltd. 8 La vie Agricare Pvt. Ltd. (formerly known as CPL Agro Products Pvt. Ltd.) 9 CPL Holdings LLP 10 CPL Infrastructure Pvt. Ltd. 11 IRM Enterprises Pvt. Ltd. 12 Casil BG Medical Devices Pvt. Ltd. 13 Inverika Bioresearch Pvt. Ltd. 14 Cadila Laboratories Pvt. Ltd. 15 StemCyte India Therapeutics Pvt. Ltd. 16 IRM Energy Pvt. Ltd. 17 Apollo CVHF Ltd. 	<ol style="list-style-type: none"> 1 Gujarat Mineral Development Corporation Limited 2 Gujarat Industries Power Company Ltd. 3 Narita Trade Links Private Limited 4 GVFL Advisory Services Limited 5 Gujarat Foundation for Entrepreneurial Excellence 			
Names of the Committees of the Board of Companies in which Membership/ Chairmanship is held	<p>Gujarat Alkalies and Chemicals Ltd.</p> <ol style="list-style-type: none"> 1 Audit Committee 2 Corporate Social Responsibility Committee 3 Project Committee 	<p>Gujarat Alkalies and Chemicals Ltd.</p> <ol style="list-style-type: none"> 1 Audit Committee 2 Stakeholders' Relationship-cum-Investors' Grievance Committee 3 Project Committee <p>Cadila Pharmaceuticals Ltd.</p> <ol style="list-style-type: none"> 1 Corporate Social Responsibility Committee 2 Audit & Finance Committee 	<p>Gujarat Alkalies and Chemicals Ltd.</p> <ol style="list-style-type: none"> 1 Audit Committee 2 Nomination-cum-Remuneration Committee 3 Corporate Social Responsibility Committee 4 Project Committee 5 Personnel Committee 6 Risk Management-Cum-Safety Committee <p>Gujarat Mineral Development Corporation Limited</p> <ol style="list-style-type: none"> 1 Audit Committee 2 Stakeholders Relationship Committee - Chairman 3 Risk Management Committee 4 Nomination & Remuneration Committee – Chairman 5 Corporate Social Responsibility Committee <p>Gujarat Industries Power Company Limited</p> <ol style="list-style-type: none"> 1 Audit Committee 2 Corporate Social Responsibility Committee 			

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 Boards' Report and the Corporate Governance Report forming part of this Annual Report.

BOARD'S REPORT

To
The Members,

Your Directors present this 46th 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 31st March, 2019 and the report of the Auditors thereon.

PERFORMANCE AND FINANCIAL RESULTS

The financial performance of the Company for the year ended 31st March, 2019 is summarized below:

FINANCIAL RESULTS – SUMMARY AND HIGHLIGHTS

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations*	3,16,138	2,45,208	3,16,138	2,45,208
Other Income	6,077	10,575	6,077	10,575
Profit / (Loss) before Depreciation, Finance Cost and Tax Expense	1,17,593	89,243	1,17,593	89,243
Less: Depreciation / Amortisation / Impairment	13,997	12,731	13,997	12,731
Profit / (Loss) before Finance Cost and Tax Expense	1,03,596	76,512	1,03,596	76,512
Less: Finance Cost	2,094	1,490	2,094	1,490
Share of Profit / (Loss) of Joint Venture	-	-	123	(80)
Profit / (Loss) before Tax Expense	1,01,502	75,022	1,01,625	74,942
Less: Tax Expense (Current & Deferred)	32,537	21,520	32,606	21,492
Profit / (Loss) for the year (1)	68,965	53,502	69,019	53,450
Total Comprehensive Income / (Loss) (2)	(15,808)	(2,498)	(15,808)	(2,498)
Total (1+2)	53,157	51,004	53,211	50,952
Balance of Profit / (Loss) for earlier years	1,08,413	86,886	1,08,251	86,778
Amount available for Appropriation	1,77,291	1,39,584	1,77,183	1,39,422
Less: Transfer to Reserves	34,482	26,751	34,482	26,751
Less: Dividend paid on Equity Shares	4,773	3,672	4,773	3,672
Less: Dividend Distribution Tax	981	748	981	748
Balance carried forward	1,37,055	1,08,413	1,36,947	1,08,251
Earning per Share	Rs.93.91	Rs.72.85	Rs.93.98	Rs.72.78
Dividend per Share	Rs.08.00	Rs.6.50	Rs.08.00	Rs.6.50
Book Value per Share	Rs.582.35	Rs.516.58	Rs.582.20	Rs.516.36

*Revenue from Operations for the FY 2017-18 are excluding excise duty to make it comparable with FY 2018-19 as the same does not form part of revenue after GST implementation.



RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

The highlights of the Company's performance are as under:

At Standalone Level

- The Company has achieved highest ever sales of Rs.3,102.32 crores during the year 2018-19 as against Rs.2,417.70 crores (excluding Excise Duty) in the Previous Year.
- Total production of all the products has increased by 3.42% to 15,92,093 MT during the year 2018-19 as against 15,39,430 MT in previous year.
- Other Operating income has increased by 71.84% to Rs.59.06 crores during the year 2018-19 as against Rs.34.37 crores in previous year.
- Other income has decreased by 42.53% to Rs.60.77 crores during the year 2018-19 as against Rs.105.75 crores in previous year.
- Gross Profit has increased by 31.77% to Rs.1,175.93 crores during the year 2018-19 from Rs.892.43 crores in previous year.
- Profit Before Tax has increased by 35.30% to Rs.1,015.02 crores during the year 2018-19 from Rs.750.22 crores in previous year.
- Profit After Tax has increased by 28.90% to Rs.689.65 crores during the year 2018-19 from Rs.535.02 crores in previous year.

At Consolidated Level

- Gross Profit has increased by 32.02% to Rs.1,177.16 crores during the year 2018-19 from Rs.891.63 crores in previous year.
- Profit Before Tax has increased by 35.60% to Rs.1,016.25 crores during the year 2018-19 from Rs.749.42 crores in previous year.
- Profit After Tax has increased by 29.13% to Rs.690.19 crores during the year 2018-19 from Rs.534.50 crores in previous year.

The Company has achieved highest ever sales in spite of the stiff competition & unstable market conditions during the year. With the margins improved during the year, the Company could achieve Profit Before Tax of Rs.1,015.02 crores (previous year Rs.750.22 crores).

Your Directors are pleased to inform that the Company has continued to deliver excellent financial performance this year resulting into improved Key Financial Ratios for the F.Y. 2018-19. Detailed note on the same is forming part of the 'Management Discussion and Analysis' attached with this Annual Report.

TRANSFER TO RESERVES

The Company has transferred Rs. 34,482 Lakhs to the General Reserves Account subject to approval of Annual Accounts by the Shareholders at this Annual General Meeting (AGM).

MATERIAL CHANGES AND COMMITMENTS

There has been no material changes and commitments, which affect the financial position of the Company which have occurred between the end of the Financial Year 2018-19 and the date of this Report. There has been no change in the nature of business of the Company.

DIVIDEND

Your Directors are glad to recommend a higher Dividend @ Rs.8.00 per equity share (i.e. 80%) as compared to last year's dividend of Rs. 6.50 per equity share (i.e. 65%) on 7,34,36,928 Equity Shares of the face value of Rs.10/- each fully paid-up for the year ended 31st March, 2019.

An amount of Rs.1207.61 Lakhs would be paid as dividend distribution tax on the dividend.

The dividend pay-out is in accordance with the Company's "Dividend Distribution Policy".

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 JV Company, viz., GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (GNAL) (CIN U24100GJ2015PTC085247) on 4th 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 JV Company. Accordingly, GNAL is a subsidiary of the Company.

As on 31st March, 2019, GNAL is not a material subsidiary company of the Company.

The Managing Director of GACL is the Chairman of the JV Company. The Managing Director of GACL does not draw any commission or any remuneration from GNAL except incidental expenses upto Rs. 2,500/- per meeting 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 therein its standalone and consolidated financial statements have been placed on the Website of the Company at www.gacl.com Further, the Audited Financial Statements of the GNAL for the year ended 31st March, 2019 are also placed on the Website of the Company at www.gacl.com and also at Website of GNAL at 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 Joint Venture Company is 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/2018-19/1904 dated 8 th October, 2018.

Short Term Bank Facilities	CARE Ratings Limited (CARE)	CARE A1+ (A One Plus)	CARE Letter No. CARE/ARO/RL/2018-19/1906 dated 8 th October, 2018.
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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 8th October, 2018 and also placed on the Company's Website at www.gacl.com

RISK MANAGEMENT

The Company has constituted Risk Management Committee of Directors w.e.f. 11th February, 2016. Shri Rajiv Lochan Jain has been appointed as the Chairman of the Committee w.e.f. 28th September, 2018. As on 31st March, 2019, below are the Members of Risk Management Committee:

1. Shri Rajiv Lochan Jain, Chairman;
2. Shri J N Godbole; and
3. Shri P K Gera, IAS.

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 Executive Director (Finance) & CFO 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. 10th 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, 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.

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 2018-19, 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 :

http://www.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 CSR Policy may be accessed on the Company's Website at the link: http://www.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 2018-19 was Rs.8.78 Crores. The Company had spent Rs.10.53 Crores towards various CSR activities during the Financial Year 2018-19. In this manner, your Company has met its obligation under Section 135 of the Companies Act, 2013.

The Annual Report on CSR activities for the Financial Year 2018-19 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 28.05.2019, accepted the resignation of

Shri J N Godbole as an Independent Director of the Company effective from 30.05.2019 since he would be attaining age of 75 years in near future. He was appointed as an Independent Director of the Company w.e.f. 04.03.2009. He has served as an Independent Director to the Company for more than 10 years.

The Board places on record its sincere appreciations and pays rich tributes for the valuable services rendered and contribution made by Shri J N Godbole to the Company during his tenure as an Independent Director of the Company since 04.03.2009.

The Shareholders of the Company at their 42nd Annual General Meeting (AGM) held on 18.09.2015 had appointed Dr. Rajiv I. Modi as an Independent Director of the Company for the first term of five years w.e.f. 01.10.2014. Your Directors recommend his reappointment as an Independent Director for the second term of five years from 01.10.2019 pursuant to the provisions of Section 149(10) of the Companies Act, 2013 for your approval.

The Board of Directors of the Company, as recommended by Nomination-cum-Remuneration Committee at their meetings held on 9th August, 2019, approved the appointment of Shri S.B. Dangayach as an Independent Director of the Company w.e.f. 9th August, 2019 for a period of five years subject to approval of shareholders at this AGM. Your Directors recommend appointment of Shri S.B. Dangayach as an Independent Director for a period of five years from 9th August, 2019 pursuant to the provisions of the Companies Act, 2013 for your approval.

Shri Arvind Agarwal, IAS, Director will retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment. Your Directors recommend his re-appointment for your approval.

Brief profile of Shri Arvind Agarwal, IAS, Dr. Rajiv I. Modi and Shri S.B. Dangayach forms part of the Notice of this AGM.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Shri P K Gera, IAS, Managing Director was appointed by the Board as Key Managerial Personnel of the Company effective from 19th February, 2016. Dr. H. B. Patel, Chief Financial Officer was the Key Managerial Personnel of the Company effective from 14th May, 2014 up to his retirement on 31st May, 2019. Shri Vinayak Kudtarkar who was appointed as General Manager (Finance) of the Company effective from 1st April, 2019, was appointed by the Board of Directors of the Company at its Meeting held on 28th May, 2019 as Chief Financial Officer and also as Key Managerial Personnel of the Company effective from 1st June, 2019 vice Dr. H B Patel, Chief Financial Officer and Key Managerial Personnel due to his retirement attaining the age of superannuation. Shri Sanjay S Bhatt,

Company Secretary is Key Managerial Personnel of the Company effective from 14th May, 2014.

The Company has received necessary declarations from the Independent Directors confirming that they meet the criteria of independence prescribed under the provisions of the Companies Act, 2013 and of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and are independent of the Management.

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 Articles of Association of your Company provides that the strength of the Board shall not be less than three and more than fifteen.

The Independent Directors of your Company have confirmed that (a) they meet the criteria of independence as prescribed under Section 149 of the Act and Regulation 16 of the SEBI Listing Regulations; and (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. 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 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: http://www.gacl.com/upload_files/7e74a_nrbcd_policy.pdf

E. Meetings

During the year, five (05) Board Meetings and five (05) 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, there were no instances of recommendations of Audit Committee and other Committees of Directors of the Company, which were not 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 the period from 1st July, 2018 to 30th June, 2019.

The Audit Committee, the Board of Directors of the Company at their Meetings held on 9th August, 2019, re-appointed M/s. Talati & Talati, Chartered Accountants, Vadodara as Internal Auditors for conducting Internal Audit of the Company for the period from 1st July, 2019 to 30th June, 2020.

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. Deloitte Haskins & Sells, Chartered Accountants, Vadodara (Firm Regn. No. 117364W) were appointed as the Statutory Auditors of the Company for a period of five years i.e. from the conclusion of 41st Annual General Meeting (AGM) till the conclusion of this 46th AGM.

On completion of five years tenure, Board of Directors of the Company has on recommendation of the Audit Committee in its Meeting held on 28th May, 2019 recommended for the appointment of M/s. K C Mehta & Co, Chartered Accountants, Vadodara, (Firm Regn No. 106237W) as the Statutory Auditors of the Company for a period of five (5) consecutive years from the conclusion of 46th AGM till the conclusion of 51st AGM. You are, therefore, requested to appoint M/s. K C Mehta & Co, Chartered Accountants, Vadodara



as the Statutory Auditors of the Company to hold office for the said period.

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 28th May, 2019 has appointed M/s. R K Patel & Co., Cost Accountants, Vadodara (Firm Regn. No. 14115) as Cost Auditors for Financial Year 2019-20 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 of the Cost Auditors for the Financial Year 2019-20 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 Company has appointed M/s. Samdani Shah & Kabra, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the Financial Year 2018-19. 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 8th February, 2019, Annual Secretarial Compliance Report for the year ended on 31st March, 2019 given by M/s. Samdani Shah & Kabra, Practicing Company Secretaries as Secretarial Auditors was submitted to Stock Exchanges (BSE & NSE) within prescribed time limit.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

During the Financial Year 2018-19, unclaimed dividend for the Financial Year 2010-11 aggregating Rs.10,79,016/- had transferred to Investor Education and Protection Fund (IEPF).

The Company had also transferred Rs.11,76,175/- to the bank account of the IEPF towards dividend declared by the

Company for the Financial Year 2017-18, for such shares which had already transferred to the IEPF.

During the Financial Year 2018-19, the Company has also transferred 26,352 Equity Shares to the IEPF in respect of which dividend entitlements 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 2010-11 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 www.iepf.gov.in, the access link of which is also available on the Company's Website www.gacl.com under the section 'Investors'.

Attention of the Members is drawn that the unclaimed dividend for the Financial Year 2011-12 and the corresponding shares will be due for transfer to the IEPF on 24th October, 2019, for which purpose communication has been sent to the concerned Shareholders advising them to claim their dividend. 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 & GM (Legal & CC)
Postal Address: PO : Petrochemicals : 391 346,
Dist.: Vadodara (Gujarat)
Telephone No.: 0265- 2232681 / 82
Mobile No.: 7069053850
E-mail ID: cosec@gacl.co.in

The Company has also displayed the above details of Nodal Officer at its Website www.gacl.com

CORPORATE GOVERNANCE

The Company has been following the principles and practices of good Corporate Governance and has ensured compliance of 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 Secretaries 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 2018-19.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Audit Committee of Directors at its Meeting held on 6th February, 2018 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 weblink http://www.gacl.com/upload_files/1d10d_87407_related_party_tran_policy-1.pdf

Your Directors draw attention of the Members to Note No. 37 to the Financial Statement which sets 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.

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 2018-19 and 2019-20 have been paid and the provisions of the 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 2017-18 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 http://gacl.com/upload_files/405c1_Form_No_MGT-7_Annual_Return.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 26th May, 2017 has adopted "Dividend Distribution Policy" effective from 26th May, 2017, which is available on the Company's Website at the Weblink http://www.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 31st March, 2019 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

The Company is in compliance 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 31st March, 2019, 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 31st March, 2019 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, Marketing Strategy, Safety & Environment, Corporate Social Responsibility, Material Development in Human Resources etc.

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/-
(Dr. J N SINGH, IAS)
CHAIRMAN

Place: Gandhinagar

Date : 09.08.2019

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. Recoating of 206 Nos. 5B generation elements.
2. Installation of Variable Frequency Drive (VFD) in MC-II NaCl LBR Pumps.
3. Replacement of 125 W HPMV lamp well glass fittings by LED well glass fittings.
4. Replacement of 400 W HPMV High bay fittings by 120 W LED High bay fittings.
5. Replacement of existing HPMV lighting fitting with LED lighting fittings.

At Dahej Complex

1. Procurement of VFDs and energy efficient equipment like vacuum pump, compressors etc. at different applications and locations to optimize power / energy consumption.
2. HPMV fittings have been replaced with LED light fittings at various locations - process plants, administrative building & colony at Dahej Complex.
3. Replacement of an existing Hydrogen Gas Blower with new Energy Efficient Blower.
4. Remembraning in Caustic Soda Lye cell house.
5. Insulation change in main steam header line.
6. Upgradation of existing 2nd generation elements into VB+ elements by procurement and commissioning total 440 Nos. of Membrane Cell elements to save power consumption.
7. Replacement of an existing Cooling Water Pump with Energy Efficient pump (1W+1S No).
8. Establishing a new polisher unit with modification in steam condensate collection to increase and best utilization of steam condensate as to increase heat recovery.

By continuously implementing various energy conservation schemes, GACL has earned Escerts for Vadodra Plant under PAT (Perform, Achieved and Trade) Scheme introduced by Government of India which is under approval process.

(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 has commissioned 22.5 MW Solar Power Project to meet the Solar Renewable Purchase Obligation.

(iii) The Capital Investment on Energy Conservation equipments:

The Company has invested Rs.639.038 Lakhs as capital investment on Energy Conservation equipments during the Financial Year 2018-19. A saving of Rs.154.592 Lakhs have been achieved during F.Y. 2018-19 at Vadodara Complex.

The Company has invested Rs.68.3 Lakhs as capital investment on Energy Conservation equipments during the Financial Year 2018-19. A saving of Rs.104.9 Lakhs have been achieved during F.Y. 2018-19 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 in April, 2018. The final phase of replacing balance 440 elements is ongoing and is expected to be completed in the Financial Year 2019-20.

Chloromethanes Plant at Vadodara after switching over to Methanol from Methane as the main feedstock has now been stabilized and operative at full capacity. The technology was received from M/s. Shin-Etsu Chemical Company Ltd., Japan.

The other activities like in-depth studies on raw materials, intermediate process stages, monitoring of liquid and solid discharges and efforts on their reduction / value addition continued during the Financial Year. The efforts resulted into efficient utilization of the different technologies already in operation.

The Company also commissioned a 14,000 TPA Hydrogen Peroxide Plant at Dahej using the technology provided by Chematur Engg. AB, Sweden.

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

- (a) The Company was able to reduce the power cost per MT of Caustic Soda by about 10% during the Financial Year.
- (b) After up-gradation of Chloromethanes Plant at Vadodara for switching over to Methanol from Methane as the main feedstock, helped the Company in
 - Having flexibility in feedstock
 - Reduction in production cost
 - Captive consumption of a byproduct viz. Hydrochloric Acid
 - Enhancement of production capacity by more than 50%.
- (c) 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, technical support to Process, Purchase and Marketing 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, except the last lot of 440 elements, which shall be commissioned by March, 2020.
Chloromethanes Plant at Vadodara	Shin-Etsu Chemical Company Ltd., Japan	April, 2015	Commissioned in March, 2018.
Hydrogen Peroxide Plant at Dahej	Chematur Engg. AB, Sweden	September, 2016	Commissioned in September, 2018.

(iv) Expenditure incurred on Research & Development

Sr. No.	Particulars	Amount (Rs. in Lakhs)
a)	Capital	-
b)	Revenue	262.14
	Total (a+b)	262.14

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.34,084.53 Lakhs (FOB Value).

2. Total Foreign Exchange Earned and Used during the Financial Year 2018-19

(Rs. in Lakhs)

Foreign Exchange earned in terms of Actual Inflow	Rs.34,084.53
Foreign Exchange outgo in terms of Actual Outflows	Rs.31,188.19

ANNEXURE – 2 to Board's Report

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

- 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:**

The CSR Policy of GACL enunciates CSR vision of the Company of continuing enhancing value creation in the society and in the community which it operates, through its services, conduct and initiatives. 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, enhancing health and hygiene, providing sanitation, generating livelihoods for people in rural areas, promoting and preserving traditional art, culture and heritage and conserving water. 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

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. Dr. J N Singh, IAS (w.e.f. 10.11.2016) – Chairman of the Committee;
2. Shri Arvind Agarwal, IAS (w.e.f. 28.09.2018);
3. Shri M K Das, IAS (w.e.f. 18.04.2018);
4. Shri J N Godbole (w.e.f. 02.04.2014 upto 30.05.2019);

5. Smt. Vasuben Trivedi (w.e.f. 28.09.2018); and
6. Shri P K Gera, IAS (w.e.f. 19.02.2016).

- 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	2015-16	2016-17	2017-18
1	Profit u/s. 135 read with Section 198	25,175.37	37,414.48	69,123.05
2	Average of three years Net Profit	43,904.30		

- 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	43,904.30
2	2% of Average three years Net Profit	878.09

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

- a) Prescribed CSR expenditure to be spent for the Financial Year: Rs. 878.09 Lakhs.
- b) Total amount spent for the Financial Year: Rs.1,052.66 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)
A: Education, Special Children Interventions							
1.	Smart Class Project	CI.(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, Dist. Bharuch, Gujarat and Chhotaudepur Taluka	42,23,000	49,45,466.20	49,45,466.20	G A C L Education Society (GES)
2.	Special Children	CI.(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.	1,10,51,705	1,05,97,880	1,05,97,880	GES, Dhvani Trust and Seva Tirth
3.	SEEDS Programme – Shroff’s Foundation Trust	CI.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.	Paldi village, Halol, Gujarat	2,17,402	2,17,402	2,17,402	Shroff’s Foundation Trust
4.	Construction of Anganwadi	CI.(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, Dist: Bharuch, Gujarat.	24,60,000	11,19,782	11,19,782	GES
B: Health, Nutrition and Sanitation Interventions							
1	Harsh Project	CI.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Vagra Taluka, Dist: Bharuch, Gujarat.	55,13,500	50,40,348	50,40,348	Vikas – Centre for Development

2	Prerna Project	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Vagra Taluka, Dist: Bharuch, Gujarat and Chhotaudepur Taluka	15,00,000	7,77,004	7,77,004	GES
3	Sonography project - Reduction IMR & MMR	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Dist. Chhotaudepur, Gujarat	6,42,000	6,83,025	6,83,025	GES
4	Construction of Toilets	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Asoj Village, Dist. Vadodara, Gujarat	17,00,000	15,45,202	15,45,202	SVADES
C: Support to Local areas / Govt. Authorities							
1	Promoting Education, Enhancing Vocational Skills in local areas	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, Narmada, Surat, Valsad, Navsari and Ahmedabad, Gujarat	1,61,14,608.26	1,61,14,608.26	1,61,14,608.26	GES
2	Sujalam Sufalam Jal Abhiyan	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Sokhda and Dashrath villages of Vadodara Dist., Vav village of Bharuch Dist. and Magardeve village of Narmada Dist., Gujarat	35,00,000	31,79,437	31,79,437	GES
3	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, Gujarat	22,46,000	3,72,910	3,72,910	GES
4	Human Resource & Programme and Management	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 of GES employees	25,00,000	17,92,324	17,92,324	GES
5	Development of Websites and networking with other professional bodies	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, Gujarat	6,16,000	13,49,894.87	13,49,894.87	GES



6	Promoting Education and enhancing vocation skills	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, Gujarat	10,61,780.40	10,61,780.40	10,61,780.40	GES and directly by the Company
7	Promoting Education and making available safe drinking water	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently abled and livelihood enhancement projects.; Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Kanya Kelavni, Kerala Medical Services, Water supply to Dhanora, Rampura Villages, Gujarat.	88,68,862	88,68,862	88,68,862	Directly by the Company
8	Ekta Rath Yatra	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Navsari, Surat, Tapi and Valsad, Gujarat	89,22,540	89,22,540	89,22,540	GES and directly by the Company
9	Support for rejuvenation of Ajwa Garden	Cl. (iv) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water.	Ajwa Garden, Vadodara, Gujarat	3,33,00,000	3,33,00,000	3,33,00,000	GES
10	Other Human development Activities	Various heads eligible under CSR.	Contribution towards GACL Education Society for corpus.	53,77,836.67	53,77,836.67	53,77,836.67	Directly by the Company
TOTAL				10,98,15,234.33	10,52,66,302.40	10,52,66,302.40	

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

Out of the Budget approved by the Board, the Company has spent an amount of Rs.1,052.66 Lakhs towards the various CSR activities during the Financial Year 2018-19 against the statutory amount (i.e. 2% of the average net profits for last three Financial Years) of Rs. 878.09 Lakhs 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)
Managing Director

Sd/-
(Dr. J N Singh, IAS)
Chairman - CSR Committee

ANNEXURE – 3 to Board's Report**Form MR-3
SECRETARIAL AUDIT REPORT**

For the Financial Year ended 31st March, 2019
[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 31st March, 2019, 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 31st March, 2019, 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, 2009 / 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, 1998 / 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. pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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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

Place: Vadodara,

Date: 9th August, 2019

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. Wherever required, we have obtained the management representation about the Compliance of laws, rules and regulations and happening of events etc.
- iv. 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

Place: Vadodara,

Date: 9th August, 2019

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 Office 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	2018-19
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 2018-19 Standalone (Rs. in Crores)
1.	Paid up Capital (INR)	Rs.73.44
2.	Total Turnover (INR)	Rs.3,102.32
3.	Total Profit After Taxes (INR)	Rs. 689.65
4.	Total Spending on Corporate Social Responsibility (CSR)	Rs. 10.53
	As percentage of Profit After Tax (%)	The Company has spent 2.40% 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	



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
 - 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
3.	Designation	Managing Director
4.	Telephone number	0265 – 2232801
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?	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?	http://gacl.com/upload_files/d4ddf_br_policy.pdf								
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	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.	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

Section E: Principle-wise performance

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

- 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.
- 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 2018-19, the Company had received 98 complaints from shareholders and all 98 (100%) complaints were satisfactorily resolved. The Company has not received any other Complaint from other Stakeholders.

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

- 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 reduced per unit of NaOH Production - 79 KWH/MT.
 - Energy reduced per unit of CLM Production - 367 KWH/MT.
 - Energy reduced per unit of H2O2 Production - 29 KWH/MT.
 - Reduction during usage by consumers (energy) has been achieved since the previous year?
 - Energy reduced per unit of NaOH Production - 79 KWH/MT.
 - Energy reduced per unit of CLM Production - 367 KWH/MT.
 - Energy reduced per unit of H2O2 Production - 29 KWH/MT.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- We have initiated some measures towards sustainable sourcing which impacts on social and environment aspects. In our endeavor of sustainable sourcing during our vendor meeting we had appealed our vendors to adopt sustainable sourcing in their business.
- If yes, what percentage of your inputs was sourced sustainably ?
 - 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.
 - One of the major raw material 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 have changed specifications of Salt from July, 2017 onwards and improved (washed) quality of Salt is being used at both the complexes. Due to uses of improved quality of Salt which is environment friendly chemical, consumption and sludge generation has also reduced considerably. We procure approx 7 Lakhs MT of Salt for both the complexes. We procure Salt from those manufacturers who have salt works nearby our Company and these comprises of very small to large manufacturers.
 - Packaging material is another example of sustainable sourcing. Packaging materials like carboys, barrels, bags etc which are used for filling the finished product are procured from the nearby sources. These packaging materials are reused & recycled for manufacturing of other material which can be used for some other applications.
 - In procurement of other materials like Lime, Barium Carbonate, Alumina Tri Hydrate (ATH) & other raw materials/chemicals we do consider the aspect of sustainable sourcing.
 - We procure some of the materials from the MSME vendors to facilitate promotion and development of MSME.
 - For entire (100%) procurement of our Company we follow the procurement policy which is based on sustainable sourcing.

We procure 36,000 MT Potassium Chloride annually from M/s. Canpotex Ltd., Canada. Till August, 2017, this material was received at East Coast of India (Kakinada Port) and then it was transported by rail / road to Baroda Complex. We have reviewed logistics and to reduce inland transportation from August, 2017, material is being received at West Coast of India (Kandla Port). This has helped to reduce cost of procurement drastically besides there is considerable reduction in inland transportation vis-à-vis reduction in fuel consumption.
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 due weightage in procurement of goods and services from local and small producers including communities surrounding their place of work.
 - We have been procuring entire requirement of Salt for Baroda 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 material. We procure Salt from co-operative Society at Bhavnagar. Our Company has encouraged to improve quality of Salt by installing salt washery and many small producers have installed the same recently.



- To support small producers in their business and to generate employment we procure consumable and engineering items from them at competitive price and extend favourable payment term to them.
 - We also had facilitated them with a Stall in Vibrant Gujarat Trade Exhibition which benefitted some of our MSME vendors.
 - We had encouraged our MSME vendors to participate in seminar on GeM (Government E-Marketplace) which was arranged by District Industries Center at Bharuch & Baroda in two different events. This was attended by many of our vendors.
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 environment preservation philosophy and commitments, the Company has installed new RO Plant to recycle 40% liquid effluent stream and also recycled 53.7% catalyst for Hydrogen Peroxide Plant.

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

1. Please indicate the Total number of employees : 1467
(as on 31.03.2019)
2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.
As on 31st March, 2019, total 855 persons were hired on temporary / contractual / casual basis and total 204 persons were hired on Contract (Management & Non Management), Trainees and Fixed Term Contract (FTC).
3. Please indicate the Number of permanent women employees.
As on 31st March, 2019, permanent women employees are 32.
4. Please indicate the number of permanent employees with disabilities.
As on 31st March, 2019, the number of permanent employees with disabilities are 06.
5. 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.
6. What percentage of your permanent employees is members of this recognized employee association?
65.39%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - Permanent Employees : 75%
 - Permanent Women Employees : 100%
 - Casual/Temporary/Contractual Employees (FTC) : 100%
 - Employees with Disabilities : -

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

1. Has the Company mapped its internal and external stakeholders? Yes / No.
Yes.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes.
3. 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 Deficient Children which is a government organization where orphans and destitute special children are kept. In addition to this, the Company is also supporting 31 Government Primary Schools of Vagra Taluka and Schools run by Nagar Prathamik Shikshan Samiti, in Vadodara Taluka. 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. In addition to this, livelihood generation activities for marginalized group of fisherman community and tribal students were also carried out.

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 stakeholders 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 were 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 commissioned wastewater recycling RO Plant for converting wastewater into reusable water. Daily 400 to 500 M³/Day of wastewater is treated and converted to reusable water which is recycled back in the plant. This has reduced consumption of fresh water by that much quantity.
- ii. The Company has at its Dahej Complex covered large area by development and maintenance of green belt, landscaping, flora and fauna, rain water 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 also undertaken water conservation by channelizing cooling tower water spillage, treated sewage and drip irrigation. Nearly 22,406 nos. of trees have been planted and also 18.71 acres green belt developed.
- iii. Huge green belt - GACL has 125171 MT² 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.
- viii. GACL is using renewable sources of energy through 171.45 MW wind farm and the Company has commissioned 22.5 MW Solar Power Project to meet the Solar Renewable Purchase Obligation. Another 12.5 MW Solar Power Project will be commissioned soon.



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 Escerts for Vadodara Plant under PAT (Platform, Achieved and Trade) Scheme introduced by Government of India which is under approval process.

The Company has already installed total Wind Power Capacity of 171.45 MW and the Company has also commissioned 22.5 MW Solar Power Project to meet the Solar Renewable Purchase Obligation. Another 12.5 MW Solar Power Project will be commissioned soon.

The production of Carbon Tetrachloride (CTC) 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 M3 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 22.5 MW Solar Power Project to meet the Solar Renewable Purchase Obligation.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by GPCB / SPCB 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 GPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause / legal notices received from GPCB / SPCB 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 Manufactures 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. Bharuch Dist. Management Association
12. 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
- Special Children
- Healthcare, Hygiene and Sanitation
- Livelihood generation
- Art, Culture and Heritage

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 Education Society" and few projects through external agencies and government structures.

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

Yes. Impact Assessment is carried by officers of the GACL Education Society.

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

Company's direct contribution to community development projects and amount with details of the projects undertaken in the Financial Year 2018-19 are as under :

The Company had contributed Rs.11.20 Lakhs towards construction and refurbishment of Anganwadi in Vagra Taluka and Rs.49.5 Lakhs towards support to Government Primary Schools in various villages of Vagra Taluka under smart class project.

The Company had also contributed Rs.48.27 Lakhs towards support in sanitation infrastructure in Vagra Taluka of Bharuch District.

The Company had also contributed Rs.7.77 Lakhs towards awareness generation in Menstrual Health and Hygiene at Chhotaudepur and Vagra Taluka.

The Company had also contributed Rs.31.25 Lakhs in deepening of ponds at selected villages of Vadodara and Narmada Districts.

Hence, the Company had contributed total of Rs.98.49 Lakhs towards Community Development Activities.

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

Yes, by involving the parents of the children and principle and other teachers of the school in various activities conducted for the children. Regular meeting with parents and community gatekeepers 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 on the company for impugned violations of provision of Competition Act, 2002. 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 Company has deposited 10% of the imposed penalty i.e., Rs.18.80 Lakhs as per the order of the NCLAT. 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 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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under :

Sr. No.	Name of Director / KMP and Designation	Remuneration of Director / KMP for Financial Year 2018-19 (Rs. in Lakhs)	% increase in remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director / to median remuneration of employees (on annualized basis)	Comparison of the remuneration of the KMP against the performance of the Company
1.	Shri P K Gera, IAS* Managing Director	33.67	13.29%	2.80 times	Profit Before Tax increased by 35.30% and Profit After Tax increased by 28.90% in Financial Year 2018-19.
2.	Dr. H B Patel* Executive Director (Finance) & CFO	43.93	13.48%	3.66 times	
3.	Shri Sanjay S Bhatt* Company Secretary & GM (Legal & CC)	36.76	29.12%	3.60 times	

* The remuneration of the Managing Director and other Key Managerial Personnel (Executive Director (Finance) and CFO and Company Secretary) during the Financial Year 2018-19 is not comparable with Financial Year 2017-18 due to following reasons:

- The Remuneration of Shri P K Gera, IAS, Managing Director is paid as per pay revision implemented by Seventh Pay Commission.
- The Cost to Company (CTC) for the Financial Year 2018-19 of Dr. H B Patel, Executive Director (Finance) & CFO and Shri S S Bhatt, Company Secretary & GM (Legal & CC) was Rs.40.30 Lakhs and Rs.29.68 Lakhs, respectively. The remunerations as stated above are 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 as applicable to them etc.

NOTES

1. The Remuneration of the Managing Director is decided by the Government.
 2. Details for other Directors are not given as the other Directors are paid only Sitting Fees for attending Board Meetings and the Committee Meetings. No other remuneration is paid to the Directors.
- (ii) The median remuneration of employees of the Company during the Financial Year was Rs.11.99 Lakhs.
- (iii) In the Financial Year 2018-19, there was an increase of 1.87% in the median remuneration of employees.
- (iv) There were 1467 permanent employees on the roll of the Company as on 31st March, 2019.
- (v) The Company continued practice of hiring employees on contractual basis. As on 31st March, 2019, there were total 63 employees on Company's contract out of which 61 are in management cadre and 2 are in non-management cadre and there were 59 trainees on contractual appointment.
- (vi) Relationship between average increase in remuneration and Company's performance:
The Profit Before Tax for the Financial Year ended 31st March, 2019 increased to 35.30%, whereas, the increase in median remuneration was 1.87%. 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 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.
- (vii) Comparison of the remuneration of the Key Managerial Personnel against performance of the Company :
As per the terms of appointment of the Managing Director, he is entitled for annual 3% increase in Basic Pay and the other KMPs are entitled for 5% annual increase in Basic Pay and D.A. (Base pay). There is no variable component in the remuneration of the Managing Director. However, in case of management category employees of the Company, 10% of Fixed CTC is performance incentive which is released on completion of the year and subject to individual performance of each employee and overall performance of the Company. The payment is made in the range of 5% to 15% of cost to the Company (CTC) based on the combined rating of individual and organization performance.
- (viii) a) Variations in the market capitalization of the Company :
The market capitalization as on 31st March, 2019 was Rs.3,622.64 Crores (Rs.5,129.94 Crores as on 31st March, 2018) at National Stock Exchange of India Ltd. (NSE).
- b) Price Earning Ratio of the Company was 5.25 as at 31st March, 2019 which was 9.59 as at 31st March, 2018.
- c) Percentage increase / decrease in the market quotations of the Shares of the Company as compared to the rate at which the Company came out with the last Public Offer in the year :
In the Year 2003-04, the Company had come out with Rights Issue Offer in the ratio of 3 Equity Shares against 5 Equity Shares held by the Shareholders. The total number of Shares offered under Rights Issue were 2,75,41,966 at Rs.12.50 (Face Value - Rs.10/- and Premium of Rs.2.50 per Share). The market price of Shares of GACL as on 1st April, 2003 on BSE Ltd. was Rs.17.70 (closing price) and on National Stock Exchange of India Ltd. was Rs.17.90 (closing price). As on 31st March, 2019, the market price of Shares of GACL on BSE Ltd. was Rs. 493.70 per Share (closing price) and on National Stock Exchange of India Ltd. was Rs.493.30 per Share (closing price). Thus, there is appreciation in market value of Shares by 2689.27% on BSE Ltd. and by 2655.87% on National Stock Exchange of India Ltd.
- (ix) 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.



46th Annual Report 2018-19

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)
PART - A (FULL YEAR)							
NIL							
PART - B (PART OF THE YEAR)							
1	DIPAK RANADE	Manager (HR &A)	32,76,216	BA & 38	31.07.1982	60	-
2	ARUNKUMAR SHRIVASTAVA	General Manager (TS & ES)	69,06,920	B.E.(Elect.) & 37	22.03.1983	60	-
3	RAJENDRA RAJ	Sr. Officer (Security)	26,90,281	BA & 37	02.11.1987	60	International Detective Agency
4	NILESH VYAS	Manager (Purchase)	24,02,077	B.Com.,DMSM & 38	21.01.1981	60	-
5	VIJAYKUMAR SHAH	Sr. Laboratory Tech. Gr.	23,12,597	Old SSC & 40	08.05.1980	60	Vishal Malleables Ltd.
6	ARVINDBHAI PATEL	Sr. Foreman (Mechanical)	34,64,793	SSC, ITI (Fitter) & 40	11.09.1980	60	IPCL
7	PRAKASHCHANDRA KHAROD	Chief Manager (QC)	34,49,601	B.S.C.(Chem.) & 38	01.11.1982	60	Super Dyes & Chemicals
8	MAHESHKUMAR BHAGAT	Sr. Officer (Mechanical)	34,49,620	B.A.,GCC-Eng. Typing & 38	20.08.1982	60	Kalpana Services
9	RAJESHKUMAR SHETH	Sr. Foreman (Process)	20,91,003	Old SSC, Pre.Uni. & 39	18.07.1996	60	Modi Alkalies & Chem. Ltd.
10	MAHENDRAKUMAR PATEL	Sr. Foreman (Electrical)	31,22,879	SSC,ITI (Elect.) & 38	09.04.1984	60	ABS Plastic Ltd.
11	BHARATKUMAR HARSHWAL	ASTT. Officer (HR &A)	29,98,491	Old SSC,GCC Eng. Shorthand & Typing & 39	12.06.1980	60	Nisha Agencies
12	BALUBHAI PATEL	Sr. Foreman (Mechanical)	28,74,866	Old SSC, ITI (Fitter) & 40	01.05.1986	60	Guj. Petrosynthese Ltd.
13	HASMUKHBHAI PATEL	Shift In charge (Process)	26,94,483	Old SSC, NCTVT (BA),1 st Class Boiler Attn & 39	20.11.1982	60	Polychem Ltd.
14	KISANBHAI VALAND	Sr. Peon GR.I	13,92,068	10 TH STD. & 37	22.05.1981	60	-
15	ASHOKKUMAR SHAH	Sr. Forman	30,64,390	SSC,1 ST Class Boiler Attendant & 41	16.01.1986	60	Glaxo Laboratories (I) 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.							

DETAILS OF TOP 10 EMPLOYEES REMUNERATION (CTC) FOR FINANCIAL YEAR 2018-19

SR. NO.	EMPLOYEE NAME	DESIGNATION OF EMPLOYEE	REMUNERATION* RECEIVED (RS.)
1	Dr. H B PATEL	ED (F) & CFO	40,29,999
2	G S PALIWAL	ED (MKTG.)	38,28,214
3	D C THAKUR	CONSULTANT / HEAD (DAHEJ)	31,41,000
4	P G PUJARA	ED (CPP) & HEAD (PMO)	29,81,000
5	S S BHATT	CS & GM (LEGAL & CC)	29,68,100
6	D B JAIN	ADVISOR TO MD	28,97,250
7	Dr. SUNIL SINHA	GM (R & D, QC & TMD)	28,07,455
8	H H SALOT	GM (ES)	27,11,641
9	T N TRIVEDI	GM (TS)	26,94,870
10	D R BHATT	AGM (S, E & F)	26,92,448

* 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 31st March, 2019

[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 th 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 - 2232681 - 82
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	32.42%
2	Caustic Soda Flakes		15.86%
3	Hydrogen Peroxide Group		12.37%

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 Shareholding

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian	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	7119028	0	7119028	9.69	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	26867261	0	26867261	36.59	26867261	0	26867261	36.59	0.00
	Sub Total (A)(1)	33986310	0	33986310	46.28	33986310	0	33986310	46.28	0.00
[2]	Foreign									
(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)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	33986310	0	33986310	46.28	33986310	0	33986310	46.28	0.00
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds	2741603	356	2741959	3.73	3529691	356	3530047	4.81	1.07
(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	2968228	0	2968228	4.04	1913921	0	1913921	2.61	-1.44
(f)	Financial Institutions / Banks	51960	678	52638	0.07	66318	678	66996	0.09	0.02
(g)	Insurance Companies	1426826	50	1426876	1.94	1423422	50	1423472	1.94	0.00
(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	138	634	772	0.00	0.00
	UTI	0	210	210	0.00	0	210	210	0.00	0.00
	Sub Total (B)(1)	7188755	1928	7190683	9.79	6933490	1928	6935418	9.44	-0.35

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
[2]	Central Government/ State Government(s)/ President of India									
	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	7393248	1236595	8629843	11.75	8170735	1008259	9178994	12.50	0.75
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2013106	0	2013106	2.74	1993449	0	1993449	2.71	-0.03
(b)	NBFCs registered with RBI	0	0	0	0.00	8994	0	8994	0.01	0.01
(c)	Employee Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)									
	IEPF	180950	0	180950	0.25	207196	0	207196	0.28	0.04
	Trusts	319846	52094	371940	0.51	436	52094	52530	0.07	-0.43
	Coperatives Societies	0	6902	6902	0.01	0	6902	6902	0.01	0.00
	Hindu Undivided Family	356859	0	356859	0.49	388986	0	388986	0.53	0.04
	Non Resident Indians	285131	2913	288044	0.39	349401	2767	352168	0.48	0.09
	Unclaimed Shares	1386	0	1386	0.00	1157	0	1157	0.00	0.00
	Clearing Member	97810	0	97810	0.13	74650	0	74650	0.10	-0.03
	Bodies Corporate	20308544	4551	20313095	27.66	20246038	4136	20250174	27.57	-0.09
	Sub Total (B)(3)	30956880	1303055	32259935	43.93	31441042	1074158	32515200	44.28	0.35
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	38145635	1304983	39450618	53.72	38374532	1076086	39450618	53.72	0.00
	Total (A)+(B)	72131945	1304983	73436928	100.00	72360842	1076086	73436928	100.00	0.00
(C)	Non Promoter - Non Public									
[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
	Total (A)+(B)+(C)	72131945	1304983	73436928	100.00	72360842	1076086	73436928	100.00	0.00



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year (as on 01.04.2018)			No. of Shares held at the end of the year (as on 31.03.2019)			% 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
	Total...	33986310	46.28	0	33986310	46.28	0	0

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

Sr. 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 Shareholding 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):

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	%
1	IN300214/10229376 LOK PRAKASHAN LTD.				
	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	IN30005410067359 ADITYA BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE PURE VALUE FUND				
	a. At the beginning of the year	1863857	2.538		
	b. Changes during the year				
	DATE	REASON			
	27.04.2018	SOLD		-90000	-0.123
	25.05.2018	ACQUIRED		27000	0.037

	15.06.2018	ACQUIRED	20000	0.027		
	27.07.2018	ACQUIRED	51000	0.069		
	03.08.2018	ACQUIRED	6300	0.009		
	10.08.2018	ACQUIRED	14000	0.019		
	24.08.2018	ACQUIRED	6000	0.008		
	31.08.2018	ACQUIRED	38200	0.052		
	07.09.2018	ACQUIRED	20000	0.027		
	14.09.2018	ACQUIRED	10000	0.014		
	21.09.2018	ACQUIRED	8000	0.011		
	29.09.2018	ACQUIRED	51862	0.071		
	05.10.2018	ACQUIRED	38000	0.052		
	26.10.2018	ACQUIRED	10000	0.014		
	30.11.2018	ACQUIRED	8000	0.011		
	14.12.2018	ACQUIRED	43000	0.059		
	21.12.2018	ACQUIRED	14000	0.019		
	04.01.2019	ACQUIRED	7500	0.010		
	25.01.2019	ACQUIRED	26000	0.035		
	01.02.2019	ACQUIRED	12600	0.017		
	08.02.2019	ACQUIRED	4000	0.005		
	22.02.2019	ACQUIRED	10000	0.014		
	01.03.2019	ACQUIRED	1100	0.001		
	08.03.2019	ACQUIRED	6000	0.008		
	15.03.2019	ACQUIRED	6000	0.008		
	29.03.2019	ACQUIRED	10000	0.014		
	c. At the end of the year				2222419	3.026
3	IN300450/10328205					
	GUJARAT STATE FERTILIZERS & CHEMICALS LIMITED					
	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	IN302927/10034403					
	SHREYANS SHANTILAL SHAH					
	a. At the beginning of the year		1270407	1.730		
	b. Changes during the year		0	0.000		
	c. At the end of the year				1270407	1.730
5	IN301127/16005185					
	GUJARAT INDUSTRIES POWER COMPANY LTD.					
	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	IN300142/10752037					
	HSBC GLOBAL INVESTMENT FUND - ASIA EX JAPAN EQUITY					
	a. At the beginning of the year		745730	1.015		
	b. Changes during the year					
	DATE	REASON				
	06.07.2018	SOLD	-6944	-0.009		
	13.07.2018	SOLD	-101549	-0.138		



	20.07.2018	SOLD	-486	-0.001		
	16.11.2018	SOLD	-23576	-0.032		
	23.11.2018	SOLD	-4359	-0.006		
	30.11.2018	SOLD	-50558	-0.069		
	07.12.2018	SOLD	-17080	-0.023		
	14.12.2018	SOLD	-57355	-0.078		
	21.12.2018	SOLD	-1333	-0.002		
	04.01.2019	SOLD	-7173	-0.010		
	11.01.2019	SOLD	-27238	-0.037		
	18.01.2019	SOLD	-21578	-0.029		
	25.01.2019	SOLD	-24570	-0.033		
	15.02.2019	SOLD	-30102	-0.041		
	22.02.2019	SOLD	-18725	-0.025		
	01.03.2019	SOLD	-56714	-0.077		
	15.03.2019	SOLD	-46438	-0.063		
	22.03.2019	SOLD	-10321	-0.014		
	29.03.2019	SOLD	-28442	-0.039		
	c. At the end of the year				211189	0.288
7	IN300812/10001728					
	THE NEW INDIA ASSUARANCE COMPANY LIMITED					
	a. At the beginning of the year		713498	0.972		
	b. Changes during the year		0	0.000		
	c. At the end of the year				713498	0.972
8	IN300812/10000029 - G0001328					
	GENERAL INSURANCE CORPORATION OF INDIA					
	a. At the beginning of the year		713378	0.971		
	b. Changes during the year					
	DATE	REASON				
	23.11.2018	SOLD	-3404	-0.005		
	c. At the end of the year				709974	0.967
9	IN300054/10040054					
	DIMENSIONAL EMERGING MARKETS VALUE FUND					
	a. At the beginning of the year		390143	0.531		
	b. Changes during the year					
	DATE	REASON				
	27.04.2018	SOLD	-9885	-0.013		
	04.05.2018	SOLD	-10547	-0.014		
	11.05.2018	SOLD	-4136	-0.006		
	18.05.2018	SOLD	-1205	-0.002		
	08.06.2018	SOLD	-3905	-0.005		
	15.06.2018	SOLD	-1135	-0.002		
	22.06.2018	SOLD	-1377	-0.002		
	03.08.2018	SOLD	-4426	-0.006		
	10.08.2018	SOLD	-2906	-0.004		
	24.08.2018	SOLD	-7848	-0.011		
	07.12.2018	SOLD	-6453	-0.009		
	15.02.2019	SOLD	-6814	-0.009		
	22.02.2019	SOLD	-2898	-0.004		
	01.03.2019	SOLD	-15341	-0.021		

	08.03.2019	SOLD	-7708	-0.010		
	22.03.2019	SOLD	-2018	-0.003		
	29.03.2019	SOLD	-6757	-0.009		
	c. At the end of the year				294784	0.401
10	IN30152430043892					
	INDIA SMALL AND MID CAP GEMS FUND					
	a. At the beginning of the year		319410	0.435		
	b. Changes during the year					
	DATE	REASON				
	30.06.2018	SOLD	-7928	-0.011		
	06.07.2018	SOLD	-28003	-0.038		
	13.07.2018	SOLD	-69219	-0.094		
	03.08.2018	SOLD	-10126	-0.014		
	10.08.2018	SOLD	-204134	-0.278		
	c. At the end of the year				0	0.000
11	IN300142/10720922					
	BNP PARIBAS MUTUAL FUND A/C BNP PARIBAS MULTI CAP FUND					
	a. At the beginning of the year		210000	0.286		
	b. Changes during the year					
	DATE	REASON				
	27.04.2018	ACQUIRED	18500	0.025		
	11.05.2018	ACQUIRED	10000	0.014		
	18.05.2018	ACQUIRED	13182	0.018		
	25.05.2018	ACQUIRED	5000	0.007		
	01.06.2018	ACQUIRED	5000	0.007		
	13.07.2018	ACQUIRED	58378	0.079		
	03.08.2018	ACQUIRED	20000	0.027		
	29.09.2018	ACQUIRED	18000	0.025		
	c. At the end of the year				358060	0.488
12	IN300142/10720955					
	BNP PARIBAS MID CAP FUND					
	a. At the beginning of the year		225000	0.306		
	b. Changes during the year					
	DATE	REASON				
	18.05.2018	ACQUIRED	4880	0.007		
	13.07.2018	ACQUIRED	10060	0.014		
	20.07.2018	ACQUIRED	5000	0.007		
	27.07.2018	ACQUIRED	10000	0.014		
	10.08.2018	ACQUIRED	25000	0.034		
	29.09.2018	ACQUIRED	12000	0.016		
	01.02.2019	ACQUIRED	4000	0.005		
	22.02.2019	ACQUIRED	7500	0.010		
	c. At the end of the year				303440	0.413
13	1203330000617277					
	SAL CARE PRIVATE LIMITED					
	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



(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 01.04.2018)	% 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 31.03.2019)	% of Total Shares of the Company
1	Dr. J N Singh, IAS (Chairman)	0	0		0	0
2	Shri Arvind Agarwal, IAS (Director) (from 04.06.2018)	0	0		0	0
3	Shri M K Das, IAS (Director)	0	0		0	0
4	Shri J N Godbole (Independent Director)	0	0		0	0
5	Mrs. Pallavi S Shroff (Independent Director) (upto 05.05.2018)	0	0		0	0
6	Dr. Rajiv I Modi (Independent Director)	0	0		0	0
7	Shri Rajiv Lochan Jain (Independent Director)	0	0		0	0
8	Smt. Vasuben Trivedi (Independent Director) (from 03.08.2018)	0	0		0	0
9	Shri P K Gera, IAS (Managing Director)	0	0		0	0
10	Dr. H B Patel (Chief Financial Officer)	100	0.0001		100	0.0001
11	Shri Sanjay S Bhatt (Company Secretary)	0	0		0	0

V. INDEBTEDNESS :

Indebtedness of the Company including interest outstanding / accrued but not due for payment as on 31st March, 2019.

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	28,630.59	0.00	0.00	28,630.59
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	173.15	0.00	0.00	173.15
Total (i+ii+iii)	28,803.74	0.00	0.00	28,803.74
Change in Indebtedness during the Financial Year				
Addition	0.00	0.00	0.00	0.00
Reduction	-4,167.32	0.00	0.00	-4,167.32
Net Change	-4,167.32	0.00	0.00	-4,167.32

Indebtedness at the end of the Financial Year				
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
Total (i+ii+iii)	24,636.42	0.00	0.00	24,636.42

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) Remuneration to Managing Director, Whole time Directors and/or Manager :

F.Y. 2018-19

Sr. No.	Particulars of Remuneration	Shri P K Gera, IAS, Managing Director
		Rs.
1	GROSS SALARY	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	33,05,182.00
	(b) Value of perquisites u/s. 17(2) of Income Tax Act, 1961	61,648.00
	(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, please specify :	
	Leave salary & Pension Contribution	-
	TOTAL... A	33,66,830.00
Ceiling as per the Act.(@5% of Net Profit of Rs.68,964.73 Lakhs as per Section 197 of the Act) Rs.3,448.24 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.2018-19

Sr. No.	Name	Sitting Fees paid		
		For Board Meetings (Rs.)	For Committee Meetings (Rs.)	Total (Rs.)
1	Dr. J N Singh, IAS	50,000.00	70,000.00	*1,20,000.00
2	Shri Arvind Agarwal, IAS	0.00	10,000.00	*10,000.00
3	Shri M K Das, IAS	20,000.00	60,000.00	*80,000.00
4	Shri J N Godbole	40,000.00	2,40,000.00	#2,80,000.00
5	Dr. Rajiv I Modi	0.00	0.00	@0.00
6	Shri Rajiv Lochan Jain	40,000.00	3,10,000.00	#3,50,000.00
7	Smt. Vasuben Trivedi	30,000.00	80,000.00	#1,10,000.00
	TOTAL...B	1,80,000.00	7,70,000.00	9,50,000.00
	Commission		NIL	
	Others, Please specify		NIL	
	Total Managerial Remuneration (A+B)		Rs. 43,16,830.00	
	Overall ceiling as per the Act		Rs. 3,448.24 Lakhs	

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

10% TDS deducted.

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



C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

F.Y.2018-19

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		CA. Dr. H B Patel ED (Finance) & CFO Rs.	Shri S S Bhatt CS & GM (Legal & CC) Rs.	Total Rs.
1	GROSS SALARY			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	37,89,409.00	28,13,969.00	66,03,378.00
	(b) Value of perquisites u/s. 17(2) of Income Tax Act, 1961	3,08,847.41	6,19,480.00	9,28,327.41
	(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	1,94,318.76	1,42,298.76	3,36,617.52
	– Co. Superannuation	99,996.00	99,996.00	1,99,992.00
	TOTAL	43,92,571.17	36,75,743.76	80,68,314.93

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)
A. COMPANY					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
B. DIRECTORS					
Penalty			NIL		
Punishment			NIL		
Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT					
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 2018-19

As per provisional annual national income of 2018-19 released by National Statistical Office (NSO), the Indian Economy has grown at the rate of 6.8% in the fiscal 2018-19 as compared to 6.7% in the previous year. GDP growth in fourth quarter of 2018-19 has been at 5.8% which was 7.7% in the same period of previous year.

According to 3rd Advance Estimates of crop production 2018-19 provided by the Department of Agriculture, Cooperation & Farmers Welfare (DAC & FW), Ministry of Agriculture, the agriculture, forestry and fishing sector has shown growth rate of 2.9% as against previous year growth rate of 5.0%. While the manufacturing sector is estimated to grow at 6.9% as against the previous year's growth rate of 5.9%. The construction sector is estimated to grow at 8.7% as against the previous year's growth of 5.6%. The financing, real estate and professional services has shown a growth rate of 7.4% as against previous year's growth of 6.2%. The Government spending-linked Public Administration, Defence and other services grew at 8.6%. Trade, hotels, transportation, communication and services related to broadcasting grew at 6.9% during the fiscal compared with 7.8% growth in the earlier year.

Goods and Services Tax (GST) has given a new perceptiveness to the Indian economy. In its second year, GST collections touched Rs. 11.77 lakh crore in the 2018-19 fiscal, with record monthly realisation of Rs 1.06 lakh crore in March, 2019 alone.

India has jumped 23 spots to 77th rank from 100th rank in the World Bank's Ease of Doing Business Report (EODB), 2018. The report also recognises India as one of the top 10 improvers in this year's assessment for second successive time. India has improved its rank in six out of the 10 indicators and has moved closer to international best practices on 7 out of 10 indicators.

A leap jump is achieved in the indicators related to 'Construction Permits' and 'Trading Across Borders'. The rankings reflect the Government's reform measures on a wide range of indicators. In the 'Grant of Construction Permits' indicator, India's ranking improved from 181 last year to 52 in this year's report - a jump of 129 ranks in a single year. In the 'Trading Across Borders' indicator, India's rank improved by 66 positions, moving from 146 in 2017 to 80 in 2018.

A sustained decline in food prices since July, 2018, subsequently complemented by the softening of oil prices and concomitant appreciation of the rupee, has led to a steady

decline in inflation. The average inflation for Financial Year 2018-19 stood at 3.5%, well below the RBI's target-midpoint of 4% as a result, the RBI reduced the Repo rate by 25 basis points (to 6.25%) in February, 2019. However, the current account deficit widened in Financial Year 2018-19.

The long-term growth prospective of the Indian economy is positive due to its major structural reforms, young population, corresponding low dependency ratio, healthy savings and investments rates and increasing integration into the Global Economy.

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 2018-19 has been 35.38 lacs MTPA as against the total installed capacity of approx. 42.76 lacs MTPA i.e. capacity utilization is approx. 82.72%. As against this, during the same period, GACL has produced 4.32 lacs MTPA as against the installed capacity of 4.12 lacs MTPA and achieved capacity utilization of 100.70%. There is change in installed capacity of Caustic Soda compared to last year due to conversion of electrolyzer cell of Caustic Soda to KOH at Vadodara.

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

The additional capacity expansion during Financial Year 2018-19 was approx. 3.96 lacs MTPA in India mainly because of expansion of existing Plants.

The Chlorine supplies to major consumer has been reinstated approx. 80 MTPD through pipeline. 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.

Coupled with this factor, Chlorine demand in various other sectors was also satisfactory and has resulted into achieving more than 100% capacity utilization at our Dahej and 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 42.76 lacs MTPA as on 31.03.2019 as compared to 38.80 lacs MTPA as on 31.03.2018. The total installed capacity of 42.76 lacs 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 2300-2450 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 4,29,050 MT of Caustic Soda as on 31st March, 2019 and enjoys the economies of scale. The Company has about 14% share in the domestic Chlor-Alkali 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 50000:2011 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 the capacity utilization of 99% in Caustic Soda during Financial Year 2018-19 at its Dahej Complex. Further, the Company has achieved optimum capacity utilization of more than 100% in some of the plants/products viz. Phosphoric Acid (104.4%), PAC-18 (100.04%), Anhydrous Aluminium Chloride (105.3%), Stable Bleaching Powder (113.5%) etc. 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, Stakeholders and Mother Nature.

The Company's products basket comprises 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), Chloro-Toluene, 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 14,000 TPA Hydrogen Peroxide Plant at Dahej Complex, Replacement of 700 old generation II elements with more energy efficient generation VB+ elements and 32,000 TPA Poly Aluminium Chloride Plant at Vadodara Complex and 15 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 31st March, 2019. The Company has also commissioned 22.5 MW Solar Power Project for captive use, at Charanka, Dist. Patan, Gujarat. Another 12.5 MW Solar Power Project will be commissioned soon.

BUSINESS, OPERATIONS & FINANCIAL PERFORMANCE

The total production of the products of the Company has increased by 3.42% to 15,92,093 MT during the Financial Year 2018-19 from 15,39,430 MT in previous year despite the unanticipated plant maintenance and shutdowns. The production of Caustic Soda Lye / Flakes / Prills, Potassium Hydroxide, Potassium Carbonate, Caustic Potash Flakes, Chlorine Gas / Liquid Chloromethanes, Phosphoric Acid (85%), Hydrogen Peroxide (100%), Aluminium Chloride, Poly Aluminium Chloride, Chlorinated Paraffin Wax, Chlorotoluene Products and Stable Bleaching Powder has increased during the Financial Year 2018-19 as compared to the previous year.

However, the production of Hydrochloric Acid (30%) and Sodium Chlorate has decreased during the Financial Year 2018-19 as compared to the previous year.

During the Financial Year 2018-19, the Company has achieved highest ever productions in Chlorine Gas / Liquid, Caustic Potash Lye, Caustic Potash Flakes, Chloromethanes, Hydrogen Peroxide (100%) and Aluminium Chloride (Jobwork) at Vadodara Complex and Phosphoric Acid, Caustic Soda Lye, Chlorine Gas / Liquid, Poly Aluminium Chloride, Hydrogen Peroxide (100%), Aluminium Chloride,

Chlorotoluene products and Stable Bleaching Powder at Dahej Complex.

During the Financial Year 2018-19, the Company has achieved highest ever Sales, Profit Before Tax and Profit After Tax.

During the Financial Year 2018-19, the Company has achieved highest ever sales in Caustic Soda Lye, Chlorine Gas / Liquid, Chloromethanes, Hydrogen Peroxide (100%), Aluminium Chloride, Poly Aluminium Chloride, Benzyl Chloride, Benzyl Dehyde, HCl from HBC, Sodium Chlorate and Stable Bleaching Powder.

During the year 2018-19, your Company on standalone basis has achieved highest ever Sales of Rs.3,102.32 crore, as against Rs.2,417.70 crore (excluding Excise Duty) in the previous year.

The Other Operating Income, for the Financial Year 2018-19 had been Rs.59.06 crores, as compared with Rs.34.37 crores for the previous year and the Other Income decreased to Rs.60.77 crores as compared with Rs.105.75 crores for the previous year. The Other Income includes Rs.46.72 crores towards interest income and Rs.13.60 crores for receipt of dividend.

The Earning Per Share has been achieved of Rs.93.91 per share as on 31.03.2019, as compared to Rs.72.85 per share as on 31.03.2018. Cash Earning Per share has been achieved of Rs.157.28 as on 31.03.2019, as compared to Rs.119.50 per share as on 31.03.2018. Book value of Share has improved to Rs.582.35 per share as on 31.03.2019, as compared to Rs.516.58 per share as on 31.03.2018. The Return on Capital Employed achieved at 15.92% as on 31.03.2019, as compared to 13.65% as on 31.03.2018. During the year, the Company has decreased its total debts level to Rs.244.52 crores as on 31.03.2019 as compared to Rs.286.30 crores as on 31.03.2018, which resulted into further improvement in the Debt : Equity ratio to 0.04 : 1 as on 31.03.2019, as compared to 0.06 : 1 as on 31.03.2018.

The overall Raw Material expenses have increased to Rs.860.96 crores as compared to Rs.655.34 crores for the previous year, mainly due to increase in Natural Gas price and increase in production & increase in procurement cost of various raw materials like Salt, Sulphuric Acid, Soda Ash, Aluminium Ingots, Hydrated Lime, Amyl Alcohol, Toluene, Alumina Tryhydrate Powder, Rock Phosphate, Heavy Normal Paraffin, other auxiliary chemicals etc. Electricity charges have increased by 17.56% to Rs.519.72 crores in the current Financial Year from Rs.442.08 crores during the previous year mainly due to adverse price variance & quantity variance.

The cost of Fuel, Natural Gas and Water charges increased to Rs.109.79 crores in the current Financial Year from Rs.79.99 crores during the previous Financial Year due to increase in prices on Natural Gas. Employees' remuneration has increased to Rs.206.96 crores as compared with

Rs.201.39 crores due to normal increment & provisioning requirement as per Ind AS 19. Depreciation and amortization expense has increased to Rs.139.97 crores in the current Financial Year as compared with Rs.127.31 crores for 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 15 MW Solar Power Plant, Hydrogen Peroxide Plant Phase III, Poly Aluminium Chloride Plant & 700 elements of Caustic Soda Plant during the current Financial Year. Other expenses have increased by 25.55% to Rs.358.79 crores in the current Financial Year from Rs.285.78 crores for the previous year. The Finance cost have increased to Rs.20.94 crores from Rs.14.90 crores.

Gross profit has increased to Rs.1,175.93 crores in Financial Year 2018-19 from Rs.892.43 crores in the previous year. The Profit after finance cost but before depreciation and amortization (Cash Profit) has increased to Rs.1,154.99 crores in Financial Year 2018-19 from Rs.877.54 crores in the previous year. Your Company has achieved Profit Before Tax of Rs.1,015.02 crores for the Financial Year 2018-19 as compared to Rs.750.22 crores of the previous year. The Profit After Tax for the year increased to Rs.689.65 crores as compared to Rs.535.02 crores of the previous year.

At Consolidated Level, Gross Profit has increased by 32.02% to Rs.1,177.16 crores during the Financial Year 2018-19 from Rs.891.63 crores in previous year. Consolidated Profit Before Tax has increased by 35.60% to Rs.1,016.25 crores during the Financial Year 2018-19 from Rs.749.42 crores in previous year. Consolidated Profit After Tax has increased by 29.13% to Rs.690.19 crores during the Financial Year 2018-19 from Rs.534.50 crores in previous year.

KEY FINANCIAL RATIOS

Key Financial Ratios (Standalone) for the Financial Year ended 31st March, 2019, are provided here-below :

Ratio	Unit	FY 2018-19	FY 2017-18	% Inc. / (Dec.)
Debtors Turnover	Times	6.97	6.77	2.95
Inventory Turnover	Times	8.88	8.31	6.86
Interest Coverage	Times	56.15	59.91	(6.28)
Current Ratio	Times	3.17	2.67	18.73
Debt Equity Ratio	Times	0.04	0.06	(33.33)
Operating Profit Margin	%	37.90	36.91	2.68
Net Profit Margin	%	22.23	22.13	0.45
Return on Net Worth	%	16.13	14.10	14.40

Explanation for more than 25% change in above mentioned ratios as compared to previous year.

- Debt Equity Ratio has decreased by 33.33% mainly due to repayment of ECB loan.



- Return on Net Worth has increased by 14.40% mainly due to 28.90% growth in PAT as compared to 12.73% 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 keeping synergy among the Green Technologies, present and future needs of organization. The activities are being focused on waste utilization, new products and process development, process improvement, environment friendly technologies, product quality, cost reduction, import substitutes and to achieve the total customer satisfaction.

The work has been successfully carried out to develop a process for making a commonly used fertilizer using the waste generated from Phosphoric Acid Plant. The same philosophy of converting the waste generated into the valuable products has also been applied to the solid waste generated from Caustic Soda Plant. Our efforts are focused to recover the value-added products. The work continued on the catalyst development in collaboration with one of the premier Research Organization of the country.

The other activities carried out successfully included the close monitoring of process streams, raw materials & finished goods quality and cooling water treatment with in-house developed formulations including the technical support in terms of corrosion and microbiological growth monitoring. The technical support to the various Departments was continuously extended, 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 Poly Aluminum Chloride (18%) by 32,000 TPA and Hydrogen Peroxide by 14,000 TPA, by putting up new plants at Vadodara and Dahej, respectively during the Financial Year 2018-19. The Company is also expanding its capacity to produce Stable Bleaching Powder (SBP) and Anhydrous Aluminum Chloride (AAC) by putting up 15,000 TPA SBP Plant and 16,500 TPA AAC Plant at Dahej Complex, which are expected to be operational by January, 2020.

A new 1,05,000 TPA Chloromethanes Plant, 33,870 TPA Phosphoric Acid Plant and 10,000 TPA of Hydrazine Hydrate Plant are at various stages of implementation at Dahej. The Company has also planned to establish 39,600 TPA Chlorotoluenes Plant and Expansion of existing Caustic Soda Plant from 785 TPD to 1,200 TPD along with a 65 MW Coal based Power Plant 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 was incorporated in December, 2015 and the project is under implementation at new complex, D-II/9 at Dahej. The Plant is expected to be operational during the first quarter of the Financial Year 2020-21.

In order to continue promoting Green technology and to meet the Solar Renewable Purchase Obligations, the Company has also commissioned 22.5 MW Solar Power Project for captive use, at Charanka, Dist. Patan, Gujarat. Another 12.5 MW Solar Power Project will be commissioned soon.

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 3.42% to 15,92,093 MT during the Financial Year 2018-19 from 15,39,430 MT in previous year.

Product-wise production details are given in back side of the cover page of this Annual Report. Further, the quantitative product-wise data relating to production and sales for last ten years is 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 increased as compared to previous year due to increase in power generation cost from Captive Power Plant (on account of increase in prices of Natural Gas) and increase 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 and bottom lines. The increase in Net Sales by 28.32% and Other Operating Income by 71.84%, decrease in Insurance Cost by 27.09% are the major factors contributing to the profitability of the Company, during the Financial Year 2018-19. However, due to decrease in Other Income, increase in cost of Raw Materials, Natural Gas, purchase of Traded Goods, Employee Benefit expenses, Finance Costs, Depreciation and Amortisation expense, Net External Electricity Charges, Water, Fuel & Natural Gas Cost, Stores & Spares Parts consumed and Repairs & Maintenance expense, Job Work / Processing Charges, Packing Material Cost, 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

2 to 3 years, considerable numbers of employees will retire from services of the Company due to superannuation. The Company is in process of identifying succession plan and will implement the same in due course of time. Keeping in view, the current trends of Indian and global economy, the time ahead may prop-up newer hurdles. To overcome such hurdles, the Company has planned new projects during next 2 to 3 years, to diversify, add new products, enlarge portfolio and expand its existing capacities. The Company is also considering various Chlorine / HCL based projects so that the production of Caustic Soda can be optimized. It will also enable us to consolidate and maintain our prime position in Chlor-Alkali and other integrated downstream products. Our continuous efforts to upgrade the technology has enabled us to optimize the cost of production and increase revenues. Our commitment to deliver quality products to the customers has ensured that our products are well accepted, both in India and abroad. The customers are assured of timely delivery of quality products through its well-established marketing network.

The Company is operating in a competitive market both in domestic and international sector. However, the increasing cost of power and utilities and 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 requirement with eco-friendly renewable energy in 2018-19, the Company's total Wind Energy Generation Capacity has now gone up to 171.45 MW. The Company has also commissioned 22.5 MW Solar Power Projects for captive use.

Further, the Company has also taken actions to source power from IPPs on bilateral arrangements. The Company competes with manufacturers in China and Middle East, who have their own typical locational advantages with respect to energy cost and size of operations. Domestically, the import of several items is becoming cheaper with reduction in custom duty.

Globally for Chlor-Alkali Industry, Chlorine is the driving product whereas, in India, Caustic Soda is the driving product. Hence, Indian Industry faces competition from cheaper imports with reduction in custom duty. To protect against unfair competition in products like Caustic Soda Lye / Flakes and Potassium Carbonate, the Indian manufacturers had approached the Designated Authority to impose Anti-dumping duty against such imports and Anti-dumping duty has been imposed on imports of these products from various countries.

All Chemical products generally pass through cyclic phase. While some products are in short supply, some others do not move satisfactorily. Owing to availability of more than 36 products in its basket, the products in short supplies provide some leverage against slow moving products.

The Company had only single source procurements for

the raw materials viz., Rock Phosphate from Jordan and Potassium Chloride from Canada. Efforts are on to search for other suppliers of the above materials of technical suitability for the designed plant at present, through domestic dealers / foreign suppliers.

Further, the Company has taken necessary actions to ensure that in the new Food Grade Phosphoric Acid Plant by designing the plant in such a way that it will be possible to use different types of Rock Phosphate.

Amicable Settlement with GAIL

GACL had entered into two separate Gas Sale Agreements with GAIL in the year 2008 i.e. One Agreement for Dahej Complex and another Agreement for Vadodara Complex. There is a clause of Take or Pay Liability in the said Gas Sale Agreements, as GAIL has made back to back arrangements with RAS Gas, Qatar and the same clause is also there in their Agreement with RAS Gas. Till 2013, GACL was able to fulfill the requirement of Take or Pay Clause by utilizing appropriate quantities of gas in both Complexes i.e. Dahej and Vadodara. However, in 2014, GAS price was suddenly increased and it became unviable for GACL to utilize the gas at Dahej Complex.

Since GACL could not utilize minimum quantity of gas for 2014, GAIL had raised a demand under Take or Pay Liability clause for Rs. 101.01 Crore vide letter dated 27th February, 2015. The said Take or Pay Liability was later on reduced to Rs. 42.07 Crores. Further, GAIL had reworked the said liability on the basis of loss suffered by GAIL due to under-utilization of RLNG in case of various consumers and had offered GACL to settle the matter by paying one time settlement amount of Rs.7.09 Crores on the basis of actual loss suffered by GAIL.

Meanwhile, there was another development on the front of a Petition filed by GAIL before Petroleum and Natural Gas Regulatory Board (PNGRB), wherein, PNGRB had ordered GAIL to change levy of transportation charges from back date in one of the other Contracts GAIL had with GACL for the supply of gas. As per the said Order, GACL Dahej Complex got credit note of Rs. 10.83 Crores from GAIL due to difference between rate of the transportation charges as levied by GAIL and approved by PNGRB. Simultaneously, GACL Vadodara Complex got a Debit Note of Rs.2.06 Crores towards this. Thus, net amount payable by GAIL to GACL came to Rs.8.77 Crores towards difference in transportation charges considering netting off of the one time settlement amount of Rs.7.09 Crores by GACL against the amount payable by GAIL to GACL after taking into account tax, GAIL was required to pay GACL an amount of Rs. 0.40 Crores.

Accordingly, the Board of Directors in its 368th Board Meeting held on 03.08.2018 approved the settlement and as per the said approval an Indenture of Agreement was signed on



29.09.2018 along with Side Letter issued by GAIL which mainly included combining of two separate agreements in to one Agreement, waiver of TOP by GAIL for the years 2015, 2016 & 2017 adjusting of amount payable by both parties to the other and netting off of the settlement amount etc.

The said Indenture of Agreement and Side Letter were placed before the Sole Arbitrator on 16.11.2018. The Sole Arbitrator disposed off the matter as amicably settled vide Order dtd. 16.11.2018.

Dispute with Delhi Jal Board

The Competition Commission of India (CCI) vide its Order dated 5th October, 2017 imposed penalty of Rs.1.88 Crores on the Company for impugned violations of provision of Competition Act, 2002. The Company has filed an Appeal before the NCLAT challenging the order of the CCI. The Hon'ble NCLAT through its Order dated 4th December, 2017 granted stay on the operation of the impugned order of the Hon'ble Commission. The Company had deposited 10% of the imposed penalty i.e. Rs.18.80 Lakhs as per the Order of the NCLAT. The matter is pending before the NCLAT.

Merger of BECL with GSECL

GACL was one of the promoters of Bhavnagar Energy Company Ltd. (BECL) and was holding 7,12,20,000 Equity Shares of Rs. 10/- each aggregating to Rs.71.22 Crores in BECL, which represents 6.75% of the total Equity Share Capital of BECL. The Government of Gujarat, vide Notification dated 27th August, 2018 in terms of Gujarat Electricity Industry (Re-organisation and Regulation) Act, 2003, formulated the Gujarat Electricity Reform (Transfer of Generation Undertakings) Scheme, 2018, whereby, BECL shall be merged with effect from 1st April, 2018 into Gujarat State Electricity Corporation Limited (GSECL). In view of this scheme of Merger, the Company has received Original Share Certificate for One (01) Equity Share of Rs.10/- from GSECL against 7,12,20,000 Equity Shares of Rs.10/- each of BECL. Accordingly, during the year, the Company has impaired its investment in BECL by debit to Other Comprehensive Income.

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 repaid in 10 equal half yearly instalments 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 nos. Cell Elements at Ranoli Dist. Vadodara, Gujarat and 440 nos. Cell Elements at Dahej, Dist. Bharuch, Gujarat. It has to repaid in 15 equal half yearly instalments 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 Executive Director (Finance) & CFO 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 100 listed companies by market capitalization) 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 Risk Management Committee of Directors w.e.f. 11th February, 2016. Shri Rajiv Lochan Jain had been appointed as the Chairman of the said Committee w.e.f. 28th September, 2018. As on 31st March, 2019, below are the members of Risk Management Committee:

1. Shri Rajiv Lochan Jain, Chairman;
2. Shri J N Godbole; and
3. Shri P K Gera, IAS.

The said Risk Management Committee was renamed as "Risk Management-cum-Safety Committee" w.e.f. 10th 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 to 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 Joint Venture Company is 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. Plants are integrated in such a way that part of finished product of one plant is consumed as a raw material in other plant.

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 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) at SBP Plant 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 & regional penetration in North & South market, we are successful in selling our SBP among various segments like Water Treatment plants, Disinfection, 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 some 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 CPW to Europe, West Asia, South East Asia, Africa, Middle East/Far East, SAARC countries etc.

The Company is facing import threat 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.

As, approx. 60% of the total production capacity of India is located in Western region, a cut through competition is observed due to approx. 10-15% surplus supply over actual current demand.

GACL has catered the market of Eastern India & accordingly, we have successfully executed supplies to M/s. NALCO and M/s. Vedanta.

To remain competitive in distant markets, wherein transportation cost is a major constrain – a multi modal logistic option is successfully opted.

Supply of Caustic Soda Lye through Sea route to M/s. NALCO and M/s. Vedanta is already in vogue & accordingly, all arrangements have been made to store required quantum of Caustic Soda Lye at the storage tank of GCPTCL, Dahej.

During the Financial Year 2018-19, GACL has procured



and traded approx. 2,058 MT of Caustic Soda Lye (CSL) to cater the domestic consumers.

FOREIGN EXCHANGE EARNINGS AND OUTGO

GACL has taken pro-active approach for various activities related 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 IS/ISO 9001, 14001, 18001 & 50001 as also registration of Benzyl Alcohol with 'REACH'.

The details of foreign exchange earnings and outgo during the Financial Year 2018-19 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 50000:2011 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 neighborhood 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 initiated 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 Mock-drill.

Adequate steps have been taken for pollution control, green belt development 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 24000 sq. mts. green area including lawn gardens in the Plant area. A recharge Bore well has been constructed for harvesting rainwater to effectively recharge ground water table and raising the ground water level. In the field of water conservation, GACL has installed wastewater recycling RO Plant for converting wastewater

into reusable water. Daily 400 to 500 M³ 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 developed.

To make a remarkable leap towards sustainability, the Company has started sending the significant portion of hazardous waste generated at Dahej Complex to cement industries as their raw material. This is an alternative to existing practice of Landfilling.

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

Vadodara Enviro Channel Ltd. (VECL) has filed case in High Court asking 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, has advised Gujarat Pollution Control Board (GPCB) to maintain status-quo till further order. VECL has also submitted action plan and Bank Guarantee under protest. Advocate for GPCB insisted that VECL should be directed to go to National Green Tribunal and the Petition should not be entertained. Hon'ble High Court has kept this contention open and will decide about it.

Subsequently, VECL has submitted application for revocation of the GPCB Closure Order also and paid Bank Guarantee of Rs.55 Lakhs under protest. VECL has given it action plan taking all possible help of GPCB, 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 fulfill 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.

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.

Your Company always comes forward with relevant aid to the society at large; One of the major achievement was in the field of Education:

- Smart class project was initiated during this year. Under this project, 141 LED TV sets along with android boxes, e-content in pen drives and cabinets were installed in 27 schools of Vagra Taluka and 1 school of Chhotaudepur Taluka. Orientation workshop was conducted in all the schools after installation of TV sets.
- Contributions were made towards construction and refurbishment of Anganwadis of Rahiyad and Koliyad villages of Vagra Taluka of Bharuch District.
- Dhvani Trust of Bharuch, which is running a school for deaf and mute was also supported for organizing fund raising event and was part of smart class project.

Another breakthrough was in the field of Special Children:

- A Home for Mentally Differently-abled Children was adopted from Department of Social Justice and Empowerment of Government of Gujarat on PPP model on 1st September, 2017. The infrastructure of the institute has been improved with total expenditure of around Rs.1.5 Crores. The institute has its own a state of art school and vocational center within its residential complex where at present, 50 mentally differently abled, destitute children are under the care.
- Supported other institutions like Seva Tirth and Dhvani Trust who are working for special children.

Being promoted by the Government, support was extended to Government Initiatives like Women Health, Swachh Bharat Mission, Reduction of IMR and MMR Rates and Rural Development under the thematic area of Healthcare, Hygiene and Sanitation:

- In its endeavour to contribute in reduction of IMR and MMR, at the request of Government Doctors, a facility of Ultra Sonography for expectant High risk mothers at highly subsidized rates at four private clinics of Chhotaudepur District has saved many lives of mothers and babies. Till date, around 2,500 beneficiaries have been benefitted under this initiative.
- GACL Education Society has initiated 3 years (2018-19, 2019-20, 2020-21) unique project "HARSH" started in August 2018, there are following components:
 - i) To develop Bio Shield along the mouth of Narmada river at Suva village, measuring 40 hectors through establishing mangrove & pilu plants and fodder plants. Presently, 26,000 plants of pilu and Unt Morad have been planted near sea at Suva village.
 - ii) Advocacy for hygiene and sanitation. Initiate and setup a community based Sanitation Maintenance

Support (SMS) Programme in all 31 villages aimed at effective solid waste management and improving quality of external environment. The Company will be contributing to Swachha Bharat Abhiyan through this activity. The Company has initiated a women led program, which focuses on management of household solid waste in the villages by institutionalizing a system of garbage collection and segregation, processing of organic waste and selling of recyclable waste. In order to carry out the programme, the Company has planned to set up Women's Committee, Swachhata ane Swasthya Samitees (SSS) in each village within 3 years of span. The SSS would plan, implement and carry out the program. Presently, 13 such committees have been formed.

- iii) Generate demand to build 1000 toilets in 31 identified villages in 3 years. Presently, 106 toilets work is under progress in 6 villages.
- iv) The project covers about 1000 families belonging to Rathod and Vasava, Scheduled Tribe communities in 31 villages of Dahej Region, Vagra Taluka, Bharuch District.

- PRERNA project is initiated in Chhotuaudepur District, Vadadodara District and Vagra Taluka with an objective of spreading awareness on maintenance of menstrual health and hygiene. Under this project, sanitary napkins are made available to adolescent girls & women of tribal area at a subsidized rate.
- Community toilets and school toilets were constructed in Asoj village and Sherghi Village of Vadodara District. As an endeavour to encourage self-sustained model of entrepreneurship, two projects were taken up under livelihood Activities:
 - Fishing kits were distributed to 70 beneficiaries of Suva and Koliyad village.
 - Support to ongoing Self Employment Entrepreneurial Development Section (SEEDS) program implemented at VIVEC by Shroffs Foundation Trust. Till date, 80 students have received the training in various trades and 21 start-up kits have been distributed to support their entrepreneur dreams.

To promote the Government initiative of tourism and Digital India efforts to uphold the cultural legacy were also embarked upon to promote Art, Culture and Heritage. A Mobile application and Website called "VadodaraByFoot" has been launched. This has enabled the heritage enthusiast to experience the rich culture and heritage of Vadodara city via self-guided tours covering 57 monuments in 6 walks. Currently, voiceovers are in Gujarati, English and Hinglish languages.



Various other CSR activities were undertaken by the Company during the Financial Year 2018-19 :

- Support was given for deepening of ponds of Dashrath and Sokhda Villages of Vadodara District, Vav Village of Bharuch District and Magardev Village of Narmada District under Sujalam Sufalam Jal Abhiyan. It has increased water storage capacity.
- Support for organizing Ekta Rath Yatra.
- Support for Systematic Voters Education and Electoral Participation programme (SVEEP).

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 behaviors the company needs to achieve.

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

Human Resource Development Management plays a strategic role in managing people and the workplace culture and 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 fulfill its goals.

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

The Company's HR department has its eyes set on acquiring the right talent and providing career development opportunities. The high-performing culture among employees helps to achieve superior results. It starts by setting clear business goals, defining responsibilities, creating and maintaining a trusting environment, and encouraging employees to continuously grow and reinvent themselves.

HR training and development focusing on developing new skillsets like critical thinking and problem solving, agility and adaptability, initiative and entrepreneurship, assessing and analyzing information, curiosity and imagination. During the Financial Year 2018-19, the Company had achieved remarkable record of 19,000 training hours.

INFORMATION TECHNOLOGY

GACL considers the effective use of Information Technology (IT) and business analytic as essential in raising productivity and achieving excellence in its business operations.

During the year, the Information Technology continues to play a pivotal role to support in the growth of the Company and align with Company's business strategy. Information Technology organization has built a secure and robust IT infrastructure, with easy and efficient use of systems and services to all stakeholders, and to provide accurate and timely data for management decisions.

IT systems are constantly updated, upgraded and expanded to facilitate the business. It also provides information required by its business partners through Website. Information about the Company is available on its Website www.gacl.com

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/-
(Dr. J N SINGH, IAS)
CHAIRMAN

Place: Gandhinagar

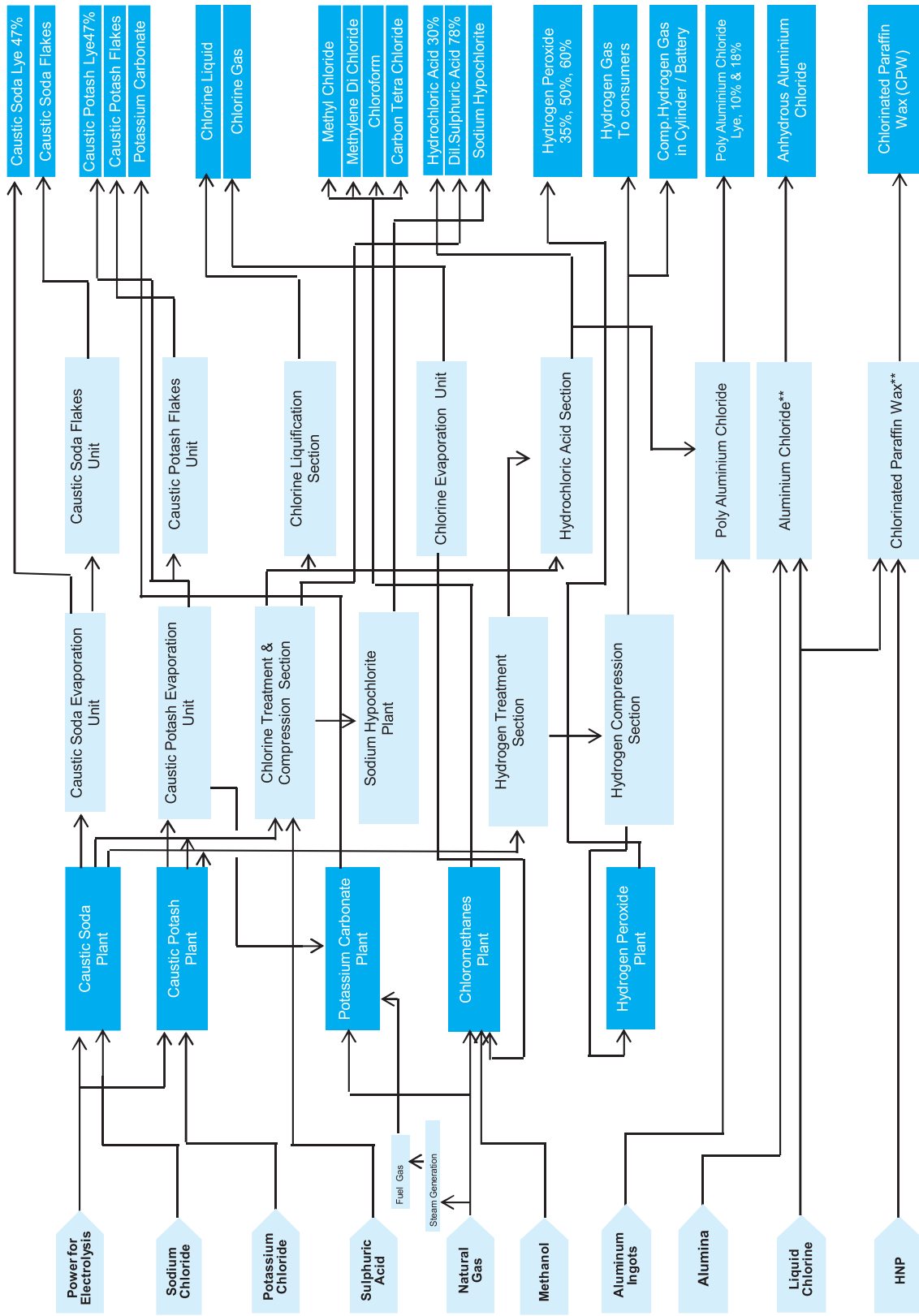
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QUANTITATIVE DATA FOR TEN YEARS

PARTICULARS	UNIT	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
PRODUCTION :											
CAUSTIC SODA LYE	MT	432407	403090	403847	384925	383834	379846	364733	383690	415124	414094
CAUSTIC SODA FLAKES	MT	122267	108214	125994	127376	124531	134593	137958	143809	166705	169594
CAUSTIC SODA PRILLS	MT	11330	8595	5981	9104	9237	17406	14976	16747	20822	18204
CHLORINE GAS / LIQUID	MT	398762	372361	372420	355921	353295	348380	333206	354942	382713	380236
HYDROCHLORIC ACID (30%)	MT	310216	374675	377866	341220	338211	326429	303920	273522	293329	313810
CAUSTIC POTASH LYE	MT	24761	24087	23120	23540	20915	18728	15906	23722	23596	21121
POTASSIUM CARBONATE	MT	7872	7870	8512	8058	5912	7001	6476	10553	11945	11002
CAUSTIC POTASH FLAKES	MT	13508	13263	12115	13323	13025	10234	7867	11891	11841	10315
CHLOROMETHANES	MT	51325	32742	36097	38000	38530	37888	34417	36026	35626	34558
SODIUM CYANIDE	MT	-	-	-	102	1549	1898	1844	2644	2635	2802
PHOSPHORIC ACID (85%)	MT	27555	27418	27517	27392	25732	25075	24125	23191	23645	21386
HYDROGEN PEROXIDE (100%)	MT	48414	45017	45318	43028	38127	29039	31329	27465	26304	26804
ALUMINIUM CHLORIDE	MT	37494	35085	33887	31265	29573	29189	23823	25542	27249	19891
CALCIUM CHLORIDE	MT	-	-	-	-	6889	9169	8204	8822	8789	8762
POLY ALUMINIUM CHLORIDE	MT	51919	37989	35775	33481	30022	27792	25903	28638	28972	22786
CHLORINATED PARAFFIN WAX	MT	5620	3572	3267	3911	7860	8004	8577	7862	6943	7780
CHLOROTOLUENE PRODUCTS	MT	11606	9134	8451	7873	6570	6154	4821	4107	1649	91
STABLE BLEACHING POWDER	MT	17030	16200	12830	10108	8999	9006	6456	3304	139	-
SODIUM CHLORATE	MT	20006	20118	17575	11570	4977	22	-	-	-	-
POWER GENERATION	MU KWH	365.99	361.86	336.00	258.56	199.82	354.68	475.33	633.14	730.82	783.37
POWER GENERATION - WIND FARM	MU KWH	387.15	357.76	340.38	259.28	207.63	173.79	184.54	164.13	153.58	128.59
SALES :											
CAUSTIC SODA LYE	MT	293465	271296	268563	244492	237720	222274	193874	211060	215028	211977
CAUSTIC SODA FLAKES	MT	122462	108332	125884	128870	125811	136076	135119	144648	165938	169356
CAUSTIC SODA PRILLS	MT	11089	8120	5954	9146	9764	16828	15481	16553	20617	18194
CHLORINE GAS / LIQUID	MT	315744	261712	276816	273103	268066	265875	257897	283552	305886	296665
HYDROCHLORIC ACID(30%)	MT	277197	336680	343044	302874	301045	291099	270689	230671	251508	273983
CAUSTIC POTASH LYE	MT	5049	5208	4231	3828	3637	2886	3420	3419	2613	2161
POTASSIUM CARBONATE	MT	7624	8128	8627	7152	6414	6379	7250	10061	12196	10550
CAUSTIC POTASH FLAKES	MT	13188	13573	12299	12983	13104	10041	8401	11677	11747	10170
CHLOROMETHANES	MT	50379	33715	35786	37923	39990	39360	32401	34916	35377	34719
SODIUM CYANIDE	MT	-	-	-	280	1448	1854	1911	2407	2648	2637
PHOSPHORIC ACID (85%)	MT	27636	28154	27180	27029	27228	24312	25656	22491	24051	21633
HYDROGEN PEROXIDE (100%)	MT	48410	44132	45264	43856	37735	28932	31018	27824	25871	26981
ALUMINIUM CHLORIDE	MT	36759	35358	35066	31112	29988	29095	25114	23607	25966	22455
CALCIUM CHLORIDE	MT	-	-	-	1500	7376	8799	8995	8300	8809	8398
POLY ALUMINIUM CHLORIDE	MT	48651	36584	37774	35337	29647	28394	26530	30013	31345	23956
CHLORINATED PARAFFIN WAX	MT	5592	3688	3259	3798	8410	7501	8611	7783	7158	7800
HYDROCHLORIC ACID - CP	MT	8980	5936	5559	6489	13193	13595	14559	12837	11682	12912
BENZYL CHLORIDE	MT	4744	3391	3467	2955	2698	2447	2067	1718	1172	91
BENZYL DEHYDE	MT	1654	1555	1364	1170	968	744	547	366	178	-
BENZYL ALCOHOL	MT	4421	4433	3649	3519	3062	2704	2626	1455	165	-
HCL FROM HBC	MT	15971	13033	12087	14710	11701	12024	7164	2772	1797	-
SODIUM CHLORATE	MT	20151	20121	17667	11389	4879	-	-	-	-	-
STABLE BLEACHING POWDER	MT	16949	16203	12990	9981	8998	8984	6476	3131	74	-
POWER TO GRID	MU KWH	40.87	38.93	7.83	10.21	5.91	13.26	33.90	28.64	34.13	44.99
SALES VOLUME (EXCL. INTER-UNIT)	Rs./Cr.	3102.31	2417.70	2020.25	1955.97	1931.81	1882.85	1794.31	1698.22	1423.17	1278.08



VADODARA COMPLEX WITH UNIQUE - PRODUCT MIX

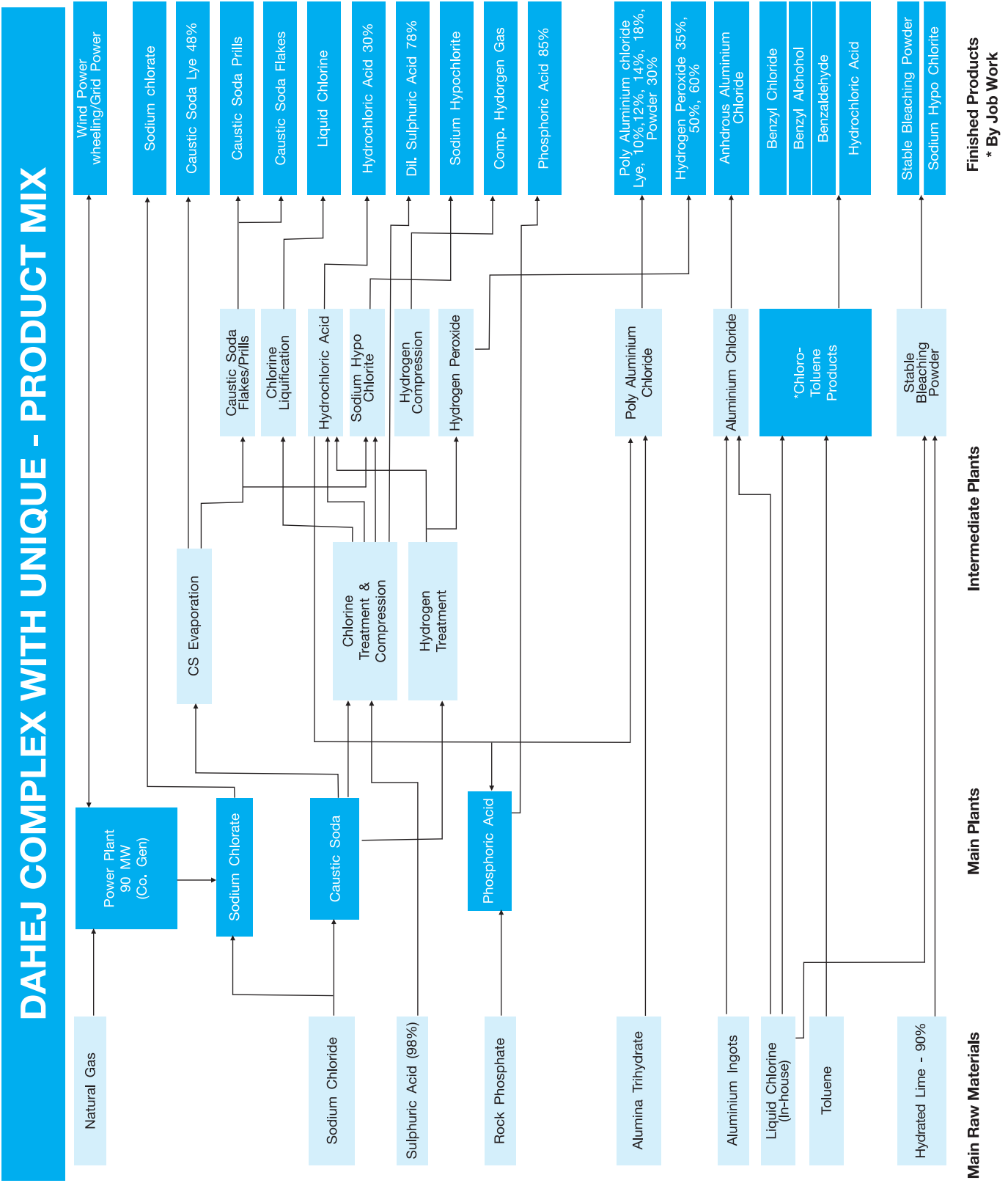


Finished Products
** By Job Work

Intermediate Plants

Main Plant

Main Raw Material





STANDALONE FINANCIAL HIGHLIGHTS OF TEN YEARS

PARTICULARS	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
(Rs. in Lakhs)										
OPERATING RESULTS										
GROSS INCOME / TOTAL REVENUE	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	1,33,371
GROSS PROFIT	1,17,593	89,244	50,554	38,007	32,287	40,373	51,402	41,129	28,127	29,019
FINANCE COSTS	2,094	1,490	1,283	993	933	635	834	2,053	2,117	1,748
DEPRECIATION AND AMORTIZATION EXPENSE	13,997	12,732	11,092	10,744	9,806	15,065	15,152	15,115	13,312	12,155
PROFIT/(LOSS) BEFORE INVESTMENT										
ALLOWANCE RESERVE & TAXATION	1,01,502	75,022	38,178	26,270	21,548	24,673	35,416	23,961	12,698	15,116
PRIOR PERIOD ADJUSTMENTS (NET)	-	-	-	-	-	18	14	20	(13)	488
OTHER EXCEPTIONAL ITEM	-	-	-	-	-	-	1,719	1,599	-	-
PROFIT/(LOSS) BEFORE TAX	1,01,502	75,022	38,178	26,270	21,548	24,655	33,683	22,342	12,711	14,628
PROVISION FOR TAXATION :										
- CURRENT INCOME TAX-MAT	26,938	18,481	8,140	5,425	4,333	-	-	-	2,387	2,370
- DEFERRED INCOME TAX	4,456	3,335	4,424	4,003	(1,195)	1,358	882	1,139	(307)	3,848
- PROVISION FOR TAXATION INCLUDING WEALTH TAX	-	-	-	-	-	6,730	10,238	5,842	-	-
- UNDER FRINGE BENEFIT TAX	-	-	-	-	-	-	-	-	-	-
- MAT CREDIT ENTITLEMENT	-	-	(5,196)	(5,147)	(4,333)	-	-	-	(799)	(2,369)
- EXCESS PROVISION FOR INCOME TAX OF EARLIER YEARS WRITTEN BACK	1,143	(296)	-	-	(43)	(1,935)	(972)	-	-	(6,405)
PROFIT/(LOSS) AFTER TAX	68,965	53,502	30,810	21,989	22,786	18,502	23,535	15,361	11,430	17,184
OTHER COMPREHENSIVE INCOME	(15,808)	(2,498)	16,035	(76)	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	53,157	51,004	46,845	21,913	22,786	18,502	23,535	15,361	11,430	17,184

Note : The above figures are as per the annual report of respective years, except for F.Y. 2015-16 recasted as per Ind AS.

SOURCES AND APPLICATION OF FUNDS

(Rs. in Lakhs)										
SOURCE OF FUNDS :										
SHARE CAPITAL	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344
RESERVES & SURPLUS	4,22,322	3,74,919	3,28,334	2,85,467	2,67,531	1,89,029	1,73,963	1,53,435	1,40,634	1,31,764
BORROWINGS (NET)	18,751	23,414	29,118	22,522	9,238	15,589	21,065	31,144	35,216	32,324
OTHER LONG TERM LIABILITIES	-	-	-	-	-	-	1,781	1,628	857	-
LONG TERM PROVISIONS	9,688	9,071	8,050	7,030	6,464	4,936	4,275	2,672	2,710	-
DEFERRED TAX (NET)	44,591	35,098	30,642	32,537	33,348	33,632	33,471	32,589	31,450	31,757
TOTAL FUNDS EMPLOYED	5,02,696	4,49,846	4,03,488	3,54,900	3,23,925	2,50,530	2,41,899	2,28,812	2,18,211	2,03,189
APPLICATION OF FUNDS :										
FIXED ASSETS (GROSS)	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	2,87,996
LESS : DEPRECIATION	49,017	33,375	22,151	10,507	1,90,880	1,79,825	1,65,716	1,53,390	1,41,260	1,27,100
FIXED ASSETS (NET)	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	1,60,896
INVESTMENTS	1,06,634	1,14,716	1,01,716	85,467	84,426	18,184	17,233	16,108	15,620	14,051
LONG TERM LOANS AND ADVANCES	2,264	2,030	2,049	1,989	1,948	18,388	3,436	10,763	9,968	-
OTHER NON-CURRENT ASSETS	22,671	17,606	17,319	22,883	19,277	2,126	4,158	2,742	2,231	-
CURRENT ASSETS (NET)	1,10,357	79,881	59,984	54,171	45,500	47,352	40,631	34,924	33,503	28,242
MISC. EXP. TO BE WRITTEN OFF	-	-	-	-	-	-	-	-	-	-
TOTAL FUNDS APPLIED	5,02,696	4,49,846	4,03,488	3,54,900	3,23,925	2,50,530	2,41,899	2,28,812	2,18,211	2,03,189
DEBT EQUITY RATIO	0.04 : 1	0.06 : 1	0.09 : 1	0.08 : 1	0.03 : 1	0.08 : 1	0.12 : 1	0.20 : 1	0.24 : 1	0.24 : 1

AMOUNT PER EQUITY SHARE OF Rs.10/-

(in Rs.)										
EARNING PER SHARE	94	73	42	30	31	25	32	21	15	23
SALES PER SHARE	422	329	275	266	263	256	244	231	194	174
DIVIDEND	8.00	6.50	5.00	4.50	4.50	4.00	3.50	3.00	3.00	3.00
BOOK VALUE	582	517	451	391	369	263	242	214	197	185
MARKET PRICE :										
HIGH	792	932	434	210	237	222	217	167	146	156
LOW	416	380	162	143	155	141	115	119	106	59

Note : The above figures are as per the annual report of respective years, except for F.Y. 2014-15 & F.Y.2015-16 recasted as per Ind AS.

CORPORATE GOVERNANCE REPORT

The disclosure report on compliance of Corporate Governance in accordance with the provisions contained in Regulations 17 to 27, 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 enhance efficiency as an important catalyst in driving business growth across parameters and boost 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 dealings 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 31st March, 2019. 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 Diversity Policy of the Company requires the Board to have appropriate mix of diversity, skills, experiences and expertise in the areas like Production, Management, Quality Assurance, Finance, Legal Compliances, Sales and Marketing, Supply Chain, Research and Development, Human Resources etc.

The Board, as on 31.03.2019 comprise of members, who has accounting or related financial management expertise, chemical expertise and expertise in the field of management and administration. Other members are IAS Officers having vast experience in the various areas.

The Brief Profiles of the Directors on Board as on 31st March, 2019 are as under:

Dr. J N Singh, IAS, Chairman: Dr. J N Singh is a Senior IAS Officer of 1983 batch. He is Chief Secretary, Government of Gujarat. He has very rich and varied experience in various Departments of Government of Gujarat and Government of India. He has served largely in Infrastructure & Finance Sector including Industrial Infrastructure, Power, Telecom, Information Technology, Highways, Water, etc. He was Additional Chief Secretary, Finance Department, Government of Gujarat in the Years 2014-15 & 2015-16, Jt. Managing Director of GIDC, Member of Gujarat Electricity Board and Managing Director of Sardar Sarovar Narmada Nigam Limited. He was Director (Marketing) of GACL during the period from 22.04.1995 to 01.09.1995.



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Directorships in other Listed Companies as on 31.03.2019 :

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

Shri Arvind Agarwal, IAS, Non-Executive Director: Shri Arvind Agarwal, IAS is a Senior IAS Officer of 1984 batch. He is Additional Chief Secretary, Finance Department, Government of Gujarat. He has very rich and varied experience and has held distinguished positions in Government of Gujarat viz. District Development Officer and Collector – Bharuch, Labour Commissioner, Industries Commissioner, Additional Chief Secretary, Education, Industries & Mines Departments, Government of Gujarat. He was awarded as “Best Collector” during his posting in Bharuch. He was Managing Director, Gujarat State Financial Corporation Limited, Vice Chairman & Managing Director, Gujarat Industrial Development Corporation (GIDC). He has rich experience in the field of Finance, Management and Administration. He has authored a Book in Gujarati language viz. “Panchayat Parichay”.

Directorships in other Listed Companies as on 31.03.2019 :

Sr. No.	Name of the Company	Position
1.	Gujarat State Fertilizers & Chemicals Ltd.	Director
2.	Gujarat State Petronet 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 Principal Secretary, Industries & Mines Department, 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; Director (J&K Affairs), Home Ministry, Government of India; Principal Secretary, Food, Civil Supplies & Consumer Affairs Dept., Government of Gujarat. He is Director on the Board of Gujarat Mineral Development Corporation Ltd., Dahej Sez Ltd., Dholera International Airport Co. Ltd.

Directorships in other Listed Companies as on 31.03.2019 :

Sr. No.	Name of the Company	Position
1.	Gujarat Mineral Development Corporation Ltd.	Director

Shri J N Godbole, Independent Director : Shri J. N. Godbole is having 37 years of wide experience which includes 5 years in SSI Sector as Production In-charge and 27 years with IDBI in various positions and departments such as Project Financing, Rehabilitation, Business Development etc. For 5 years, he was in Sabah, Malaysia as Advisor for a mega Pulp and Paper/Timber complex (\$ 0.7 Billion) and Project Coordinator for mega gas utilization project of USD 1 Billion. He was the Executive Director of IDBI for 6 years during this period, he was Chairman of CDR Empowered Group, which was instrumental in preventing formation of NPA in the Banking Sector. At the time of retirement, he performed the functions of Chairman and Managing Director of IDBI.

Directorships in other Listed Companies as on 31.03.2019 :

Sr. No.	Name of the Company	Position
1.	J K Cements Ltd.	Independent Director
2.	Emami Paper Mills Ltd.	Independent Director

Sr. No.	Name of the Company	Position
3.	Kesar Terminals & Infrastructure Ltd.	Independent Director
4.	Zuari Agro Chemicals Ltd.	Independent Director
5.	Saurashtra Cement Ltd.	Independent Director
6.	Zuari Global Ltd.	Independent Director

Shri J N Godbole has resigned from the Directorship of the Company w.e.f. 30.05.2019.

Dr. Rajiv I Modi, Independent Director : Dr. Rajiv I. Modi is a Ph. D in Biological Science from the University of Michigan, USA and B.Tech in Chemical Engineering from IIT, Bombay. He is Chairman and Managing Director of Cadila Pharmaceuticals Ltd; Ahmedabad and on the Board of other Cadila Group companies. He has been actively associated with the Gujarat Chamber of Commerce and Industry and also Chairman of CII, Gujarat State Council. Dr. Modi had led a delegation to Japan to promote Vibrant Gujarat Investors meet in 2009. He was the Chairman of the Confederation of Indian Industries, National Committee on Pharmaceuticals for the years 2015-16 to 2017-18. He is also Chairman on the Board of Governors of Indian Institute of Technology, Guwahati.

Directorships in other Listed Companies as on 31.03.2019 :

Sr. No.	Name of the Company	Position
NIL		

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 and also as Independent Director of Tara Jewels Limited from September, 2010 to February, 2018. 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. He also serves as an Independent Director on the Board of other Companies viz. Fresenius Kabi Oncology Limited and Goodyear India Limited.

Directorships in other Listed Companies as on 31.03.2019 :

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

Smt. Vasuben Trivedi, Independent Director: Smt. Vasuben Trivedi is M.A.; LL.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, Woman 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 31.03.2019 :

Sr. No.	Name of the Company	Position
NIL		

Shri P K Gera, IAS, Managing Director: Shri Prem Kumar Gera is a Senior IAS Officer of 1985 batch. He has done B.Sc. (Elec. Engg.) (Hons.), M.Sc. (Public Economy Management), M. Phil., and Post Graduation in Economics. He is having experience of more than 34 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 previous 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 31.03.2019 :

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

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. Web link: http://www.gacl.com/upload_files/841a8_toa_director.pdf?nv=2&snv=4 During the Financial Year, Smt. Vasuben Trivedi has been appointed as woman Independent Director w.e.f. 03.08.2018 vice Mrs. Pallavi S. Shroff.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI 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 is available on the Website of the Company.

(weblink: http://www.gacl.com/upload_files/26a0b_FAMILIARIZATION_PROGRAM.pdf)

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;
- 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;
- A brief presentation on Company.
- Corporate film.

MEETING OF INDEPENDENT DIRECTORS

As per Regulation 25 of the SEBI Listing Regulations and under the provisions of the Companies Act, 2013, a separate Meeting of the Independent Directors was held on 24th May, 2018 *inter-alia*, to review the performance of Non-Independent Directors, Chairperson 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 and Shri Rajiv Lochan Jain, Independent Directors were present at the Meeting.

On 2nd November, 2018, another separate Meeting of the Independent Directors was held with all the Auditors viz. Statutory Auditors, Cost Auditors, Internal Auditors and Secretarial Auditors and the Independent Directors discussed with them on their scope of work, information flow, Audit observations and other matters relating to respective Audits. All the Auditors expressed their satisfaction on the information flow and availability of records for the Audit being carried out by them and also upon internal control procedures and compliances of various laws made by the Company. Shri J N Godbole, Shri Rajiv Lochan Jain and Smt. Vasuben Trivedi, Independent Directors were present at the said Meeting.

CODE OF CONDUCT

The Board of Directors of the Company on 29th December, 2005, has 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 5th February, 2015.

The Code of Conduct for the Directors and Senior Management Personnel is available on the Company's Website at weblinks: http://www.gacl.com/upload_files/385ac_directors.pdf and http://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 2018-19. A declaration by the Managing Director to this effect is provided at **Annexure '1'** 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 46th 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 2018-19, Five (5) Board Meetings were held, as per the following details:

Quarter	Date(s) of Meeting
1 st Quarter – From April to June, 2018	24 th May, 2018
2 nd Quarter – From July to September, 2018	3 rd August, 2018 & 28 th September, 2018
3 rd Quarter – From October to December, 2018	2 nd November, 2018
4 th Quarter – From January to March, 2019	31 st January, 2019

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

As on 31.03.2019

Name and Category of Directors	No. of Board Meetings of GACL attended	Attendance at last AGM of GACL held on 28.09.2018	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 Non-Executive Chairman (from 31.08.2016)	5	Yes	8	2	Nil
Shri Arvind Agarwal, IAS Non-Executive Director (from 04.06.2018)	Nil	No	9	1	Nil
Shri M K Das, IAS Non-Executive Director (from 03.08.2017)	2	No	11	1	Nil
# Shri J N Godbole Independent Director (upto 30.05.2019)	4	Yes	7	9	3
Dr. Rajiv I Modi Independent Director (from 01.10.2014)	4	Yes	7	3	Nil

Name and Category of Directors	No. of Board Meetings of GACL attended	Attendance at last AGM of GACL held on 28.09.2018	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
@ Mrs. Pallavi S Shroff Independent Director (up to 05.05.2018)	NA	NA	4	3	Nil
Shri Rajiv Lochan Jain Independent Director (from 06.01.2016)	4	No	2	5	3
Smt. Vasuben Trivedi Independent Director (from 03.08.2018)	3	Yes	Nil	1	Nil
Shri P K Gera, IAS Managing Director (from 19.02.2016)	5	Yes	2	2	Nil

As per the Companies Act, 2013, Shri J N Godbole was appointed as Independent Director at 41st AGM held on 22.08.2014 till 42nd AGM held on 18.09.2015. Further, he was re-appointed as Independent Director at 42nd AGM held on 18.09.2015 for a term of 5 years till the conclusion of 47th AGM to be held in 2020. However, he has resigned as an Independent Director effective from 30.05.2019 due to attaining the age of 75 years in near future i.e. on 17.02.2020. There is no other material reasons other than above for the resignation as confirmed in his resignation letter.

@ Mrs. Pallavi S Shroff ceased to be a Director w.e.f. 05.05.2018 and therefore, her 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 2018-19 and as on 31.03.2019, none of the Directors were 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 31.03.2019:

- (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) 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 31.03.2019, the Committee comprised of six (6) Members viz. Shri Rajiv Lochan Jain as the Chairman of the Committee, Shri Arvind Agarwal, IAS, Shri J N Godbole, Dr. Rajiv I Modi, Smt. Vasuben Trivedi and Shri P K Gera, IAS.

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

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2018-19, five (5) Meetings of Audit Committee were held, i.e. on 23.05.2018, 03.08.2018, 17.08.2018, 02.11.2018 and 31.01.2019. 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).	5
Shri Arvind Agarwal, IAS (from 28.09.2018)	Nil
Shri M K Das, IAS (up to 28.09.2018)	1
Shri J N Godbole	5
Dr. Rajiv I Modi	Nil
Smt. Vasuben Trivedi (from 28.09.2018)	2
Shri P K Gera, IAS (up to 19.05.2018 and again appointed from 28.09.2018)	2

(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. 1st 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

- (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: http://www.gacl.com/upload_files/7e74a_nrbd_policy.pdf

(ii) COMPOSITION

As at 31.03.2019, the Committee comprised of three (3) Members in this Committee viz. Shri J N Godbole as the Chairman of the Committee; Shri M K Das, IAS and Shri Rajiv Lochan Jain.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2018-19, two (2) Meetings of the Committee were held, i.e. on 23.05.2018 and 03.08.2018.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole, Chairman	2
Shri M K Das, IAS	1
Shri Rajiv Lochan Jain	2

(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:

- act objectively and constructively while exercising their duties;
- exercise their responsibilities in a bona fide manner in the interest of the Company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- 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;
- refrain from any action that would lead to loss of his/her independence;
- inform the Board immediately when they lose their independence;
- assist the Company in implementing the best Corporate Governance practices;
- strive to attend all meetings of the Board of Directors and the Committees;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the Company;
- keep themselves well informed about the Company and the external environment in which it operates;
- 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 : http://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, has been appointed as the Managing Director of the Company vice Shri A M Tiwari, IAS w.e.f. 19th 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.

The details of remuneration paid to Shri P K Gera, IAS, Managing Director during the Financial Year 2018-19 are as under:

Remuneration	Amount in Rs.
Gross Salary	33,05,182/-
Contribution to Pension Fund & Leave salary	-
Perquisites / Benefits	61,648/-
Fixed component / performance linked incentives	N.A.
Stock options details	N.A.
Total	33,66,830/-

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 2018-19 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	No	No	50,000/-	70,000/-	*1,20,000/-
Shri Arvind Agarwal, IAS	No	No	Nil	10,000/-	*10,000/-
Shri M K Das, IAS	No	No	20,000/-	60,000/-	*80,000/-
Shri J N Godbole	No	No	40,000/-	2,40,000/-	**2,80,000/-
Dr. Rajiv I Modi	No	No	Nil	Nil	***Nil
Shri Rajiv Lochan Jain	No	No	40,000/-	3,10,000/-	**3,50,000/-
Smt. Vasuben Trivedi	No	No	30,000/-	80,000/-	**1,10,000/-
Total.....			1,80,000/-	7,70,000/-	9,50,000/-

* 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 has voluntarily not claimed Sitting Fees.

None of the Non-Executive Directors has any other pecuniary relationship or transactions with the Company during Financial Year 2018-19.

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. A separate Service Contract is not 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 31.03.2019.

(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.



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The Board has designated Shri S S Bhatt, Company Secretary & 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 31.03.2019, the Committee comprised of four (4) Members viz. Shri Rajiv Lochan Jain as the Chairman of the Committee; Shri M K Das, IAS, Dr. Rajiv I Modi and Shri P K Gera, IAS.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2018-19, four (4) Meetings of the Committee were held, i.e. on 23.05.2018, 03.08.2018, 02.11.2018 and 31.01.2019.

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. 31.01.2019).	4
Shri M K Das, IAS	1
Dr. Rajiv I Modi	1
Shri P K Gera, IAS	4

(iv) Details of Shareholders' Complaints received and resolved or pending during the Financial Year 2018-19:

Nature of complaints	Received	Satisfactorily Resolved
Non receipt of Share Certificates / Demat	18	18
Letters/Complaints from SEBI / Stock Exchanges	9	9
Non receipt of Dividend	35	35
Non receipt of Annual Reports	29	29
Others	7	7
Total	98	98

Number of pending Share Transfer as on 31.03.2019 – 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 31.03.2019, the Committee comprised of six (6) Members viz. Dr. J N Singh, IAS as the Chairman of the Committee, Shri Arvind Agarwal, IAS, Shri M K Das, IAS, Shri J N Godbole, Smt. Vasuben Trivedi and Shri P K Gera, IAS.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2018-19, two (2) Meetings of the Committee were held, i.e. on 24.05.2018 and 03.08.2018.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Dr. J N Singh, IAS, Chairman	2
Shri Arvind Agarwal, IAS (from 28.09.2018)	N.A.*
Shri M K Das, IAS (from 18.04.2018)	1
Shri J N Godbole	2
Smt. Vasuben Trivedi (from 28.09.2018)	N.A.*
Shri P K Gera, IAS	2

*Since no meeting of CSR Committee was held during 28.09.2018 to 31.03.2019.

(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 31.03.2019, the Committee comprised of eight (8) Members viz. Dr. J N Singh, IAS as the Chairman of the Committee, Shri Arvind Agarwal, IAS, Shri M K Das, IAS, Shri J N Godbole, Dr. Rajiv I Modi, Shri Rajiv Lochan Jain, Smt. Vasuben Trivedi and Shri P K Gera, IAS.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2018-19, seven (7) Meetings of the Committee were held, i.e. on 24.05.2018, 03.08.2018, 17.08.2018, 19.09.2018, 02.11.2018, 15.11.2018 and 31.01.2019.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Dr. J N Singh, IAS, Chairman	5
Shri Arvind Agarwal, IAS (from 28.09.2018)	1
Shri M K Das, IAS (from 18.04.2018)	2
Shri J N Godbole	6
Dr. Rajiv I Modi	6
Shri Rajiv Lochan Jain	7
Smt. Vasuben Trivedi (from 28.09.2018)	3
Shri P K Gera, IAS	7



(F) SELECTION COMMITTEE:

The Board of Directors of the Company at its Meeting held on 29th 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 31.03.2019, 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, Managing Director.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2018-19, two (2) Meetings of the Committee were held, i.e. on 01.11.2018 and 19.02.2019.

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

Name	No. of Meetings attended
Shri Rajiv Lochan Jain	2
Outside experts	2
Shri P K Gera, IAS	2

(G) PERSONNEL COMMITTEE:

The Board of Directors of the Company at its Meeting held on 29th 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 31.03.2019, the Committee comprised of three (3) Members viz. Shri Rajiv Lochan Jain as the Chairman of the Committee, Smt. Vasuben Trivedi and Shri P K Gera, IAS, Managing Director.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2018-19, eight (8) Meetings of the Committee were held, i.e. on 23.05.2018, 26.06.2018, 02.08.2018, 04.08.2018, 24.08.2018, 25.08.2018, 02.11.2018 and 31.01.2019.

The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri Rajiv Lochan Jain, Chairman	8
Shri J N Godbole (up to 28.09.2018)	6
Smt. Vasuben Trivedi (from 28.09.2018)	2
Shri P K Gera, IAS	8

(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, HR, Secretarial and Legal functions. The Managing Director chairs Meeting of the Internal Risk Management Committee. In absence of Managing Director, Executive Director (Finance) & CFO chaired Meetings 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. Out of the various risks identified by the Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by Audit Committee and by the Board of Directors on quarterly basis. A Report on the steps taken to mitigate those critical risks is also submitted to the Audit Committee and the Board of Directors.

As per amended Regulation 21 of the Listing Regulations effective from 1st 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 2nd 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 31.03.2019, the Committee comprised of three (3) Members viz. Shri J N Godbole as the Chairman, Shri Rajiv Lochan Jain and Shri P K Gera, IAS, Managing Director.

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

Executive Director (Fin.) & CFO of the Company is permanent invitee for the Risk Management-cum-Safety Committee.

(iii) MEETINGS AND ATTENDANCE

During the Financial Year 2018-19, one (1) Meeting of the Committee was held on 23.05.2018. This Meeting was attended by all three Members of the Committee viz. Shri J N Godbole as the Chairman, Shri Rajiv Lochan Jain and Shri P K Gera, IAS.



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	2017-18	2016-17	2015-16
AGM No.	45 th AGM	44 th AGM	43 rd AGM
Date	28.09.2018	16.09.2017	29.09.2016
Time	at 11:30 a.m.	at 11:30 a.m.	at 03:00 p.m.
Venue	In the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara		
Special Resolutions passed	<p>In 43rd AGM, there was no Special Resolution passed by the Shareholders.</p> <p>In 44th AGM, there was no Special Resolution passed by the Shareholders.</p> <p>In 45th AGM, there was no Special Resolution passed by the Shareholders.</p>		

POSTAL BALLOT

During the Financial Year 2018-19, 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 26,352 Equity Shares of 347 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 09.11.2018.

The balance of Unclaimed Shares lying in the said Suspense Account with SHCIL (in demat mode) as on 31.03.2019 is as under:

Particulars	Shareholders (Nos.)	Outstanding Shares (Nos.)
At the beginning of the year (01.04.2018)	37	1,386
Shares transferred to IEPF Authority in respect of which dividend is not claimed for seven consecutive years.	5	203
No. of Shareholders who claimed Shares during the year	1	26
No. of Shareholders to whom Share Certificates are dispatched	1	26
No. of Shareholders and unclaimed Shares at the end of the year (31.03.2019)	31	1,157

The voting rights on the said 1,157 Shares shall remain frozen till the rightful owner of such shares claims the shares.

The Company endeavored to trace the current address of the shareholders (whose share certificates are unclaimed) through their neighbours at registered address and by reference to telephone directory. The share certificates are released on receipt of their claim alongwith 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 2018-19 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 – 2018-19:

[Rs. in Lakhs]

PARTICULARS	QUARTER				Total F.Y. 2018-19
	I	II	III	IV	
Total Income	76,156	78,563	83,984	83,512	3,22,215
Total Expenses	(46,548)	(49,355)	(54,014)	(54,705)	(2,04,622)
Profit Before Interest, Depreciation and Tax	29,608	29,208	29,970	28,807	1,17,593
Interest	(394)	(390)	(880)	(430)	(2,094)
Depreciation	(3,277)	(3,561)	(3,698)	(3,461)	(13,997)
Profit Before Tax	25,937	25,257	25,392	24,916	1,01,502
Less :- Provision For Tax	(7,620)	(7,820)	(9,164)	(7,933)	(32,537)
Profit After Tax	18,317	17,437	16,228	16,983	68,965
Other Comprehensive Income	(6,289)	(13,123)	3,218	386	(15,808)
Total Comprehensive Income	12,028	4,314	19,446	17,369	53,157
Earning Per Share (Not Annualized)	24.94	23.74	22.10	23.13	93.91

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 31st December, 2018, further amended SEBI (Prohibition of Insider Trading) Regulations, 2015, w.e.f. 1st 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 :

http://www.gacl.com/upload_files/8c1ee_Insider_Trading.pdf and http://www.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 SEBI (Prohibition of Insider Trading) Regulations, 2015 and recent amendments amongst designated employees, the Company has conducted 8 programmes covering all the designated employees from 16.02.2019 to 28.03.2019.

The Company Secretary & 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 2018-19.

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
Unaudited Financial Results for 1 st Quarter ended on 30.06.2018.	03.08.2018	04.08.2018	Business Standard (English) – All India Editions Loksatta (Gujarati), Vadodara
Unaudited Financial Results for 2 nd Quarter ended on 30.09.2018.	02.11.2018	03.11.2018	Financial Express (English) – All India Editions Financial Express (Gujarati) – All Gujarat Editions
Unaudited Financial Results for 3 rd Quarter ended on 31.12.2018.	31.01.2019	01.02.2019	Business Standard (English) – All India Editions Loksatta (Gujarati), Vadodara
Standalone & Consolidated Audited Financial Results for 4 th Quarter and for the financial year ended on 31.03.2019.	28.05.2019	29.05.2019	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 Member at his / her registered address / 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 9th 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 31st January, 2019 has amended "Related Party Transactions Policy" and the same is available on the Company's Website at weblink : http://www.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 9th 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 31st January, 2019 has formulated Policy on Material Subsidiary and the same is available on the Company's Website at weblink : http://www.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. 2018-19. - NIL
- b. No. of Complaints resolved during F. Y. 2018-19. - NIL
- c. No. of Complaints pending at the end of F. Y. 2018-19. - 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 Haskin & Sells, Statutory Auditors of the Company is disclosed in Note No. 38 of Notes to Accounts. The said Statutory Auditors of the Company are not the Statutory Auditors of the Subsidiary Company i.e. GACL-NALCO Alkalies & Chemicals Pvt. Ltd.

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. 2018-19. 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 2018-19.

For **GUJARAT ALKALIES AND CHEMICALS LIMITED**

Sd/-

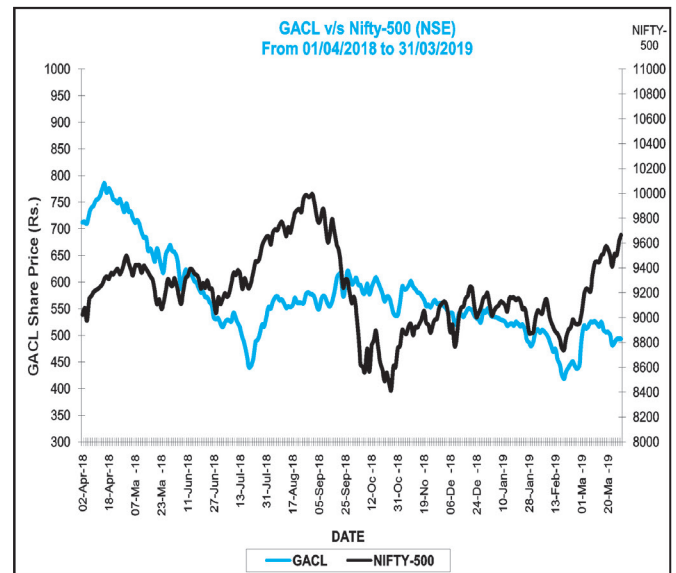
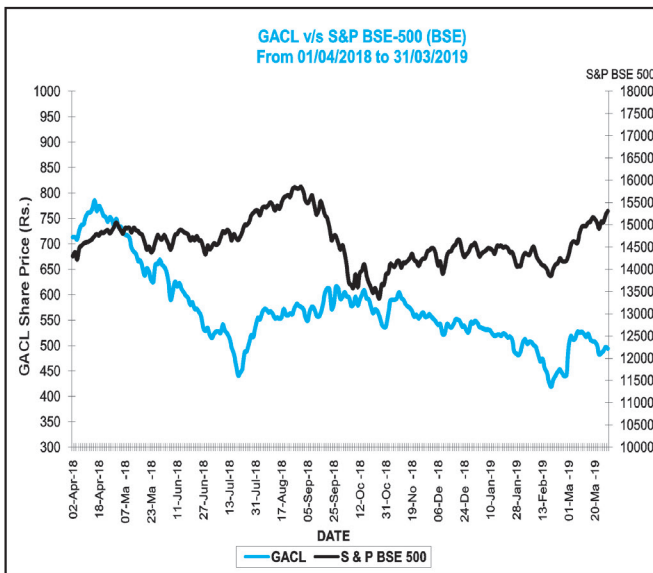
Place : VADODARA
Date : 3rd May, 2019

P K Gera, IAS
Managing Director & CEO

GENERAL INFORMATION FOR MEMBERS

- 1. Financial Year of the Company** : 1st April, 2018 to 31st March, 2019
- 2. Day, Date and Time of 46th AGM** : Friday, the 27th September, 2019 at 11:00 A.M.
- 3. Venue of AGM** : In the premises of the Company at
P.O.: Petrochemicals-391 346
Dist.Vadodara
- 4. Dates of Book Closure** : From Saturday, 21.09.2019 to Friday, 27.09.2019
(Both days inclusive).
- 5. Dividend payment date** : On or after Thursday, 03.10.2019
- 6. Listing on Stock Exchanges** : **BSE Ltd.** **National Stock Exchange of India Ltd.**
Phiroze Jeejeebhoy Towers "Exchange Plaza"
Dalal Street, Fort, Bandra-Kurla Complex, Bandra (East)
Mumbai : 400 001. Mumbai : 400 051.
(Scrip Code : 530001) (Scrip Symbol : GUJALKALI)
(Scrip ID : GUJALKALI)
- 7. Annual Listing Fees** : The Company has paid Annual Listing Fees for the Financial Years 2018-19 and 2019-20 to BSE Ltd. and National Stock Exchange of India Ltd.
- 8. Company's ISIN No. with NSDL & CDSL** : INE 186A01019
- 9. No. of Employees** : 1467
- 10. Stock Market Data** : 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, 2018	792.65	694.00	1,70,465	792.70	695.10	13,93,019
May, 2018	748.30	602.45	3,12,512	753.25	605.20	24,18,272
June, 2018	668.00	518.05	1,56,617	659.75	524.35	10,35,178
July, 2018	554.00	433.75	2,28,826	553.00	431.80	22,62,602
August, 2018	600.00	531.05	3,42,475	598.00	536.40	29,09,093
September, 2018	646.70	542.65	3,83,201	648.00	542.00	28,07,773
October, 2018	629.65	524.30	2,23,329	626.70	523.10	14,08,272
November, 2018	610.55	544.00	1,87,190	609.50	543.25	12,57,350
December, 2018	564.50	516.45	1,03,780	565.95	515.60	8,50,161
January, 2019	551.55	468.70	96,082	552.05	470.50	7,03,202
February, 2019	522.00	418.00	1,42,485	522.00	416.25	9,53,653
March, 2019	542.05	440.50	1,74,458	547.25	447.75	11,54,134
Total			25,21,420			1,91,52,709
Average 2018-19	619.16	519.49		619.01	520.94	
Average 2017-18	645.08	529.46		645.45	526.79	



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 Transfer, 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 (LODR) (Fourth Amendment) Regulations, 2018 and SEBI circular no. PR No.: 51/2018 dated 3rd 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.

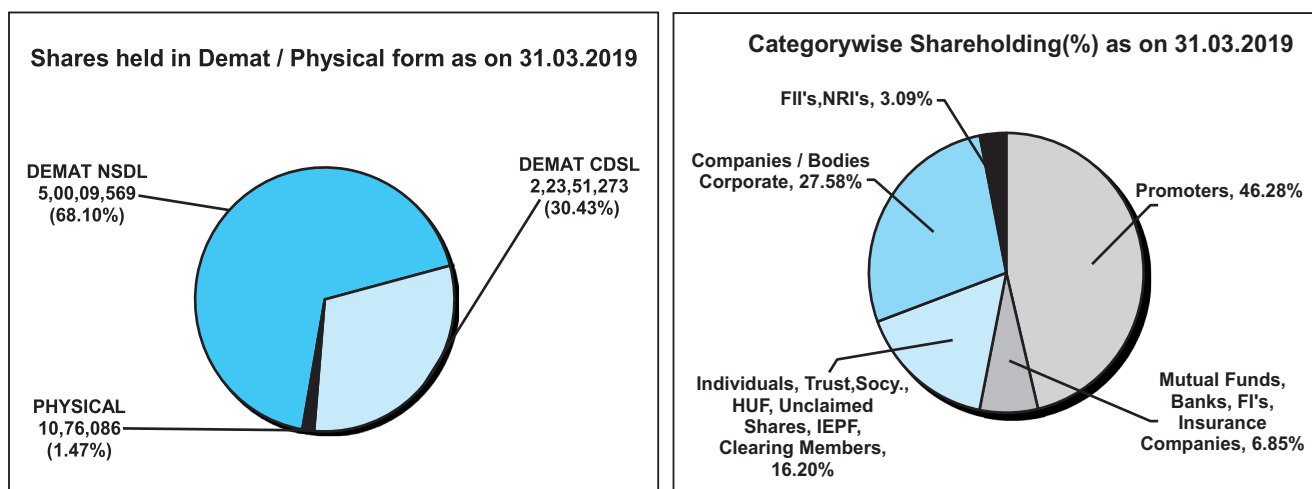
With a view to expedite the Share Transfer Procedure, the Board of Directors has delegated the powers to the Company Secretary and other Officers to consider and approve the requests received in respect of Securities related transactions up to One Thousand (1000) shares and accordingly, during the year, Delegated Authorities are attending the share transfer formalities at least four times in a month, whereas the requests for more than 1000 shares and Issue of duplicate share certificates in lieu of lost one are required to be considered and approved by Stakeholders' Relationship-cum-Investors' Grievance Committee of Directors. Duly transferred share certificates are normally returned within a period of 12-15 days from the date of receipt, provided all the documents are in order in all respects. During the Financial Year 2018-19, the total 2,52,765 equity shares were transferred & dematerialized and 26 equity shares were rematerialized.

13. (A) Distribution of Shareholding as on 31st March, 2019.

No. of Equity Shares held	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto 500	49,47,313	6.74	55,052	92.83
501 to 1,000	19,05,929	2.60	2,574	4.34
1,001 to 2,000	14,18,021	1.93	1,006	1.70
2,001 to 3,000	6,95,442	0.95	278	0.47
3,001 to 4,000	4,19,359	0.57	119	0.20
4,001 to 5,000	3,27,054	0.45	71	0.12
5,001 to 10,000	6,77,665	0.92	91	0.15
10,001 to 50,000	16,25,996	2.21	78	0.13
50,001 to 1,00,000	6,02,733	0.82	9	0.02
1,00,001 and above	6,08,17,416	82.82	26	0.04
TOTAL as on 31.03.2019	7,34,36,928	100.00	59,304	100.00
TOTAL as on 31.03.2018	7,34,36,928	100.00	52,098	100.00

(B) Summary of Shareholders & Shares held in Physical and Demat mode as on 31st March, 2019 :

PARTICULARS	PHYSICAL	DEMAT		TOTAL
		NSDL	CDSL	
Total Shareholders (No.)	10,243	29,056	20,005	59,304
Percentage (%)	17.27	49.00	33.73	100.00
Total Shares (No.)	10,76,086	5,00,09,569	2,23,51,273	7,34,36,928
Percentage (%)	1.47%	68.10%	30.43%	100.00%



14. Category of Shareholders as on 31st March, 2019 :

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	42	0.07	1,668	36,05,141	36,06,809	4.91
Insurance Companies	3	0.01	50	14,23,422	14,23,472	1.94
Individuals	56,568	95.38	10,08,259	1,01,64,184	1,11,72,443	15.21
Companies / Bodies Corporate	503	0.85	4,136	2,02,46,038	2,02,50,174	27.58
FII's, NRI's	967	1.63	2,767	22,63,322	22,66,089	3.09
Trusts	3	0.01	52,094	436	52,530	0.07
Unit Trust of India	1	0.00	210	0	210	0.00
Co-operative Societies	10	0.02	6,902	0	6,902	0.01
HUF	984	1.66	0	3,88,986	3,88,986	0.53
Unclaimed Shares	1	0.00	0	1,157	1,157	0.00
IEPF Authority	1	0.00	0	2,07,196	2,07,196	0.28
Clearing Members	214	0.36	0	74,650	74,650	0.10
Total	59,304	100.00	10,76,086	7,23,60,842	7,34,36,928	100.00

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, 2019, 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.



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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/2018/0000000141 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/2018-19/1904 dated 8 th October, 2018
Short Term Bank Facilities	CARE Ratings Limited (CARE)	CARE A1+ (A One Plus)	CARE Letter No. CARE/ARO/RL/2018-19/1906 dated 8 th October, 2018

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, 2019.

Sr. No.	Shareholder's Name	No. of Shares held	Percentage (%)
1.	Lok Prakashan Ltd.	1,62,15,732	22.08
2.	Gujarat State Investments Ltd.	1,53,29,373	20.87
3.	Gujarat Industrial Investment Corporation Ltd.	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	22,22,419	3.03
8.	Gujarat Narmada Valley Fertilizers & Chemicals Limited	17,59,996	2.40
9.	Gujarat State Fertilizers & Chemicals Limited	16,55,040	2.25
10.	Shri Shreyans Shantilal Shah	12,70,407	1.73
11.	Gujarat Industries Power Company Limited	11,03,360	1.50

PLANT LOCATIONS :

(1) VADODARA COMPLEX (2) COELHO COMPLEX

P.O.: Petrochemicals : 391 346
Dist.: Vadodara,
GUJARAT (INDIA)

(3) 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 **GUJARAT ALKALIES AND CHEMICALS LIMITED** having CIN - L24110GJ1973PLC002247 and 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 Sub 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) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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 Company
1.	Shri Jayant Narayan Godbole	00056830	22/08/2014
2.	Shri Rajiv Indravadan Modi	01394558	01/10/2014
3.	Shri Jagadip Narayan Singh	00955107	05/02/2015
4.	Shri Rajiv Lochan Jain	00161022	06/01/2016
5.	Shri Prem Kumar Gera	05323992	19/02/2016
6.	Shri Manoj Kumar Das	06530792	03/08/2017
7.	Shri Arvind Motilal Agarwal	00122921	04/06/2018
8.	Smt. Vasuben Narendra Trivedi	08181467	03/08/2018

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.

Signature : **Sd/-**
Name of PCS : NIRAJ TRIVEDI
C. P. No. : 3123
FCS : 3844

Place: Vadodara
Date: 9th August, 2019



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
GUJARAT ALKALIES AND CHEMICALS LIMITED
Vadodara.

We have examined the compliance of the conditions of Corporate Governance by **M/s. Gujarat Alkalies and Chemicals Limited**, for the Financial Year ended March 31, 2019 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 Listing Regulations.

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.

Place: Vadodara
Date: 9th August, 2019

Sd/-
Niraj Trivedi
Company Secretary
C P. No.: 3123

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 31st March, 2019 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)
MANAGING DIRECTOR

Sd/-
(CA. (Dr.) H B PATEL)
EXECUTIVE DIRECTOR (FINANCE)
& CHIEF FINANCIAL OFFICER

Place : Gandhinagar
Date : 28th May, 2019

INDEPENDENT AUDITOR'S 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, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 prescribed 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, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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	Auditor's Response
1	<p>Valuation of the Equity Instruments (unquoted) Investments in Equity Instruments (Unquoted) aggregates 5% of the Company's Total assets as at March 31, 2019. <i>Refer Note 6 to the standalone financial statements for details of Investments in Equity Instruments (Unquoted) and Note 36.9.1 for the valuation approach/methodology and Key inputs thereof.</i></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). 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 judgement as regards the methods and inputs used.</p>	<p>Our audit procedures included the following:</p> <p>a) 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), <i>inter alia</i> controls around:</p> <ul style="list-style-type: none"> periodic review by management of the risks of the valuation approach/ methodology; the verification and validation of unobservable inputs; the determination of value adjustments; selection and competence evaluation of external valuer. <p>b) Involved the Internal fair value experts and:</p> <ul style="list-style-type: none"> Assessed the reasonableness of the valuation approach/ methodology and inputs used; Assessed the reasonableness of the valuation results determined by the external valuer.



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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and General information for Members but does not include the standalone financial statements and our auditor's report thereon. The information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and General information for Members is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

When we read the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and General information for Members if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 statement 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions

may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's 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.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117364W)

Gaurav J. Shah
Partner

Place: Gandhinagar
Date: May 28, 2019

(Membership No.35701)



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Gujarat Alkalies and Chemicals Limited** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal

control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial

controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting 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 **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117364W)

Gaurav J. Shah
Partner

Place: Gandhinagar
Date: May 28, 2019

(Membership No.35701)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (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. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. 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) As explained to us, inventories apart from goods in transit were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there are no unclaimed deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Goods and Services Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.



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There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services tax, Customs Duty, Value Added Tax, cess, and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months

from the date they became payable.

- (b) Details of dues of Income-tax, Sales Tax, Service Tax and Excise Duty which have not been deposited as on March 31, 2019 on account of disputes are given below:

[Rs. in Lakhs]

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved	Amount Unpaid
				(Excluding Interest and Penalty)	
Gujarat Sales Tax Act, 1969	Sales Tax Liability (Including Purchase Tax Liability)	Joint Commissioner of Appeals	2000-01 to 2005-06, 2008-09, 2009-10, 2011-12	20,973.89	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, 2012-13, 2013-14, 2014-15	1,981.00	1,521.00
		High Court, Gujarat	2003-04 to 2007-08, 2009-10	8,158.00	8,158.00
		Income Tax Appellate Tribunal	2003-04, 2006-07, 2007-08, 2008-09, 2010-11, 2011-12	4,326.00	3,760.00
		Supreme Court	1999-00, 2007-08, 2008-09	6,759.00	2,712.00
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 September 2015	323.91	309.34
		Commissioner (Appeals)	April 2011 to February 2016	1.59	1.48
Central Excise Act, 1944	Central Excise	Central Excise and Service Tax Appellate Tribunal	February 1998 to December 2012	1,669.76	1,599.05
		High Court, Gujarat	1996-97 to 2001-02	462.12	462.12

There are no dues in respect of Customs duty, Goods and Services tax and Value added tax as on March 31, 2019 on account of disputes.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures. The Company has not taken any loans or borrowings from Financial Institutions and Government.
- (ix) In our opinion and according to the information and explanations given to us, money was not raised by way of term loans. The Company has not raised money by way of public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.



- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117364W)

Gaurav J. Shah
Partner

Place: Gandhinagar
Date: May 28, 2019

(Membership No.35701)



STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019

[Rs. in Lakhs]

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	2,29,341.43	2,10,074.42
(b) Capital work-in-progress	3	30,746.01	24,788.99
(c) Other Intangible assets	4	682.90	361.28
(d) Intangible assets under development	4	-	388.79
(e) Financial Assets			
(i) Investments			
(a) Investment in Joint Venture	5	23,929.64	15,199.64
(b) Other Investments	6	82,555.24	99,285.85
(ii) Loans	7	155.97	56.09
(iii) Other Financial assets	8	2,108.19	1,974.39
(f) Non-Current Tax Assets (Net)	9	10,032.52	9,228.20
(g) Other non-current assets	10	12,638.45	8,377.47
Total Non - current assets		3,92,190.35	3,69,735.12
(2) Current assets			
(a) Inventories	11	23,146.65	26,546.51
(b) Financial Assets			
(i) Other Investments	6	148.92	230.37
(ii) Trade receivables	12	48,702.92	40,327.69
(iii) Cash and cash equivalents	13	19,220.58	7,070.64
(iv) Bank balance other than (iii) above	14	7,880.44	6,340.32
(v) Loans	7	52,599.60	37,629.08
(vi) Other Financial assets	8	3,254.60	2,829.39
(c) Other current assets	10	6,061.17	6,524.86
Total Current assets		1,61,014.88	1,27,498.86
TOTAL ASSETS		5,53,205.23	4,97,233.98
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

3-50

As per our attached Report of even date.

For and on behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2019 (Contd.)

[Rs. in Lakhs]

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
II EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share capital	15	7,343.84	7,343.84
(b) Other Equity	16	4,22,321.56	3,74,919.20
Total Equity		4,29,665.40	3,82,263.04
(2) LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	18,458.81	22,981.59
(b) Provisions	18	9,687.64	9,070.98
(c) Deferred tax liabilities (Net)	19	44,591.17	35,097.76
Total Non-current liabilities		72,737.62	67,150.33
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	292.50	432.76
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	20	1,426.90	1,071.81
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	29,707.92	26,783.95
(iii) Other financial liabilities	21	13,520.32	14,105.90
(b) Other current liabilities	22	4,231.20	1,272.13
(c) Provisions	18	804.18	769.83
(d) Current Tax Liabilities (Net)	9	819.19	3,384.23
Total Current Liabilities		50,802.21	47,820.61
Total Liabilities		1,23,539.83	1,14,970.94
TOTAL EQUITY AND LIABILITIES		5,53,205.23	4,97,233.98
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

3-50

As per our attached Report of even date.

For and on behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019



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

[Rs. in Lakhs]

Particulars	Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
I. Revenue from operations	23	3,16,137.77	2,51,389.50
II. Other Income	24	6,076.96	10,574.39
III. Total Revenue (I + II)		3,22,214.73	2,61,963.89
IV. Expenses:			
Cost of materials consumed	25	86,096.00	65,534.43
Purchase of Stock-in-Trade		386.69	175.81
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(1,386.93)	147.47
Excise Duty	44	-	5,939.27
Employee benefits expense	27	20,695.81	20,138.73
Finance costs	28	2,094.13	1,489.71
Depreciation and amortisation expense	29	13,996.64	12,731.62
Power, Fuel & Other Utilities	30	62,951.19	52,206.70
Other expenses	31	35,879.02	28,577.84
Total Expenses		2,20,712.55	1,86,941.58
V. Profit before Tax (III - IV)		1,01,502.18	75,022.31
VI. Tax expense	32		
(a) Current tax		26,938.36	18,481.09
(b) Deferred tax		4,456.28	3,334.45
(c) Net Tax Adjustment of earlier year		1,142.81	(295.52)
		32,537.45	21,520.02
VII. Profit for the year (V - VI)		68,964.73	53,502.29
VIII. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Actuarial Gain / (Loss) on Gratuity		(132.58)	(1,232.13)
Deferred Tax Assets/(liabilities) on defined benefit obligation - Gratuity		46.33	426.42
Investment adjustment - FVTOCI		(16,730.61)	(2,208.96)
Deferred Tax Assets / (liabilities) on net fair value gain on investment in equity instruments at FVTOCI		1,009.08	516.52
Total Other Comprehensive Income (VIII)		(15,807.78)	(2,498.15)
IX. Total Comprehensive Income (VII + VIII)		53,156.95	51,004.14
X. Earning per equity share (face value Rs.10/- each):	33		
(1) Basic (Rs.)		93.91	72.85
(2) Diluted (Rs.)		93.91	72.85
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

As per our attached Report of even date.

For and on behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

[Rs. in Lakhs]

Particulars	2018-19	2017-18
A Cash Flow from Operating Activities	83,779.39	51,465.92
B Cash Flow from Investing Activities	(58,282.56)	(39,549.18)
C Cash Flow from Financing Activities	(13,583.92)	(11,634.38)
D Effect of unrealised exchange differences on translation of foreign currency cash and cash equivalents	237.03	-
E Cash and Cash Equivalents at the beginning of the year	7,070.64	6,788.28
F Cash and Cash Equivalents at the end of the year	19,220.58	7,070.64
G Total Cash Flow During the year (A+B+C+D) or (E-D)	12,149.94	282.36
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax and Extraordinary Items	1,01,502.18	75,022.31
Adjustments For :		
Addition / (Deduction)		
Depreciation and Amortisation Expenses	13,996.64	12,731.62
Interest Income	(4,672.01)	(4,179.93)
Dividend Received	(1,359.88)	(1,335.08)
Interest Expense	2,094.13	1,489.71
Net (Profit) / Loss on Sale of Property Plant & Equipment	11.65	(4,817.38)
Net (Gain) / Loss arising from Financial Assets designated as FVTPL	81.45	9.25
Profit on Sale of Investment	-	(21.26)
Unrealised exchange (gain)/loss	373.62	-
Provision for Expected credit loss allowances	327.38	266.96
Provision for Gratuity/Leave	455.85	-
Stores and Spares W/off	195.74	-
Sub Total	11,504.57	4,143.89
Operating Profit Before Working Capital Changes	1,13,006.75	79,166.20
Decrease or (Increase) in Assets :		
Trade Receivables	(8,723.35)	(7,719.90)
Loans	(70.40)	102.66
Other Assets	(3,061.18)	(2,728.92)
Other Financial Assets	(151.33)	41.50
Inventories	3,204.12	(9,556.41)
Increase / (Decrease) in Liabilities :		
Trade Payables and Other Current Liabilities	6,231.95	4,656.53
Provisions	90.52	1,211.33
Other Financial Liabilities	(1,389.70)	(176.61)
Cash Generated from Operations Before Tax	1,09,137.38	64,996.38
Direct Taxes Paid	(25,357.99)	(13,530.46)
Net Cash Flow generated from Operating Activities : (Total - A)	83,779.39	51,465.92



STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)

Particulars	2018-19	2017-18
B CASH FLOW FROM INVESTING ACTIVITIES :		
Proceed from Sale of Investment	-	902.99
Payment for Property Plant & Equipment	(32,336.29)	(18,025.07)
Payment for Intangible Assets	(36.04)	6.71
Proceeds from disposal of Property Plant & Equipment	-	83.02
Payment for Capital Work-in-progress	(6,280.50)	(10,451.62)
Payment for Investment in Joint Venture	(8,730.00)	(7,620.00)
Payment for Investments	-	(1,200.00)
Interest Received	4,264.33	3,919.71
Dividend Received	1,359.88	1,335.08
Bank Balances not considered as Cash Equivalents		
Payment for Deposit placed during the year	(1,532.03)	-
Payment for Short Term Deposits	(15,000.00)	(8,500.00)
Unpaid Dividend	8.09	-
Net Cash used in Investment Activities - (Total -B)	(58,282.56)	(39,549.18)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Interest and Finance charges paid	(2,083.60)	(1,490.69)
Dividend paid (including dividend distribution tax)	(5,762.68)	(4,439.89)
Repayment from Long Term Borrowings	(5,597.38)	(5,453.28)
Proceeds from Short Term Borrowings (Net)	(140.26)	(250.52)
Net Cash used in Financing Activities - (Total - C)	(13,583.92)	(11,634.38)
D EFFECT OF UNREALISED EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN CURRENCY CASH AND CASH EQUIVALENTS :	237.03	-
E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :		
Cash and Cheques on Hand	307.26	3.09
Balances with Banks	6,763.38	6,785.19
Net Cash and Cash Equivalents at the beginning of the year (Total - E)	7,070.64	6,788.28
F CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :		
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	-
Net Cash and Cash Equivalents at the end of the year (Total - F)	19,220.58	7,070.64
G TOTAL CASH FLOW DURING THE YEAR (A+B+C+D) OR (F-E)	12,149.94	282.36

Note :-

- The Cash Flow Statement has been prepared under the 'Indirect Method' set out in Ind AS -7 "Statement of Cash Flows".
- 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. 1-50.
As per our attached Report of even date.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

Gaurav J. Shah
Partner
Membership No. 35701

Place : Gandhinagar
Date : 28th May, 2019

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

For and on behalf of the Board

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

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

[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			
Balance as at April 1, 2017	7,343.84	0.24	1,44,000.08	23,423.18	86,886.40	74,024.51	3,28,334.41	3,35,678.25
Profit for the year	-	-	-	-	53,502.29	-	53,502.29	53,502.29
Transfer to general reserve	-	-	26,751.00	-	(26,751.00)	-	-	-
Other comprehensive income for the year	-	-	-	-	(805.71)	(1,692.44)	(2,498.15)	(2,498.15)
Total Comprehensive income for the year	-	-	26,751.00	-	25,945.58	(1,692.44)	51,004.14	51,004.14
Dividend	-	-	-	-	(3,671.85)	-	(3,671.85)	(3,671.85)
Dividend distribution tax	-	-	-	-	(747.50)	-	(747.50)	(747.50)
Balance as at March 31, 2018	7,343.84	0.24	1,70,751.08	23,423.18	1,08,412.63	72,332.07	3,74,919.20	3,82,263.04
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)
Total Comprehensive income for the year	-	-	34,482.00	-	34,396.48	(15,721.53)	53,156.95	53,156.95
Dividend	-	-	-	-	(4,773.40)	-	(4,773.40)	(4,773.40)
Dividend distribution tax	-	-	-	-	(981.19)	-	(981.19)	(981.19)
Balance as at March 31, 2019	7,343.84	0.24	2,05,233.08	23,423.18	1,37,054.52	56,610.54	4,22,321.56	4,29,665.40

As per our attached Report of even date.

For and on behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019



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 35 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 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 Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Act and accounting principles generally accepted in India.

2.2 Basis of Preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 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.

2.4 Revenue Recognition

2.4(a) Sale of Goods :

The Company derives Revenue primarily from sale of manufactured and traded products being “Chemicals”.

Effective 1st April, 2018, the Company has adopted IND AS 115 “Revenue from contracts with Customers” using the cumulative effect method. The Standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information is not restated in the financial statements.

Revenue from the sale of products is recognised upon transfer of control of promised products to customers and when it is probable that the Company will collect the consideration to which it is entitled to for exchange of those products.

The performance obligation to transfer each distinct product consist of supplying the product to a named destination, handling charges and packing charges.

The Company accounts for price 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 increases in levels 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.

Sale of products exclude amounts of indirect taxes on sales.

Refer serial number 4 of Note 2 “Significant Accounting Policies,” in the Company’s 2017-18 Annual Report for the policies in effect for revenue prior to April 1, 2018.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

2.4(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.

2.4(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.

2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When acquired, finance leases are capitalised at fair value or present value of Minimum Lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

2.6 Foreign Currencies

2.6(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)

2.6(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.

2.7 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 profit or 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 to the extent regarded as an adjustment to the borrowing costs.

2.8 Employee Benefits

2.8(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 in the period in which the employee renders the related services.

2.8(b) Post-Employment Benefits :

2.8(b)(i) 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.

2.8(b)(ii) Defined Benefit Plans :

The Gratuity Scheme managed by Life Insurance Corporation of India through a Trust is considered



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

as defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss and Other Comprehensive Income.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

2.8(b)(iii) 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.

2.9 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9(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. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2.9(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 to the extent that it is probable that taxable profits will be available against which those deductible temporary differences 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 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.

2.9(c) Current and Deferred Tax for the Year :

Current and deferred tax are recognised in profit or 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.

2.10 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 depreciation.

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 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 put to 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 are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.11 Intangible Assets

Intangible Assets acquired separately :

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. 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.

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

2.12 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 (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 to which the asset belongs.

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.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence. Costs of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

bringing them to their respective present location and condition.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2.15 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 :

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 the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent Measurement :

2.15(a) Non-derivative financial instruments :

2.15(a)(i) 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.

2.15(a)(ii) 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.

2.15(a)(iii) 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.

2.15(a)(iv) 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 fair valued through profit or loss.

2.15(a)(v) 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.

2.15(a)(vi) 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.

2.15(b) 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.

Derecognition of financial instruments :

The Company derecognizes a financial asset when the contractual rights to the cash flows

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. 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 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include available quoted market prices, valuation reports from independent valuers etc. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

2.17 Impairment of Financial Assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued 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 is recognised as an impairment gain or loss in profit or loss.

2.18 Earnings per share

Basic earnings per share are 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. The Company did not have any potentially dilutive securities in any of the period presented.

2.19 Operating Segments

The Company operates in one reportable business segments i.e. "Chemicals".

2.20 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized

in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

Allowance for expected credit losses :

Note -12 describes the use of practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The expected credit allowance is based on the aging of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

Dismantling cost of property, plant and equipment :

Note-18 describes assets retirement obligation on estimate basis for property, plant and equipment. The management estimates dismantling cost considering size of the asset and its useful life in line with industry practices.

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.

Fair value of investments :

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 valuation exercise carried out by the Company with the help of an independent valuer, etc. has estimated fair value at each reporting

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

period based on available historical annual reports and other information in the public domain.

Income taxes :

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Contingent liability judgement :

Note - 42 describes claims against the Company not acknowledged as debt. It includes certain penalties and charges payable to Government agencies although as per the contracts, the Management, based on past experience, believes that the penalties and charges are negotiable and not certain and accordingly it is not considered as an obligation as at balance-sheet date and disclosed as contingent liabilities.

2.21 Recent accounting pronouncements

Standards issued but not yet effective :

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

This accounting standard is applicable to the Company from April 1, 2019. The management is evaluating the requirements of the new standard and effect on the financial statements.

Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application

of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Ind AS 12 Appendix C, Uncertainty over Income

Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix - C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach and ii) Retrospectively with cumulative effect of initially applying Appendix - C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix - C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Carrying Amounts of :		
Land Freehold	102.75	102.75
Land Leasehold	3,786.28	3,827.40
Buildings	12,262.22	12,244.74
Plant and equipment	2,11,872.24	1,92,387.70
Plant and equipment under Finance Lease	412.39	428.47
Computer Equipments	480.93	627.92
Furniture and Fixture	361.46	368.33
Vehicles	63.16	87.11
	2,29,341.43	2,10,074.42
Capital Work-In-Progress	30,746.01	24,788.99
	30,746.01	24,788.99
Total	2,60,087.44	2,34,863.41

[Rs. in Lakhs]

Fixed Assets	Land Freehold	Land Leasehold (Ref. Note No.3.1)	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Computer Equip- ments	Furniture & Fixture	Vehicles	Recoating/ Remem- bering	Total
Cost										
As at April 1, 2017	102.75	6,361.07	13,973.01	2,00,245.86	331.25	514.81	603.83	183.04	7,010.07	2,29,325.69
Additions	-	-	0.97	17,496.07	-	469.33	23.35	-	-	17,989.72
Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	(2,459.13)	-	(1,390.94)	(56.72)	(6.87)	(0.60)	(6.58)	-	(3,920.84)
Effect of Exchange difference	-	-	-	35.35	-	-	-	-	-	35.35
As at March 31, 2018	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
As at March 31, 2019	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



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS (Contd.)

[Rs. in Lakhs]

Fixed Assets	Land Freehold	Land Leasehold (Ref. Note No.3.1)	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Computer Equipments	Furniture & Fixture	Vehicles	Recoating/ Remem-braning	Total
Depreciation & Impairment										
As at April 1, 2017	-	33.56	1,155.93	18,114.71	(113.12)	151.32	180.74	65.74	2,418.23	22,007.11
Depreciation for the year	-	61.40	573.31	10,078.45	13.06	199.81	77.64	28.61	1,691.67	12,723.95
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Deductions	-	(20.42)	-	(1,294.35)	(53.88)	(1.78)	(0.13)	(5.00)	-	(1,375.56)
Effect of Foreign currency exchange difference	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	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	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	117.62	2,301.12	40,385.82	52.26	575.84	331.16	127.57	5,003.56	48,894.95
Net Block										
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
As at March 31, 2018	102.75	3,827.40	12,244.74	1,89,487.53	428.47	627.92	368.33	87.11	2,900.17	2,10,074.42

- 3.1 Lease hold land amortised during Financial Year 2018-19 of Rs. 41.12 Lakhs (Ref. Note 2.10).
- 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. 0.43 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 31.03.2019	As at 31.03.2018
Carrying Amounts of:		
Computer Software	682.90	361.28
	682.90	361.28
Intangible assets under development	-	388.79
	-	388.79

Other Intangible Assets	Computer Software
Cost	
As at April 1, 2017	37.74
Additions	342.02
Disposals or classified as held for sale	-
Foreign currency exchange difference	-
As at March 31, 2018	379.76
Additions	424.83
Additions from internal developments	-
Acquisitions through business combinations	-
Disposals or classified as held for sale	-
Foreign currency exchange difference	-
As at March 31, 2019	804.59
Accumulated amortisation and impairment	
As at April 1, 2017	10.81
Amortisation expense	7.67
As at March 31, 2018	18.48
Amortisation expense	103.21
As at March 31, 2019	121.69
Net Block	
As at March 31, 2019	682.90
As at March 31, 2018	361.28

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS****5 - INVESTMENT IN JOINT VENTURE**

[Rs. in Lakhs]

Particulars	Nos.	Face Value Rs.	As at 31.03.2019	Nos.	As at 31.03.2018
Unquoted Investments (all fully paid) :					
Investment in fully paid Equity Shares of GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	23,92,96,400	10	23,929.64	15,19,96,400	15,199.64
GRAND TOTAL			23,929.64		15,199.64

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 31.03.2019	As at 31.03.2018
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Manufacture and Sale of Chlor-Alkali Products	India	60%	60%

For method of Accounting Refer Note - 2.15 (a)(v)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

6 - OTHER INVESTMENTS

[Rs. in Lakhs]

Particulars	Face Value Rs.	As at 31.03.2019		As at 31.03.2018	
		Quantity	Amount	Quantity	Amount
Non - Current :					
1 Investment in Equity Instruments (Quoted) :					
a Gujarat Industries Power Company Limited	10	2,30,88,980	16,416.26	2,30,88,980	22,350.13
b Gujarat State Fertilizers and Chemicals Limited	2	75,00,000	7,818.75	75,00,000	8,557.50
c Gujarat Lease Financing Limited	10	2,50,000	5.40	2,50,000	4.13
d Gujarat Gas Limited (Refer Note No. 6.1)	2	2,13,15,785	31,568.68	4,263,157	35,520.62
Total - 1 (Quoted)			55,809.09		66,432.38
2 Investment in Equity Instruments (Unquoted) :					
a Gujarat Data Electronics Limited Less :- Provision for Diminution in the value of Investment	10	40,000	4.00 (4.00)	40,000	4.00 (4.00)
b Gujarat Venture Finance Limited	10	1,80,000	267.84	1,80,000	222.05
c Gujarat Guardian Limited	10	74,25,000	12,707.89	74,25,000	17,599.48
d Gujarat State Petroleum Corporation Limited	1	2,15,43,200	1,725.61	2,15,43,200	1,729.92
e Gujarat Chemical Port Terminal Company Limited	1	6,13,90,000	11,602.71	6,13,90,000	9,331.28
f Vadodara Enviro Channel Limited	10	7,151	442.10	7,151	445.35
g Bhavnagar Energy Company Limited (Refer Note No. 43)	10	-	-	7,12,20,000	3,525.39
Total - 2 (Unquoted)			26,746.15		32,853.47
GRAND TOTAL			82,555.24		99,285.85
Current :					
(A) Investment in Equity Instruments (Quoted) :					
1 IDBI Bank Ltd.	10	3,18,800	148.72	3,18,800	230.17
2 Housing Development Finance Corporation Ltd. Less :- Sold During the F. Y. 2017-18	2	-	-	58,700 (58,700)	881.73 (881.73)
Total - A			148.72		230.17
(B) Investment in Government Securities (Unquoted) :					
Six Year National Saving Certificate (Pledged for renewal of licence)			0.20		0.20
Total - B			0.20		0.20
GRAND TOTAL			148.92		230.37
Aggregate Book Value of quoted investments			55,957.81		66,662.55
Aggregate Market Value of quoted investments			55,957.81		66,662.55
Aggregate Carrying Value of unquoted investments			26,746.15		32,853.47
Aggregate amount of impairment in value of Investments			4.00		4.00
Category-wise other Investments - as per Ind AS 109 classification :-					
Financial assets carried at fair value through profit or loss (FVTPL) (Equity Instruments)			148.72		230.17
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)			82,555.24		99,285.85

6.1 The Company held 42,63,157 fully paid- up Equity Shares of Rs.10/- of Gujarat Gas Co. Ltd. The said 42,63,157 Equity Shares were sub-divided from Rs.10/- each to 2,13,15,785 Equity Shares of Rs.2/- each on 17.01.2019.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS****7 - LOANS**

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
LOANS RECEIVABLE :		
Non-Current :		
Unsecured - Considered Good :		
Loans to Employees	148.43	44.39
Loans to Officers	7.54	11.70
Total :	155.97	56.09
Current :		
Unsecured - Considered Good :		
Inter Corporate Deposit with Gujarat State Financial Services Ltd. (Related party - Refer Note-37)	52,500.00	37,500.00
Loans to Employees	95.44	125.08
Loans to Officers	4.16	4.00
Total :	52,599.60	37,629.08

8 - OTHER FINANCIAL ASSETS

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Non - Current :		
Unsecured - Considered Good :		
Security Deposits	2,108.19	1,974.39
Total :	2,108.19	1,974.39
Current :		
Unsecured - Considered Good :		
Security Deposits	212.86	284.97
Amount receivable from DGVCL for Wind Farm Credit	682.55	591.72
Receivable from GACL-NALCO Alkalies and Chemicals Pvt. Ltd. (Related party - Refer Note - 37)	-	1.19
Interest receivable	2,359.19	1,951.51
Total :	3,254.60	2,829.39

9 - NON-CURRENT TAX ASSETS (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Tax Assets (Net)	10,032.52	9,228.20
Total:	10,032.52	9,228.20

CURRENT TAX LIABILITIES (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Tax Liabilities (Net)	819.19	3,384.23
Total:	819.19	3,384.23

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

10 - OTHER ASSETS

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Non - Current :		
Unsecured - Considered Good :		
Capital Advances (Refer Note No. 10.1)	6,184.57	5,420.52
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)	686.61	501.00
Prepaid Expenses	6.74	13.50
Prepayment for leasehold land	4,473.85	1,150.98
Other Loans and Advances	29.13	33.92
Total :	12,638.45	8,377.47
Current :		
Unsecured - Considered Good :		
Prepaid Current Employee Benefits (Gratuity) (Ref. Note No. 35)	-	80.97
Advance to suppliers	3,870.04	4,383.27
Export Incentive Receivable	97.52	196.80
Balance with Excise & Customs	33.91	33.91
Prepaid Expenses	222.39	78.08
Prepayment for leasehold land	204.94	79.51
Indirect Taxes Receivable	1,252.68	1,147.01
Other Loans and Advances	379.69	525.31
Total :	6,061.17	6,524.86

10.1 Capital Advances includes advance payment made for leasehold lands allotted pending execution of lease deeds :

- (i) Rs. 1,732.59 Lakhs (FY 2017-18 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 2017-18 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 31.03.2019	As at 31.03.2018
(a) Raw Materials and Components	5,446.93	3,716.75
Goods-in-Transit	3,272.71	3,523.45
	8,719.64	7,240.20
(b) Work-in-Progress	1,496.14	567.21
(c) Finished Goods	3,883.99	3,380.95
Goods-in-Transit	116.80	161.84
	4,000.79	3,542.79
(d) Stores and Spares	8,564.00	14,816.19
Goods-in-Transit	31.55	-
	8,595.55	14,816.19
(e) Others :		
Packing Materials	252.46	292.64
Furnace Oil	-	17.16
Building Materials	66.08	54.56
Others	15.99	15.76
	334.53	380.12
Total :	23,146.65	26,546.51

12 - TRADE RECEIVABLES

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Current :		
(a) Secured, considered good (Refer Note No. 36.7)	6,493.34	6,045.02
(b) Unsecured		
Considered good	42,209.58	34,282.67
Considered Doubtful (Refer Note No. 12.1)	2,472.38	2,145.00
	44,681.96	36,427.67
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	-	-
	51,175.30	42,472.69
Less : Allowance for expected credit losses	2,472.38	2,145.00
Total :	48,702.92	40,327.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

12 - TRADE RECEIVABLES (Contd.)

12.1 Trade Receivables include overdue outstanding from various parties aggregating to Rs. 1,322.42 Lakhs, (Previous Year Rs.1,163.41 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. 1,322.42 Lakhs (Previous Year Rs.1,163.41 Lakhs) exists for such doubtful debts as on 31.03.2019.

The average credit period on sale of goods is 58 days. However, no interest is charged on Trade Receivables for delay in payment beyond 58 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 31.03.2019	
Within the Credit Period	0.67%	
1-60 days past due	16.60%	
61-180 days past due	49.38%	
181-2 years past due	56.32%	
2-5 years past due	100.00%	
Above 5 years past due	100.00%	

Age of Receivables :	[Rs. in Lakhs]	
Particulars	As at 31.03.2019	As at 31.03.2018
Within the Credit Period	47,340.02	39,923.65
1-60 days past due	1,630.83	298.86
61-180 days past due	306.68	389.65
181-2 years past due	377.43	189.91
2-5 years past due	197.41	-
Above 5 years past due	1,322.93	1,670.62
Total :	51,175.30	42,472.69

Movement in Expected Credit Loss Allowance :	[Rs. in Lakhs]	
Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of the year	2,145.00	1,878.04
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	327.38	266.96
Balance at end of the year	2,472.38	2,145.00

The Concentration of Credit Risk is limited due to the fact that the customer base is large and unrelated.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS****12 - TRADE RECEIVABLES (Contd.)**

At March 31, 2019 and March 31, 2018, the major customers (top five) accounted for the following amounts of the Company's Trade Receivables :

Sr. No.	Dealer Name	Balance as at 31.03.2019		Balance as at 31.03.2018	
		Amount (Rs.)	% to Total Debtors	Amount (Rs.)	% to Total Debtors
1	Dealer-A	8,101.08	15.83	7,209.25	16.97
2	Dealer-B	3,986.68	7.79	2,959.19	6.97
3	Dealer-C	3,256.42	6.36	3,214.71	7.57
4	Dealer-D	3,160.12	6.18	2,127.24	5.01
5	Dealer-E	2,692.42	5.26	2,817.84	6.63
	Total (1 TO 5)	21,196.72	41.42	18,328.23	43.15
	Total Trade Receivable-GACL	51,175.30	100.00	42,472.69	100.00

13 - CASH AND CASH EQUIVALENTS

Particulars	As at 31.03.2019	As at 31.03.2018
Cash and Cash Equivalents :		
Balances with Banks :		
Current Account	2,758.80	6,763.38
Cheques, Drafts on hand	458.52	303.24
Cash on hand	3.22	4.00
Others :		
Stamps on hand	0.04	0.02
Deposit with Gujarat State Financial Services Ltd.	16,000.00	-
Total :	19,220.58	7,070.64

14 - OTHER BALANCES WITH BANKS

Particulars	As at 31.03.2019	As at 31.03.2018
Other Bank Balances consist of the following:		
Fixed Deposits with Banks	7,732.03	6,200.00
Unpaid Dividend (Refer Note No. 14.1)	148.41	140.32
Total :	7,880.44	6,340.32

14.1 During the year, the Company has transferred Rs. 10.79 Lakhs (Previous Year Rs.9.86 Lakhs for FY 2009-10) to Investor Education & Protection Fund for FY 2010-11.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

15 - SHARE CAPITAL

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Equity Share Capital		
(a) Authorised share capital :		
10,00,00,000 Equity Shares of Rs. 10/- each	10,000.00	10,000.00
50,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each	5,000.00	5,000.00
	15,000.00	15,000.00
(b) Issued :		
7,34,39,875 Equity Shares of Rs.10/- each (As at March 31, 2018 :7,34,39,875)	7,343.99	7,343.99
(c) Less : Subscribed & Not Fully Paid-up (forefeited) :		
2,947 Equity Shares of Rs.10/- each (As at March 31, 2018 : 2,947)	0.15	0.15
(d) Subscribed & Fully Paid-up :		
7,34,36,928 Equity Shares of Rs.10/- each (As at March 31, 2018 :7,34,36,928)	7,343.84	7,343.84
Total	7,343.84	7,343.84

(i) Reconciliation of the number of equity shares :

Particulars	As at 31.03.2019		As at 31.03.2018	
	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.

(iii) Details of shares held by each shareholder holding more than 5% equity shares :

Sr. No.	Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
		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 2018-19, the Company has proposed dividend of Rs. 8.00 per equity share (Previous Year Rs. 6.50 per share declared). Proposed dividends on equity share are subject to approval at the Annual General Meeting and are not recognised as a liability (including dividend tax) as at Balance Sheet date.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS****16 - OTHER EQUITY**

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
a. General Reserve	2,05,233.08	1,70,751.08
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	56,610.54	72,332.07
e. Retained Earnings	1,37,054.52	1,08,412.63
Total :	4,22,321.56	3,74,919.20

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.

17 - BORROWINGS

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Non-Current :		
Secured - at amortised cost :		
Term Loans from Banks :		
External Commercial Borrowing from ICICI Bank (Refer Note No.17.1)	8,180.29	9,418.57
External Commercial Borrowing from HSBC Bank (Refer Note No.17.2)	10,278.52	13,563.02
Total :	18,458.81	22,981.59

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

17 - BORROWINGS (Contd.)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Current :		
Secured		
Loans repayable on demand from Banks (Refer Note No. 17.3)	292.50	432.76
Total :	292.50	432.76

17.3 The Company has working capital facilities with various Banks carrying interest rate ranging from 8.35% p.a. to 13.00% 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 31.03.2019	As at 31.03.2018
Non - current :		
(A) Provision for Employees' Benefits		
(i) Compensated Absences (Ref. Note No. 35)	6,243.09	5,703.34
(ii) Long Service Award	52.80	67.82
(B) Provision for Other Liabilities (Ref. Note No. 18.1)	1,719.66	1,719.66
(C) Asset Retirement Obligations	1,672.09	1,580.16
Total :	9,687.64	9,070.98
Current :		
(A) Provision for Employees' Benefits		
(i) Compensated Absences (Ref. Note No. 35)	762.95	742.21
(ii) Long Service Award	41.23	27.62
Total :	804.18	769.83

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 31.03.2019	As at 31.03.2018
Deferred Tax assets	(10,246.23)	(16,460.70)
Deferred Tax liabilities	54,837.40	51,558.46
Deferred Tax Liabilities (Net)	44,591.17	35,097.76

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)
Total :	35,097.76	4,456.28	(1,055.41)	-	-	4,957.61	1,134.93	44,591.17

2017-2018:

[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	42,243.07	3,952.51	-	-	-	-	-	46,195.58
Employee Benefits	(170.97)	-	(426.42)	-	-	-	-	(597.39)
Investments	5,879.40	-	(516.52)	-	-	-	-	5,362.88
Disallowances / Allowances	(2,634.30)	(618.06)	-	-	-	-	-	(3,252.36)
MAT Credit (Entitlement) / Utilisation	(14,675.27)	-	-	-	-	2,387.90	(323.58)	(12,610.95)
Total :	30,641.93	3,334.45	(942.94)	-	-	2,387.90	(323.58)	35,097.76

20 - TRADE PAYABLES

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Current :		
Trade Payable to related parties (Refer Note-37) :	97.95	596.94
Trade Payables		
a. Total outstanding dues of Micro Enterprises and Small Enterprises	1,426.90	1,071.81
b. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises (Refer note below for details of dues to Micro, Small and Medium Enterprises)	29,609.97	26,187.01
Total :	31,134.82	27,855.76

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

20 - TRADE PAYABLES (Contd.)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”)		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,426.90	1,071.81
(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 Average Credit Period on Purchases of Goods and Services is 50 days for current year. However, no interest is charged on the outstanding balance in case of delay in payment beyond the credit period. 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 31.03.2019	As at 31.03.2018
Current :		
Current maturities of long term secured debts (Refer Note No. 21.1)	5,993.43	5,648.50
Interest accrued but not due on borrowings	183.68	173.15
Unpaid dividends	148.41	140.32
Payables for capital goods	3,473.64	3,033.07
Security Deposits / Earnest Money Deposits	3,713.91	5,107.67
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	-
Total :	13,520.32	14,105.90

21.1 Represents repayment falling due in next twelve months :

- Rs. 4,149.30 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.
- Rs. 1,844.13 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 31.03.2019	As at 31.03.2018
Other payables :		
Other Statutory Liabilities	3,526.80	819.41
Advance received from customers	704.40	452.72
Total :	4,231.20	1,272.13

23 - REVENUE FROM OPERATIONS

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019		Year Ended 31.03.2018	
(i) SALE OF PRODUCTS :				
[a] MANUFACTURING OPERATIONS :-				
Caustic Soda Lye	1,00,152.10		90,695.65	
Caustic Soda Flakes	49,198.14		44,435.68	
Caustic Soda Prills	5,005.50		3,758.97	
Chloromethanes	23,974.93		11,434.53	
Caustic Potash Lye	3,458.89		2,945.54	
Caustic Potash Flakes	8,543.27		7,363.74	
Potassium Carbonate	6,433.37		5,298.23	
Hydrogen Peroxide	38,378.76		26,477.30	
Phosphoric Acid (85%)	16,170.58		16,663.22	
Poly Aluminium Chloride	5,660.31		4,105.48	
Aluminium Chloride	17,595.78		13,033.58	
Chlorinated Paraffin Wax	2,287.51		1,033.96	
Benzyl Chloride	3,190.55		2,096.34	
Benzyl Alcohol	5,164.38		5,332.57	
Benzaldehyde	2,260.79		1,482.44	
Sodium Chlorate	8,360.83		7,321.94	
Stable Bleaching Powder	2,703.79		1,665.77	
Liquid Chlorine	5,055.09		(5,317.76)	
Hydrogen Gas	2,039.39		1,628.55	
Others	2,533.65		(1,447.53)	
		3,08,167.61		2,40,008.20
[b] TRADING ACTIVITY		428.38		206.72
[c] SALE OF POWER		1,635.38		1,555.81
[d] EXCISE DUTY		-		6,181.47
Total (i)		3,10,231.37		2,47,952.20
(ii) OTHER OPERATING REVENUE :				
Sale of Scrap	1,255.23		1,090.94	
Insurance claims received	0.47		0.47	
Export Incentives	199.63		179.06	
Credit balances written back (Net)	73.35		274.77	
Freight Outward Recovered (Gross)	4,102.62		1,830.70	
Other Receipts	275.10		61.36	
Total (ii)		5,906.40		3,437.30
Total (i + ii)		3,16,137.77		2,51,389.50

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

24 - OTHER INCOME

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Interest Income		
a) Deposit with Banks	410.96	401.39
b) Short Term Deposit / Inter Corporate Deposit	4,089.54	2,587.24
c) Others		
- From Non-Current Assets	125.65	1,191.30
- From Current Assets	45.86	-
Dividend Income		
From Non-Current Investments	1,359.88	1,335.08
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.		
Other Non-operating Income		
a) Net Exchange rate variation	-	188.79
b) Rent received from assets given on operating lease	20.90	13.16
c) Profit on sale of Fixed Assets (Net)	-	4,817.38
d) Net gain arising from Financial Assets designated FVTPL	-	21.26
e) Miscellaneous Income	24.17	18.79
Total:	6,076.96	10,574.39

25 - COST OF MATERIALS CONSUMED

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Natural Gas (includes used in captive power plant)	28,269.49	21,376.80
Potassium Chloride	7,396.15	7,527.71
Salt	9,760.14	6,480.57
Rock Phosphate	5,592.42	4,911.84
Aluminium Ingots	12,413.14	10,854.08
Alumina Trihydrate Powder	3,225.24	2,138.94
Heavy Normal Paraffin	1,963.78	997.98
Toluene	6,154.21	4,304.96
Methanol - Commercial Grade	4,217.19	35.81
Caustic Soda Lye	345.55	878.49
Others	6,758.69	6,027.25
Total :	86,096.00	65,534.43

**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 31.03.2019		Year Ended 31.03.2018
Closing Stock :			
Finished Goods	4,000.79		3,542.79
Process Stock	1,496.14		567.21
		5,496.93	4,110.00
Less :- Opening Stock :			
Finished Goods	3,542.79		3,681.09
Process Stock	567.21		576.38
		4,110.00	4,257.47
(Increase) / Decrease :		(1,386.93)	147.47

27 - EMPLOYEE BENEFITS EXPENSE

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
a) Salaries and Wages	16,773.73	16,629.39
b) Contributions to :		
(i) Provident Fund	794.76	793.65
(ii) Superannuation Scheme	820.94	580.95
(iii) Gratuity Fund	272.91	240.74
(iv) Employee State Insurance Corporation	0.54	-
c) Staff Welfare Expenses	2,032.93	1,894.00
Total :	20,695.81	20,138.73

28 - FINANCE COSTS

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(a) Interest Expense :		
On Term Loans	1,209.33	1,107.54
On Cash Credit	0.12	0.18
On Dismantling Cost	91.93	121.74
Others	575.79	34.09
(b) Other Borrowing Costs :		
Bank Charges	216.96	226.16
Total :	2,094.13	1,489.71

29 - DEPRECIATION AND AMORTISATION EXPENSE

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Depreciation of Property, Plant and Equipment (Note 3)	13,893.43	12,723.95
Amortisation of Intangible Assets (Note 4)	103.21	7.67
Total :	13,996.64	12,731.62

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

30 - POWER, FUEL & OTHER UTILITIES

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Power	51,972.58	44,208.14
Fuel, Natural Gas and Water Charges	10,978.61	7,998.56
Total :	62,951.19	52,206.70

31 - OTHER EXPENSES

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Stores and Spare-parts consumed	5,441.54	4,261.86
Repairs, Maintenance and Replacement		
Building	-	6.25
Plant and Machinery	3,836.03	3,752.09
Others	4,774.05	3,801.70
Job Work / Processing Charges	8,610.08	7,560.04
Safety & Environment Expenses	6,004.90	4,445.44
Insurance	159.22	191.71
Packing Materials Consumption	265.15	360.91
Rent (includes Lease Rent and charges Rs. 440.77 Lakhs Previous Year Rs. 158.36 Lakhs)	4,673.39	3,972.76
Rates and Taxes	659.75	382.93
Printing and Stationery	13.18	24.53
Postage and Telephone	13.51	41.94
Vehicle Running and Maintenance including Hire Charges	75.31	82.73
Directors' Fees	567.32	423.64
Auditors' Remuneration and Expenses (Refer Note-38)	9.50	8.20
Membership and Subscription Fees	23.03	16.85
Brokerage and Commission	33.49	31.52
Travelling and Conveyance	-	1.81
Legal and Professional Charges	135.34	117.68
Research and Development Expenses	213.61	235.70
Loss on Sale of Fixed Assets (Net)	102.23	75.82
Donations & Other CSR Cost (Refer Note-48)	11.65	-
Provision for expected credit loss allowances	1,052.66	1,277.22
Loss on Exchange Rate (Net)	327.38	266.96
Stores & Spare -parts Written Off	299.02	-
General Expenses	195.74	120.36
Commission on Sales	1,074.96	1,227.98
Other Marketing Expenses	186.77	273.73
Freight Outward Paid (Gross)	1,524.03	1,432.16
Net loss arising from Financial Assets designated FVTPL	4,124.81	1,734.11
Total :	81.45	9.25
	35,879.02	28,577.84

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. 26,938.36 Lakhs (Previous Year Rs. 18,481.09 Lakhs) and Tax Liability under MAT Provisions of Income Tax Act, 1961 is Rs.21,980.75 Lakhs (Previous Year Rs.16,093.19 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 31.03.2019	Year Ended 31.03.2018
Current Tax		
In respect of current year [MAT Credit Set Off Rs.4,957.61 Lakhs (Previous Year MAT credit Set Off Rs. 2,387.90 Lakhs)]	26,938.36	18,481.09
In Respect of Prior Year	1,142.81	(295.52)
Total :	28,081.17	18,185.57
Deferred Tax		
In respect of current year	4,456.28	3,334.45
Total :	4,456.28	3,334.45
Total tax expense recognised in the current year relating to continuing operation	32,537.45	21,520.02

The income tax expense for the year can be reconciled to the accounting profit as follows :

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Profit before tax from continuing operation	1,01,502.18	75,022.31
Income Tax expense calculated @ 34.944% (Previous Year 34.608%)	35,468.92	25,963.76
Effect of income that is exempt from taxation	(475.20)	(462.05)
Effect of expenses that are not deductible in determining taxable profits	1,843.18	1,979.48
Effect of concession (allowances)	(5,898.03)	(5,665.65)
Adjustments recognised in current year in relation to the current tax of prior years	1,142.81	(295.52)
Change in rate of cess (from 3% to 4%)	455.77	-
Income tax expense recognised in profit or loss (relating to continuing operation)	32,537.45	21,520.02

The tax rate used for the year 2018-19 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 31.03.2019	Year Ended 31.03.2018
Deferred Tax Assets / (Liabilities)		
Arising on income and expenses recognised in other comprehensive income :		
Net fair value gain on investment in equity shares at FVTOCI	1,009.08	516.52
Remeasurement of defined benefit obligation	46.33	426.42
	1,055.41	942.94
Arising on income and expenses reclassified from equity to profit or loss :	-	-
Total income tax recognised on other comprehensive income	1,055.41	942.94
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	1,055.41	942.94
Items that may be reclassified to profit or loss	-	-
	1,055.41	942.94

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

33 - EARNING PER SHARE - FROM CONTINUING OPERATIONS

[Rs. in Lakhs]

Particulars	Units	Year Ended	Year Ended
		31.03.2019	31.03.2018
Net Profit After Tax available for Equity Shareholders	Rs. In Lakhs	68,964.73	53,502.29
Weighted Average Number of Equity Shares of Rs.10/- each	Number	7,34,36,928	7,34,36,928
Basic Earning per Share	Rs.	93.91	72.85
Diluted Earning per Share	Rs.	93.91	72.85

34 - LEASES :

34.1 OBLIGATION UNDER FINANCE LEASES

[Rs. in Lakhs]

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at	As at	As at	As at
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Not later than one Year	0.54	0.54	0.50	0.50
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	0.54	0.54	0.50	0.50
Less: Future Finance Charges	-	-	-	-
Present Value of Minimum Lease Payments	0.54	0.54	0.50	0.50

This relates to Financial Year 1998-99 and stands as outstanding.

[Rs. in Lakhs]

Particulars	As at	As at
	31.03.2019	31.03.2018
Included in the Financial Statements (Note 21) :		
Current Maturities of Finance Lease Obligations	0.50	0.50
Non Current Borrowings	-	-
Total	0.50	0.50

34.2 OBLIGATION UNDER OPERATING LEASES

[Rs. in Lakhs]

Particulars	Minimum Lease Payments	
	As at	As at
	31.03.2019	31.03.2018
Not later than one Year	6.64	-
Later than one year and not later than five years	26.56	-
Later than five years	153.91	-
Total	187.11	-

The Company has taken certain assets on non-cancellable operating lease.

The lease agreement provide for an option to the Company to renew the lease period at the end of the non-cancellable period.

There are no exceptional / restrictive commitments in the lease agreement.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS

35 - EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

An amount of Rs.794.76 Lakhs (FY 2017-18 Rs.793.65 Lakhs) contributed to Provident Fund Trust and amount of Rs.820.94 Lakhs (FY 2017-18 Rs. 580.95 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, 2019

[Rs. in Lakhs]

Particulars	Gratuity	
	31.03.2019	31.03.2018
I Expense recognised in the Statement of Profit and Loss for the year ended		
a. Current Service Cost	298.72	286.21
b. Net Interest on net Defined Liability / Asset	(36.74)	(48.63)
c. Total Expenses	261.98	237.58
II Amount recognised in Other Comprehensive Income		
a. Actuarial (Gains) / Losses on Liability	181.99	1,104.30
b. Return on Plan Assets excluding amount included in Net interest on Defined Liability / (Asset) above	(49.41)	127.83
c. Total	132.58	1,232.13
III Net Assets / (Liability) recognised in the Balance Sheet as on		
a. Present Value of Defined Benefit Obligation	9,306.97	8,846.27
b. Fair Value of Plan Assets	9,993.58	9,428.24
c. Funded Status [(Surplus) / Deficit]	(686.61)	(581.97)
Net (Asset) / Liability	(686.61)	(581.97)
IV Change in Present value of Obligation during the year ended		
a. Present Value of Defined Benefit Obligation at the beginning of the year	8,846.27	7,475.81
b. Current Service Cost	298.72	286.21
c. Interest Cost	663.47	575.64
d. Benefit paid	(683.48)	(595.69)
e. Actuarial (Gain) / Loss on obligation	181.99	1,104.30
f. Present Value of Defined Benefit Obligation at the end of the year	9,306.97	8,846.27
V Change in Fair value of Plan Assets during the year ended		
a. Fair Value of Plan Assets at the beginning of the year	9,428.24	7,282.90
b. Expected Return on Plan Assets	700.21	624.27
c. Contribution by Employer	499.20	2,244.59
d. Actual Benefit Paid	(683.48)	(595.69)
e. Actuarial Gain / (Loss) on Plan Assets	49.41	(127.83)
f. Fair Value of Plan Assets at the end of the year	9,993.58	9,428.24
g. Actuarial Gain / (Loss) to be recognised	49.41	(127.83)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

35 - EMPLOYEE BENEFIT PLANS (Contd.)

[Rs. in Lakhs]

Particulars	Gratuity	
	31.03.2019	31.03.2018
VI Actual Return on Plan Assets		
Expected Return on Plan Assets	700.21	624.27
Actuarial Gain / (Loss) on Plan Assets	49.41	(127.83)
Actual Return on Plan Assets	749.62	496.44
VII Balance Sheet Reconciliation		
Opening Net Liability	(581.97)	192.91
Expenses Recognised in Profit & Loss Account	261.98	237.58
Amount recognised in Other Comprehensive Income	132.58	1,232.13
Employer's Contribution	(499.20)	(2,244.59)
Amount Recognised in Balance Sheet (Asset) / Liability	(686.61)	(581.97)

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	2018-19	2017-18	2016-17	2015-16	2014-15
Present Value of funded Obligations	9,306.97	8,846.27	7,475.81	6,790.16	6,441.15
Fair Value of Plan Assets	9,993.58	9,428.24	7,282.90	7,116.57	6,751.99
Funded Status [(Surplus) / Deficit]	(686.61)	(581.97)	192.91	(326.41)	(310.84)
Experience adjustments on Plan Liabilities	46.72	1,577.54	42.20	(9.55)	488.56
Experience adjustments on Plan Assets	49.41	(127.83)	86.09	-	(21.69)

[Rs. in Lakhs]

Particulars	Leave Salary	
	31.03.2019	31.03.2018
I Expense recognised in the Statement of Profit and Loss for the year ended		
a. Current Service Cost	249.39	234.60
b. Net Interest on net Defined Liability / Asset	483.42	407.08
c. Acturial (Gains) / Losses on Liability	349.94	981.36
d. Total Expenses	1,082.75	1,623.04
II Net Assets / (Liability) recognised in the Balance Sheet as on		
a. Present Value of Unfunded Obligations	7,006.04	6,445.56
b. Unrecognised Past Service Cost	-	-
c. Fair Value of Plan Assets	-	-
Net Liability	7,006.04	6,445.56
III Change in Present value of Obligation during the year ended		
a. Present Value of Unfunded Obligation at the beginning of the year	6,445.56	5,286.73
b. Current Service Cost	249.39	234.60
c. Interest Cost	483.42	407.08
d. Acturial Gain / Loss	349.94	981.36
e. Benefit paid	(522.27)	(464.21)
f. Present Value of Unfunded Obligation at the end of the year	7,006.04	6,445.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

35 - EMPLOYEE BENEFIT PLANS (Contd.)

Experience Adjustments

[Rs. in Lakhs]

Leave Salary	2018-19	2017-18	2016-17	2015-16	2014-15
Present Value of Unfunded Obligations	7,006.04	6,445.56	5,286.73	4,604.52	4,228.15
Fair Value of Plan Assets	-	-	-	-	-
Funded Status [(Surplus) / Deficit]	7,006.04	6,445.56	5,286.73	4,604.52	4,228.15
Experience adjustments on Plan Liabilities	255.13	1474.63	116.22	338.54	541.61
Experience adjustments on Plan Assets	-	-	-	-	-

Actuarial Assumptions

Actuarial Assumptions	As at 31.03.2019	As at 31.03.2018
1 Discount Rate	7.50% p.a.	7.70% p.a.
2 Expected Return on Plan Assets	7.50% p.a.	7.70% 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]

Particulars	Gratuity		Leave Salary	
	2018-19	2017-18	2018-19	2017-18
Discount Rate :				
One percentage increase	(643.01)	(609.24)	(550.01)	(507.81)
One percentage decrease	732.25	693.36	635.82	586.98
Salary Escalation Rate :				
One percentage increase	728.63	691.31	632.65	585.22
One percentage decrease	(651.54)	(618.40)	(557.25)	(515.39)
Withdrawal Rate :				
One percentage increase	6.71	27.55	7.37	26.35
One percentage decrease	(6.98)	(30.46)	(7.76)	(29.54)

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 :

Particulars	[Rs. in Lakhs]	
	As at 31.03.2019	As at 31.03.2018
Total Debt	24,745.24	29,063.35
EBDITA	1,17,375.99	89,017.48
Total debt / EBDITA	0.21	0.33

The Total Debt service coverage ratio at the end of the reporting period was as follows :

Particulars	[Rs. in Lakhs]	
	As at 31.03.2019	As at 31.03.2018
EBDITA	1,17,375.99	89,017.48
Interest and Installment on loans	7,871.09	6,912.05
Debt Service Coverage	14.91	12.88

The Total Debt to tangible Net Worth ratio at the end of the reporting period was as follows :

Particulars	[Rs. in Lakhs]	
	As at 31.03.2019	As at 31.03.2018
Total Debt	24,745.24	29,063.35
Tangible Net Worth	4,28,982.50	3,82,263.04
Total Debt / Tangible Net Worth	0.06	0.08

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36.2 Categories of Financial Instruments

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
Financial Assets					
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
Total :	82,555.24	148.72	1,57,852.14	2,40,556.10	2,40,556.10
Financial Liabilities					
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
Total :	-	-	63,406.45	63,406.45	61,445.90

The carrying value of financial instruments by categories as of March 31, 2018 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
Financial Assets					
Cash and Cash Equivalents	-	-	7,070.64	7,070.64	7,070.64
Other Balances with Banks	-	-	6,340.32	6,340.32	6,340.32
Quoted investments (Level 1)	66,432.38	230.17	-	66,662.55	66,662.55
Unquoted investments (Level 3)	32,853.47	-	0.20	32,853.67	32,853.67
Investment in Joint Venture	-	-	15,199.64	15,199.64	15,199.64
Trade receivables	-	-	40,327.69	40,327.69	40,327.69
Loans	-	-	37,685.17	37,685.17	37,685.17
Other financial asset	-	-	4,803.78	4,803.78	4,803.78
Total :	99,285.85	230.17	1,11,427.44	2,10,943.46	2,10,943.46
Financial Liabilities					
Short Term borrowings	-	-	432.76	432.76	432.76
Long Term borrowings	-	-	22,981.59	22,981.59	22,570.25
Trade Payables	-	-	27,855.76	27,855.76	27,855.76
Other financial liabilities	-	-	14,105.90	14,105.90	14,105.90
Total :	-	-	65,376.01	65,376.01	64,964.67

NOTES TO THE STANDALONE 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 :

[Amount in Lakhs]

Particulars	As at 31.03.2019		As at 31.03.2018	
	Currency	Amount in FC	Currency	Amount in FC
Receivables for export	US\$	10.34	US\$	8.18
	EURO	0.27	EURO	-
	GBP	1.82	GBP	1.73
Advance to suppliers	CHF	6.81	CHF	0.15
	JPY	2,191.00	JPY	2,200.00
	US\$	-	US\$	0.40
	EURO	-	EURO	3.33
Payables for imports	JPY	4.50	JPY	6.62
	US\$	5.66	US\$	16.70
	EURO	0.10	EURO	1.56
	GBP	0.30	GBP	-
Commission payable on exports	US\$	0.10	US\$	0.18
Other payables	EURO	0.19	EURO	0.03
	GBP	0.06	GBP	0.11
ECB Borrowings	US\$	359.32	US\$	445.99

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	
	2018-19	2017-18	2018-19	2017-18
USD	1,226.61	1,427.32	802.11	933.35
GBP	(6.65)	(14.87)	(4.35)	(9.72)
EUR	0.09	0.44	0.06	0.29
CHF	(24.33)	(0.50)	(15.91)	(0.33)
JPY	(70.58)	(67.75)	(46.15)	(44.30)

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.149 Lakhs (Rs. 182 Lakhs for the year 2017-18).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36 - FINANCIAL INSTRUMENTS (Contd.)

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.6,493.34 Lakhs and Rs.6,045.02 Lakhs as at 31st March, 2019 and 31st March, 2018 respectively. (Refer Note No. 12 for Trade Receivables outstanding).

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
March 31, 2019							
Variable Interest rate Instruments	5.25%	US \$ in Million		8.66	24.33	2.67	35.66
			24,452.24	5,993.44	17,536.73	922.07	24,452.24
Trade Payables		Rs. In Lakhs	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
March 31, 2018							
Variable Interest rate Instruments	5.30%	US \$ in Million		8.66	30.33	5.34	44.33
			28,630.09	5,648.50	19,501.24	3,480.35	28,630.09
Trade Payables		Rs. In Lakhs	27,855.76	27,855.76	-	-	27,855.76
Other Financial Liabilities			8,457.40	8,313.89	140.32	3.19	8,457.40

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36 - FINANCIAL INSTRUMENTS (Contd.)

36.8 Liquidity Risk Management (Contd.)

Financing facilities

[Rs. in Lakhs]

Particulars	[Rs. in Lakhs]	
	As at 31.03.2019	As at 31.03.2018
Secured Bank Loan facilities		
- amount used	292.50	432.76
- amount unused	12,707.50	12,567.56
Cash and cash equivalents	19,220.58	7,070.64
Other Bank Balances	7,880.44	6,340.32

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)
	31.03.2019	31.03.2018		
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.55,957.81	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs.66,662.55	Level 1	Quoted bid prices in an active market

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36 - FINANCIAL INSTRUMENTS (Contd.)

36.9 Fair Value Measurements (Contd.)

[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
	31.03.2019	31.03.2018				
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.12,707.89	a) 1) Investment in equity securities of a company belonging to the manufacturing sector domiciled in India- Rs.17,599.48	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.1,725.61	a) 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs.1,729.92	Level 3	(Refer note below)	Discount factor, Sales Volume and Trading Margin	No Sensitivity analysis has been carried out as at 31.03.2019 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 manufacturing sector domiciled in India- Rs.709.94	b) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs.4,192.79	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).	Annual Reports for past 5 years, 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.11,602.71	c) Investment in equity securities of a company belonging to the manufacturing sector domiciled in India- Rs.9,331.28	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.

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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

36 - FINANCIAL INSTRUMENTS (Contd.)

36.9 Fair Value Measurements (Contd.)

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 31.03.2019

[Rs. in Lakhs]

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Long Term Borrowings	-	-	16,498.26	16,498.26

Fair Value Hierarchy as at 31.03.2018

[Rs. in Lakhs]

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Long Term Borrowings	-	-	22,570.25	22,570.25

36.9.3 Reconciliation of Level 3 fair value measurements

[Rs. in Lakhs]

Particulars	Investment in unquoted shares irrevocably designated as FVTOCI
For the year ended March 31, 2019	
Opening Balance	32,853.47
Purchases	-
Total gains/(losses) in other comprehensive income	(6,107.32)
Closing balance	26,746.15
For the year ended March 31, 2018	
Opening Balance	33,892.34
Purchases	1,200.00
Total gains/(losses) in other comprehensive income	(2,238.87)
Closing balance	32,853.47

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 2018-19	Amount Outstanding as on 31.03.2019	Volume of Transaction in 2017-18	Amount Outstanding as on 31.03.2018
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Joint Venture	Expenses incurred on behalf of Joint Venture	692.26	-	13.81	1.19
		Rent Receipt	13.34	-	-	-
		Security Deposit Received	-	2.69	2.69	2.69
		Investment in Equity Shares	8,730.00	23,929.64	14,899.64	15,199.64
Delhi Jal Board	Government related Entity	Sale of Goods	843.21	203.28	538.35	236.97
Gujarat Water Supply & Sewage Board	Government related Entity	Sale of Goods	115.69	53.54	73.86	43.75
Public Health Engineering Department	Government related Entity	Sale of Goods	828.99	812.29	462.06	592.59
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	Inter Corporate Deposits	90,000.00	52,500.00	67,100.00	37,500.00
		Interest Received	4,089.54	-	2,587.24	1,260.02
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	Investment in Equity Shares	-	-	1,200.00	7,122.00
		Sale of Goods	0.87	17.83	54.76	46.97
Gujarat State Fertilizers & Chemicals Ltd.	Government related Entity	Investment in Equity Shares	-	1,500.00	-	1,500.00
		Purchase of Goods	1,242.48	89.18	674.94	65.85
		Sale of Goods	2,281.13	197.71	1,942.49	300.00
		Dividend Received	165.00	-	165.00	-
Gujarat Narmada Valley Fertilizers & Chemicals Limited	Government related Entity	Purchase of Goods	1,428.56	8.77	210.45	531.09
		Sale of Goods	1,882.14	287.80	959.83	731.14
Gujarat Industries Power Company Limited.	Government related Entity	Investment in Equity Shares	-	8,139.82	-	8,139.82
		Sale of Goods	44.27	4.02	34.68	7.95
		Dividend Received	623.40	-	623.40	-
Gujarat Gas Limited	Government related Entity	Investment in Equity Shares	-	2,000.00	-	2,000.00
		Dividend Received	170.53	-	127.89	-
Gujarat Guardian Limited	Associates	Investment in Equity Shares	-	742.50	-	742.50
		Dividend Received	400.95	-	326.70	-
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	942.18	-	235.29	-
		Rent Receipt	8.23	-	-	-
		Security Deposit Received	4.06	4.06	-	-
M/s Shardul Amarchand Mangaldas & Co. (upto 05.05.2018)	Others	Legal & Professional Fees	-	-	35.83	-
Shri P K Gera, IAS, Managing Director	Key Management Personnel	Remuneration	33.67	-	29.72	-
Dr. H. B Patel – Executive Director (Finance) & Chief Financial Officer	Key Management Personnel	Remuneration	43.93	-	38.71	-
		Loans	-	5.45	-	7.36
Shri S S Bhatt, Company Secretary and GM (Legal)	Key Management Personnel	Remuneration	36.76	-	28.47	-
		Loans	-	6.25	-	8.34
Dr. J N Singh, IAS - Chairman	Key Management Personnel	Sitting Fees	1.20	-	1.00	-
Shri M K Das, IAS - Director (From 03.08.2017)	Key Management Personnel	Sitting Fees	0.80	-	0.10	-
Shri Arvind Agarwal, IAS - Director (From 04.06.2018)	Key Management Personnel	Sitting Fees	0.10	-	-	-
Shri J N Godbole - Director	Key Management Personnel	Sitting Fees	2.80	-	2.60	-
Smt. Vasuben Trivedi - Director (From 03.08.2018)	Key Management Personnel	Sitting Fees	1.10	-	-	-
Shri Rajiv Lochan Jain - Director	Key Management Personnel	Sitting Fees	3.50	-	2.90	-
Mrs. Pallavi S Shroff - Director (upto 05.05.2018)	Key Management Personnel	Sitting Fees	-	-	0.20	-
Shri Anil Mukim, IAS - Director (upto 07.03.2018)	Key Management Personnel	Sitting Fees	-	-	1.30	-
Shri P K Taneja, IAS (Retd.) (upto 25.07.2017)	Key Management Personnel	Sitting Fees	-	-	0.10	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

38 - THE BREAK-UP OF PAYMENT TO AUDITORS (NET OF TAXES) IS AS UNDER :

Particulars	[Rs. in Lakhs]	
	2018-19	2017-18
Audit Fees - Standalone & Consolidated	16.50	13.65
Quarterly/Half Yearly Review	5.05	3.15
Out of Pocket Expenses	1.48	0.05
Other services	-	-
Total	23.03	16.85

39 - INCOME AND EXPENDITURE IN FOREIGN CURRENCY

Sr. No.	Particulars	[Rs. in Lakhs]	
		2018-19	2017-18
(a)	Earnings in Foreign Exchange - Export of Goods on F.O.B. basis (includes Deemed Export sales)	34,084.53	31,530.97
b)	Expenditure in Foreign Currency (on accrual basis) on account of :		
(i)	Interest	1,209.33	1,107.97
(ii)	Foreign Tour Expenses	12.46	7.39
(iii)	Bank charges and Commission	1.53	4.68
(iv)	Subscription	2.08	1.81
(v)	Commission on Export Sales	6.67	11.92
(vi)	AMC & Other Charges (For ISO Tank)	35.42	-
(vii)	Other Expenses	2,475.00	39.02

40 - VALUE OF IMPORTS ON CIF BASIS

Particulars	[Rs. in Lakhs]	
	2018-19	2017-18
Raw Materials	18,748.18	13,502.98
Stores and Spare Parts	1,779.18	1,073.96
Capital Goods	6,918.34	3,001.88

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 31.03.2019		As on 31.03.2018	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
Receivable for Exports	US \$	714.94	10,33,820.14	532.95	8,17,728.02
	EURO	20.97	27,000.00	-	-
	GBP	165.09	1,82,364.00	298.44	3,23,419.98
Advance to Suppliers	CHF	486.64	6,81,000.00	9.99	14,700.00
	JPY	1,414.51	21,91,00,000.00	1,359.16	22,00,00,000.00
	US \$	-	-	25.92	40,250.00
	EURO	-	-	263.15	3,32,520.40

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 31.03.2019		As on 31.03.2018	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
Payables for Imports	JPY	2.81	4,50,000.00	4.11	6,61,800.00
	US \$	391.55	5,66,186.55	1,099.43	16,70,190.00
	EURO	7.52	9,680.00	127.52	1,56,350.00
	GBP	27.33	30,200.00	-	-
Commission payable on exports	US \$	6.67	9,652.00	11.92	18,296.20
Other Payables	GBP	4.98	5,500.00	1.11	1,200.00
	EURO	14.93	19,227.49	8.89	11,000.00

Amount payable on account of ECB Borrowings :

Particulars	Currency	As on 31.03.2019		As on 31.03.2018	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
ECB and Accrued interest	US \$	24,848.97	3,59,32,277.55	29,067.40	4,45,98,996.66

42 - CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt	19,648.84	28,388.25
(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	1,669.76	1,600.60
(e) Disputed Service Tax liability	393.31	393.31
(f) Disputed Income Tax liability (excluding interest) :		
(i) Pending Before Appellate Authorities in respect of which the Company is in appeal	5,576.64	6,695.28
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	15,648.14	14,997.62
	63,418.43	72,556.80
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	10,716.30	8,162.92
Total (i)	74,134.73	80,719.72
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	33,196.13	26,475.57
(b) Sponsors' Support Agreement for project cost overrun by way of subscription to further equity in proportion with other sponsors in Bhavnagar Energy Co. Ltd. (Refer Note No.43)	Nil	Not ascertainable
Total (ii)	33,196.13	26,475.57
Total	1,07,330.86	1,07,195.29

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

- 43** - The Company had invested an amount of Rs.7,122.00 Lakhs in equity shares of Bhavnagar Energy Company Limited (BECL). As on 31st March, 2018, the fair value of the said investment stood at Rs.3,525.39 Lakhs. The Gujarat Government vide notification dated 27th August, 2018 in terms of Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003, formulated the Gujarat Electricity Reform (Transfer of Generation Undertakings) Scheme, 2018 (the scheme), whereby BECL shall be merged with effect from 1st April, 2018 into Gujarat State Electricity Corporation Ltd. (GSECL). In terms of the said notification, the Company would receive one equity share of Rs. 10/- of Gujarat State Electricity Corporation Ltd. for its investment in BECL. Accordingly, during the year, the Company has impaired its investment of Rs.3,525.39 Lakhs in BECL by debit to Other Comprehensive Income. Consequent to the said scheme the Company contends that the shareholders' agreement with BECL stands extinguished as also the Sponsors' Support Agreement. As at 31st March, 2019 the Company is yet to receive one equity share of GSECL and accordingly investment in BECL is retained at Nil value in Note No.6. The Scheme provides that the The Gujarat Government may amend, alter, vary, modify, add, delete or otherwise change the terms and conditions at any time for the period of twelve months from the date of transfer.
- 44** - The revenue from operations figures pertaining to year ended 31st March, 2018 are as per the published results and inclusive of Excise Duty according to the requirements of Ind-AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Government of India has implemented Goods and Service Tax ("GST") from 1st July, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per Ind AS 18, the revenue is reported net of GST for the year ended 31st March, 2019. Hence, the figures of Revenue from Operations are not comparable. The comparative revenue from operations figures net of Excise Duty for the previously reported periods would have been as follows :

[Rs. in Lakhs]

Particulars	31.03.2019	31.03.2018
Revenue from Operations (Net of Excise Duty)	3,16,137.77	2,45,208.03

- 45** - 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'.
- 46** - Effective 1st April, 2018, the Company has adopted IND AS 115 "Revenue from contracts with Customers" using the cumulative catch-up method. The Standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information is not restated in the financial statements.
- The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials statements of the Company for the year ended and as at March 31, 2019 is Nil.
- The performance obligation to transfer each distinct product consist of supplying the product to a named destination, handling charges and packing charges. In respect of contract with customers requiring delivery of a series of products, the performance obligation for each distinct product is satisfied upon transfer of control of the promised product. Accordingly, the revenue is recognised on point in time basis.
- 47** - 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, 2019 is Rs.5.72 Lakhs.

48 - CORPORATE SOCIAL RESPONSIBILITIES (CSR)

- 48.1** 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.878.09 Lakhs (Previous Year Rs.548.02 Lakhs).
- 48.2** Expenditure related to Corporate Social Responsibility is Rs.1,052.66 Lakhs (Previous Year Rs.1,365.75 Lakhs).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

48.3 Out of note 48.2 above, Rs.942.18 Lakhs (Previous Year Rs.303.98 Lakhs) is spent through GACL Education Society.

48.4 Out of note 48.2 above, Rs.Nil Lakhs (Previous Year Rs.Nil Lakhs) is towards construction / acquisition of an assets that will be owned by the Company.

49 - Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

50 - Approval of Financial Statements

The financial statements are approved for issue by the Board of Directors on 28th May, 2019.

As per our attached Report of even date.

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

Gaurav J. Shah
Partner
Membership No. 35701

Place : Gandhinagar
Date : 28th May, 2019

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

For and on behalf of the Board

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019



INDEPENDENT AUDITOR'S 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 Parent" or "the Group"), which includes Group's share of profit in it's joint venture company, which comprise's the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report other auditor on separate financial statements of joint venture referred to in the Other Matters section below, 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 prescribed 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, 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity 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 specified under Section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the 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	Auditor's Response
1	<p>Valuation of the Equity Instruments (unquoted) Investments in Equity Instruments (Unquoted) aggregates 5% of the Company's Total assets as at March 31, 2019. <i>Refer Note 6 to the consolidated financial statements for details of Investments in Equity Instruments (Unquoted) and Note 36.9.1 for the valuation approach/methodology and Key inputs thereof.</i></p>	
	<p>The Group 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>Our audit procedures included the following:</p> <p>a) 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), <i>inter alia</i> controls around:</p> <ul style="list-style-type: none"> periodic review by management of the risks of the valuation approach/ methodology; the verification and validation of unobservable inputs;

Sr. No.	Key Audit Matter	Auditor's Response
	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 judgement as regards the methods and inputs used.	<ul style="list-style-type: none"> • the determination of value adjustments; • selection and competence evaluation of external valuer. b) Involved the Internal fair value experts and: <ul style="list-style-type: none"> • Assessed the reasonableness of the approach/ methodology and inputs used; • Assessed the reasonableness of the valuation results determined by the external valuer.

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

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and General information for Members, but does not include the consolidated financial statements and our auditor's report thereon. The information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and General information for Members is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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, compare with the financial statements of the joint venture company audited by the other auditor, to the extent it relates to this entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the joint venture company, is traced from their financial statements audited by the other auditor.

When we read the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance Report and General information for Members, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial

position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint venture in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 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 Parent, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its joint venture are also responsible for overseeing the financial reporting process of the Group and of its joint venture.

Auditor's Responsibility 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from



fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 financial 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 Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 and its joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture company 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 entity within the Group and its joint venture company to express an opinion on the consolidated financial statements. We

are responsible for the direction, supervision and performance of the audit of the financial statements of such included in the consolidated financial statements of which we are the independent auditors. For the other entity included in the consolidated financial statements, which have been audited by other auditors, remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

The consolidated financial statements include the Group's share of net profit of Rs. 122.86 Lakhs for the year ended March 31, 2019, as considered in the consolidated financial statements, in respect of one joint venture company, 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 this joint venture company is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report 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 the report of other auditor on the separate financial statements of joint venture company referred to in the Other Matters section 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 the report of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company and the report of the statutory auditors of its joint venture company incorporated in India, none of the directors of the Group, its joint venture company incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
 - g) With respect to the other matters to be included in the Auditor's 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 Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture company;
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its joint venture company incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117364W)

Gaurav J. Shah
Partner

Place: Gandhinagar
Date: May 28, 2019

(Membership No.35701)



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Gujarat Alkalies and Chemicals Limited** (hereinafter referred to as “Parent”) and its joint venture company, which is company incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its joint venture company, which are companies incorporated in India, 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the joint venture company, which is company incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent and its joint venture company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting

to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditor referred to in the Other Matters paragraph below, the Parent and joint venture company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one joint venture company, which is company incorporated in India, is based solely on the corresponding report of the auditor of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 117364W)

Gaurav J. Shah
Partner

Place: Gandhinagar
Date: May 28, 2019

(Membership No. 35701)



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

[Rs. in Lakhs]

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
I ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	3	2,29,341.43	2,10,074.42
(b) Capital work-in-progress	3	30,746.01	24,788.99
(c) Other Intangible assets	4	682.90	361.28
(d) Intangible assets under development	4	-	388.79
(e) Financial Assets			
(i) Investments			
(a) Investment in Joint Venture	5	23,822.14	14,969.28
(b) Other Investments	6	82,555.24	99,285.85
(ii) Loans	7	155.97	56.09
(iii) Other Financial assets	8	2,108.19	1,974.39
(f) Non-Current Tax Assets (Net)	9	10,032.52	9,253.62
(g) Other non-current assets	10	12,638.45	8,377.47
Total Non - current assets		3,92,082.85	3,69,530.18
(2) Current assets			
(a) Inventories	11	23,146.65	26,546.51
(b) Financial Assets			
(i) Other Investments	6	148.92	230.37
(ii) Trade receivables	12	48,702.92	40,327.69
(iii) Cash and cash equivalents	13	19,220.58	7,070.64
(iv) Bank balance other than (iii) above	14	7,880.44	6,340.32
(v) Loans	7	52,599.60	37,629.08
(vi) Other Financial assets	8	3,254.60	2,829.39
(c) Other current assets	10	6,061.17	6,524.86
Total Current assets		1,61,014.88	1,27,498.86
TOTAL ASSETS		5,53,097.73	4,97,029.04
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 **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019 (Contd.)

[Rs. in Lakhs]

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
II EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share capital	15	7,343.84	7,343.84
(b) Other Equity	16	4,22,214.06	3,74,757.93
Total Equity		4,29,557.90	3,82,101.77
(2) LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	18,458.81	22,981.59
(b) Provisions	18	9,687.64	9,070.98
(c) Deferred tax liabilities (Net)	19	44,591.17	35,071.27
Total Non-current liabilities		72,737.62	67,123.84
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	17	292.50	432.76
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	20	1,426.90	1,071.81
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20	29,707.92	26,783.95
(iii) Other financial liabilities	21	13,520.32	14,105.90
(b) Other current liabilities	22	4,231.20	1,272.13
(c) Provisions	18	804.18	769.83
(d) Current Tax Liabilities (Net)	9	819.19	3,367.05
Total Current Liabilities		50,802.21	47,803.43
Total Liabilities		1,23,539.83	1,14,927.27
TOTAL EQUITY AND LIABILITIES		5,53,097.73	4,97,029.04
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 **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019



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

[Rs. in Lakhs]

Particulars	Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
I. Revenue from operations	23	3,16,137.77	2,51,389.50
II. Other Income	24	6,076.96	10,574.39
III. Total Revenue (I + II)		3,22,214.73	2,61,963.89
IV. Expenses:			
Cost of materials consumed	25	86,096.00	65,534.43
Purchase of Stock-in-Trade		386.69	175.81
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	(1,386.93)	147.47
Excise Duty		-	5,939.27
Employee benefits expense	27	20,695.81	20,138.73
Finance costs	28	2,094.13	1,489.71
Depreciation and amortisation expense	29	13,996.64	12,731.62
Power, Fuel & Other Utilities	30	62,951.19	52,206.70
Other expenses	31	35,879.02	28,577.84
Total Expenses		2,20,712.55	1,86,941.58
V. Share of Profit / (Loss) of Joint Venture		122.86	(80.52)
VI. Profit before Tax (III - IV + V)		1,01,625.04	74,941.79
VII. Tax expense	32		
(a) Current tax		26,938.36	18,453.22
(b) Deferred tax		4,456.28	3,334.45
(c) Net Tax Adjustment of earlier year		1,211.90	(295.52)
		32,606.54	21,492.15
VIII. Profit for the year (VI - VII)		69,018.50	53,449.64
IX. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Actuarial Gain / (Loss) on Gratuity		(132.58)	(1,232.13)
Deferred Tax Assets / (liabilities) on defined benefit obligation - Gratuity		46.33	426.42
Investment adjustment - FVTOCI		(16,730.61)	(2,208.96)
Deferred Tax Assets / (liabilities) on net fair value gain on investment in equity instruments at FVTOCI		1,009.08	516.52
Total Other Comprehensive Income (IX)		(15,807.78)	(2,498.15)
X. Total Comprehensive Income (VIII + IX)		53,210.72	50,951.49
XI. Earning per equity share (face value Rs.10/- each):	33		
(1) Basic (Rs.)		93.98	72.78
(2) Diluted (Rs.)		93.98	72.78
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

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As per our attached Report of even date.

For and on behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

[Rs. in Lakhs]

Particulars	2018-19	2017-18
A Cash Flow from Operating Activities	83,779.39	51,385.40
B Cash Flow from Investing Activities	(58,282.56)	(39,468.66)
C Cash Flow from Financing Activities	(13,583.92)	(11,634.38)
D Effect of unrealised exchange differences on translation of foreign currency cash and cash equivalents	237.03	–
E Cash and Cash Equivalents at the beginning of the year	7,070.64	6,788.28
F Cash and Cash Equivalents at the end of the year	19,220.58	7,070.64
G Total Cash Flow During the year (A+B+C+D) or (F-E)	12,149.94	282.36
A CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit / (Loss) Before Tax and Extraordinary Items	1,01,625.04	74,941.79
Adjustments For :		
Addition / (Deduction)		
Share of (Profit) / Loss in Joint Venture	(122.86)	–
Depreciation and Amortisation Expenses	13,996.64	12,731.62
Interest Income	(4,672.01)	(4,179.93)
Dividend Received	(1,359.88)	(1,335.08)
Interest Expense	2,094.13	1,489.71
Net (Profit) / Loss on Sale of Property, Plant & Equipment	11.65	(4,817.38)
Net (Gain) / Loss arising from Financial Assets designated as FVTPL	81.45	9.25
Profit on Sale of Investment	–	(21.26)
Unrealised exchange (gain) / loss	373.62	–
Provision for Expected credit loss allowances	327.38	266.96
Provision for Gratuity / Leave	455.85	–
Stores and Spares W/off	195.74	–
Sub Total	11,381.71	4,143.89
Operating Profit Before Working Capital Changes	1,13,006.75	79,085.68
Decrease or (Increase) in Assets :		
Trade Receivables	(8,723.35)	(7,719.90)
Loans	(70.40)	102.66
Other Assets	(3,061.18)	(2,728.92)
Other Financial Assets	(151.33)	41.50
Inventories	3,204.12	(9,556.41)
Increase / (Decrease) in Liabilities :		
Trade Payables and Other Current Liabilities	6,231.95	4,656.53
Provisions	90.52	1,211.33
Other Financial Liabilities	(1,389.70)	(176.61)
Cash Generated from Operations Before Tax	1,09,137.38	64,915.86
Direct Taxes Paid	(25,357.99)	(13,530.46)
Net Cash Flow generated from Operating Activities : (Total : A)	83,779.39	51,385.40



CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019 (Contd.)

[Rs. in Lakhs]

Particulars	2018-19	2017-18
B CASH FLOW FROM INVESTING ACTIVITIES :		
Proceed from Sale of Investment	-	902.99
Payment for Property, Plant & Equipment	(32,336.29)	(18,025.07)
Payment for Intangible Assets	(36.04)	6.71
Proceeds from disposal of Property, Plant & Equipment	-	83.02
Payment for Capital Work-in-progress	(6,280.50)	(10,451.62)
Payment for Investment in Joint Venture	(8,730.00)	(7,539.48)
Payment for Investments	-	(1,200.00)
Interest Received	4,264.33	3,919.71
Dividend Received	1,359.88	1,335.08
Bank Balances not considered as Cash Equivalents		
Payment for Deposits placed during the year	(1,532.03)	-
Payment for Short Term Deposits	(15,000.00)	(8,500.00)
Unpaid Dividend	8.09	-
Net Cash used in Investment Activities - (Total -B)	(58,282.56)	(39,468.66)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Interest and Finance charges paid	(2,083.60)	(1,490.69)
Dividend paid (including dividend distribution tax)	(5,762.68)	(4,439.89)
Repayment from Long Term Borrowings	(5,597.38)	(5,453.28)
Proceeds from Short Term Borrowings (Net)	(140.26)	(250.52)
Net Cash used in Financing Activities - (Total - C)	(13,583.92)	(11,634.38)
D Effect of unrealised exchange differences on translation of foreign currency cash and cash equivalents	237.03	-
E CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :		
Cash and Cheques on Hand	307.26	3.09
Balances with Banks	6,763.38	6,785.19
Net Cash and Cash Equivalents at the beginning of the year (Total - E)	7,070.64	6,788.28
F CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :		
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	-
Net Cash and Cash Equivalents at the end of the year (Total - F)	19,220.58	7,070.64
G TOTAL CASH FLOW DURING THE YEAR (A+B+C+D) OR (F-E)	12,149.94	282.36

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 year's presentation, wherever necessary.

See accompanying notes forming part of financial statements. 1-49.

As per our attached Report of even date.

For **Deloitte Haskins & Sells**

Chartered Accountants
Firm Reg. No. : 117364W

Gaurav J. Shah

Partner
Membership No. 35701

Place : Gandhinagar
Date : 28th May, 2019

P. K. Gera, IAS

Managing Director
DIN No. : 05323992

CA. (Dr.) H. B. Patel

Executive Director (F) &
Chief Financial Officer

For and on behalf of the Board

Dr. J. N. Singh, IAS

Chairman
DIN No. : 00955107

S. S. Bhatt

Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

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

[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			
Balance as at April 1, 2017	7,343.84	0.24	1,44,000.08	23,423.18	86,777.78	74,024.51	3,28,225.79	3,35,569.63
Profit for the year	-	-	-	-	53,449.64	-	53,449.64	53,449.64
Transfer to general reserve	-	-	26,751.00	-	(26,751.00)	-	-	-
Other comprehensive income for the year	-	-	-	-	(805.71)	(1,692.44)	(2,498.15)	(2,498.15)
Total Comprehensive income for the year	-	-	26,751.00	-	25,892.93	(1,692.44)	50,951.49	50,951.49
Dividend	-	-	-	-	(3,671.85)	-	(3,671.85)	(3,671.85)
Dividend distribution tax	-	-	-	-	(747.50)	-	(747.50)	(747.50)
Balance as at March 31, 2018	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)
Total Comprehensive income for the year	-	-	34,482.00	-	34,450.25	(15,721.53)	53,210.72	53,210.72
Dividend	-	-	-	-	(4,773.40)	-	(4,773.40)	(4,773.40)
Dividend distribution tax	-	-	-	-	(981.19)	-	(981.19)	(981.19)
Balance as at March 31, 2019	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

As per our attached Report of even date.

For and on behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Notes forming part of the Financial Statements

1. GENERAL INFORMATION

Gujarat Alkalies and Chemicals Limited (the Group) is a multi-product chemical manufacturing Group, having 35 products in its basket and is one of the leading manufacturer of Caustic Soda Lye.

The Group having CIN L24110GJ1973PLC002247 is a public limited Group incorporated and domiciled in India and has its Registered Office at P. O. Petrochemicals – 391346, District Vadodara, Gujarat, India. The equity shares of the Group are listed on the BSE Limited and National Stock Exchange of India Limited.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

The 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 Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and the relevant provisions of the Act and accounting principles generally accepted in India.

2.2 Basis of Preparation of financial statements

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.3 Principles of consolidation of Joint Venture

Interest in joint venture are accounted for using equity method, after initially recognised at cost in the consolidated balance sheet.

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”.

Effective 1st April, 2018, the Company has adopted IND AS 115 “Revenue from contracts with Customers” using the cumulative effect method. The Standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information is not restated in the financial statements.

Revenue from the sale of products is recognised upon transfer of control of promised products to customers and when it is probable that the Company will collect the consideration to which it is entitled to for exchange of those products.

The performance obligation to transfer each distinct product consist of supplying the product to a named destination, handling charges and packing charges. The Company accounts for price 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 increases in levels 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.

Sale of products exclude amounts of indirect taxes on sales.

Refer serial number 4 of Note 2 “Significant

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting Policies,” in the Company’s 2017-18 Annual Report for the policies in effect for revenue prior to April 1, 2018.

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 Group 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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When acquired, finance leases are capitalised at fair value or present value of Minimum Lease payments at the inception of the lease, whichever is lower. Lease payments under operating leases are recognised as an expense on a straight line basis in the Statement of Profit and Loss over the lease term.

2.7 Foreign Currencies

2.7(a) Functional Currency :

The functional currency of the Group 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 Group’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.

2.8 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 profit or loss in the period in which they are incurred.

Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

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 in the period in which the employee renders the related services.

2.9(b) Post-Employment Benefits :

2.9(b)(i) Defined Contribution Plan :

The Group’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.

2.9(b)(ii) Defined Benefit Plans :

The Gratuity Scheme managed by Life Insurance

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Corporation of India through a Trust is considered as defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss and Other Comprehensive Income.

The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan to recognise the obligation on net basis.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

2.9(b)(iii) 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 the tax currently payable 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. The Group'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 liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences 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 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 Group 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 profit or 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 depreciation.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment, if any. Costs directly attributable to acquisition are capitalised until the property, plant and equipment are ready for use, as intended by management. The Group 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- 6 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 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 put to 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 Group and the cost of the item can be measured reliably. Repairs and maintenance costs are recognized in net profit 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 are recognised in the Statement of Profit and Loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell.

2.12 Intangible Assets

Intangible Assets acquired separately :

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. 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.

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

2.13 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 (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 to which the asset belongs. 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.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value after providing for obsolescence. Cost of inventories are determined on weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

2.15 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2.16 Financial Instruments

The Group determines the classification of its financial assets and liabilities at initial recognition. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Initial Recognition :

The Group 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 the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent Measurement :

2.16(a) Non-derivative financial instruments

2.16(a)(i) Cash and Cash equivalents :

The Group 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 consists of balances with banks which are unrestricted for withdrawal and usage.

2.16(a)(ii) 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)(iii) 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 Group 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.

2.16(a)(iv) 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 fair valued through profit or loss.

2.16(a)(v) 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 Group accounts for its investment in joint venture at cost.

2.16(a)(vi) 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.

2.16(b) 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.

Derecognition of financial instruments :

The Group 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. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.17 Fair value of financial instruments

In determining the fair value of its financial instruments,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include available quoted market prices and valuation reports from independent valuers. All methods of assessing fair value result in general approximation of value and such value may never actually be realized.

2.18 Impairment of Financial Assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued 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 is recognised as an impairment gain or loss in profit or loss.

2.19 Earnings per share

Basic earnings per share are computed by dividing the profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The Group did not have any potentially dilutive securities in any of the period presented.

2.20 Operating Segments

The Company operates in one reportable business segments i.e. "Chemicals".

2.21 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Useful lives and residual value of property, plant and equipment :

The Group 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.

Allowance for expected credit losses :

Note -12 describes the use of practical expedient by computing the expected credit loss allowance for trade receivables based on provision matrix. The expected credit loss allowance is based on the aging of the days receivables which are past due and the rates derived based on past history of defaults in the provision matrix.

Dismantling cost of property, plant and equipment:

Note-3 describes assets retirement obligation on estimate basis for property, plant and equipment. The management estimates dismantling cost considering size of the asset and its useful life in line with industry practices.

Stores and spares inventories :

The Group's manufacturing process is continuous and highly mechanic with wide range of different types of plant and machineries. The Group 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 Group believes that net realizable value would be more than cost.

Fair value of investments :

The Group has invested in the equity instruments of various companies. However, the percentage of shareholding of the Group 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 valuation exercise carried out by the Group with the help of an independent valuer has estimated fair value at each reporting period based on available historical annual reports and other information in the public domain.

Income taxes :

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Contingent liability judgement :

Note - 42 describes claims against the Group not acknowledged as debt. It includes certain penalties and charges payable to Government agency although as per the contracts, the Management, based on past experience, believes that the penalties and charges are negotiable and not certain and accordingly it is not considered as an obligation as at balance sheet date and disclosed as contingent liabilities.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Classification of GACL-NALCO Alkalies and Chemicals Pvt. Ltd. as a Joint Venture

GACL-NALCO Alkalies and Chemicals Pvt. Ltd. is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicates that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of joint arrangement. Accordingly, GACL-NALCO Alkalies and Chemicals Pvt. Ltd. is classified as a joint venture of the Group.

2.22 Recent accounting pronouncements

Standards issued but not yet effective :

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

This accounting standard is applicable to the Company from April 1, 2019. The management is evaluating the requirements of the new standard and effect on the financial statements.

Amendment to Ind AS 12 – Income taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution tax. The amendment clarifies that an entity shall recognise the income tax consequences of dividend in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is

currently evaluating the effect of this amendment on the standalone financial statements.

Ind AS 12 Appendix C, Uncertainty over Income Tax

Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement:

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Carrying Amounts of :		
Land Freehold	102.75	102.75
Land Leasehold	3,786.28	3,827.40
Buildings	12,262.22	12,244.74
Plant and equipment	2,11,872.24	1,92,387.70
Plant and equipment under Finance Lease	412.39	428.47
Computer Equipments	480.93	627.92
Furniture and Fixture	361.46	368.33
Vehicles	63.16	87.11
	2,29,341.43	2,10,074.42
Capital Work-In-Progress	30,746.01	24,788.99
	30,746.01	24,788.99
Total	2,60,087.44	2,34,863.41

[Rs. in Lakhs]

Fixed Assets	Land Freehold	Land Leasehold (Ref. Note No.3.1)	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Computer Equip- ments	Furniture & Fixture	Vehicles	Recoating/ Rememb- rancing	Total
Cost										
As at April 1, 2017	102.75	6,361.07	13,973.01	2,00,245.86	331.25	514.81	603.83	183.04	7,010.07	2,29,325.69
Additions	-	-	0.97	17,496.07	-	469.33	23.35	-	-	17,989.72
Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	(2,459.13)	-	(1,390.94)	(56.72)	(6.87)	(0.60)	(6.58)	-	(3,920.84)
Effect of Exchange difference	-	-	-	35.35	-	-	-	-	-	35.35
As at March 31, 2018	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
As at March 31, 2019	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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK IN PROGRESS (Contd.)

[Rs. in Lakhs]

Fixed Assets	Land Freehold	Land Leasehold (Ref. Note No.3.1)	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Computer Equipments	Furniture & Fixture	Vehicles	Recoating/ Remem-braning	Total
Depreciation & Impairment										
As at April 1, 2017	-	33.56	1,155.93	18,114.71	(113.12)	151.32	180.74	65.74	2,418.23	22,007.11
Depreciation for the year	-	61.40	573.31	10,078.45	13.06	199.81	77.64	28.61	1,691.67	12,723.95
Impairment for the year	-	-	-	-	-	-	-	-	-	-
Deductions	-	(20.42)	-	(1,294.35)	(53.88)	(1.78)	(0.13)	(5.00)	-	(1,375.56)
Effect of Foreign currency exchange difference	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	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	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	117.62	2,301.12	40,385.82	52.26	575.84	331.16	127.57	5,003.56	48,894.95
Net Block										
As at March 31, 2019	102.75	3,786.28	12,262.22	209,865.73	412.39	480.93	361.46	63.16	2,006.51	2,29,341.43
As at March 31, 2018	102.75	3,827.40	12,244.74	189,487.53	428.47	627.92	368.33	87.11	2,900.17	2,10,074.42

3.1 Lease hold land amortised during Financial Year 2018-19 of Rs. 41.12 Lakhs (Ref. Note 2.10).

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. 0.43 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 31.03.2019	As at 31.03.2018
Carrying Amounts of:		
Computer Software	682.90	361.28
	682.90	361.28
Intangible assets under development	-	388.79
	-	388.79

Other Intangible Assets	Computer Software
Cost	
As at April 1, 2017	37.74
Additions	342.02
Disposals or classified as held for sale	-
Foreign currency exchange difference	-
As at March 31, 2018	379.76
Additions	424.83
Additions from internal developments	-
Acquisitions through business combinations	-
Disposals or classified as held for sale	-
Foreign currency exchange difference	-
As at March 31, 2019	804.59
Accumulated amortisation and impairment	
As at April 1, 2017	10.81
Amortisation expense	7.67
As at March 31, 2018	18.48
Amortisation expense	103.21
As at March 31, 2019	121.69
Net Block	
As at March 31, 2019	682.90
As at March 31, 2018	361.28



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5 - INVESTMENT IN JOINT VENTURE

[Rs. in Lakhs]

Particulars	Nos.	Face Value Rs.	As at 31.03.2019	Nos.	As at 31.03.2018
Unquoted Investments (all fully paid) :					
Investment in fully paid Equity Shares of GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	23,92,96,400	10	23,822.14	15,19,96,400	14,969.28
GRAND TOTAL			23,822.14		14,969.28

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 31.03.2019	As at 31.03.2018
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Manufacture and Sale of Chlor-Alkali Products	India	60%	60%

For Method of Accounting Refer Note-2.16 (a) (v) and for Critical judgements applied Refer Note-2.21.

Summarised financial information in respect of Joint Venture :

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Non-Current Liabilities	4,812.56	-
Current Liabilities	4,011.85	867.02
Non-Current Assets	39,821.03	21,022.45
Current Assets	8,706.95	4,792.88
Net Assets	39,703.57	24,948.31
Proportion of the Group's ownership interest in the joint venture	60%	60%
Carrying amount of the Group's interest in the joint venture	23,822.14	14,968.99
The above amounts of Assets and Liabilities include the following :		
Cash and Cash equivalents	4,975.70	3,787.29
Current Financial Liabilities (excluding Trade Payables and Provisions)	3,852.62	746.07
Non-Current Financial Liabilities (excluding Trade Payables and Provisions)	4,812.56	-

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Revenue	558.73	262.55
Profit/(Loss) from continuing operations	204.77	(134.20)
Other Comprehensive Income for the year	-	-
Total Comprehensive Income for the year	204.77	(134.20)
The above profit/(loss) for the year include the following :		
Depreciation and Amortisation	9.64	1.41
Interest Income	186.18	262.55
Income Tax Expense/(Income)	158.83	73.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

6 - OTHER INVESTMENTS

[Rs. in Lakhs]

Particulars	Face Value Rs.	As at 31.03.2019		As at 31.03.2018	
		Quantity	Amount	Quantity	Amount
Non - Current :					
1 Investment in Equity Instruments (Quoted) :					
a Gujarat Industries Power Company Limited	10	2,30,88,980	16,416.26	2,30,88,980	22,350.13
b Gujarat State Fertilizers and Chemicals Limited	2	75,00,000	7,818.75	75,00,000	8,557.50
c Gujarat Lease Financing Limited	10	2,50,000	5.40	2,50,000	4.13
d Gujarat Gas Limited (Refer Note No. 6.1)	2	2,13,15,785	31,568.68	4,263,157	35,520.62
Total - 1 (Quoted)			55,809.09		66,432.38
2 Investment in Equity Instruments (Unquoted) :					
a Gujarat Data Electronics Limited Less :- Provision for Diminution in the value of Investment	10	40,000	4.00 (4.00)	40,000	4.00 (4.00)
b Gujarat Venture Finance Limited	10	1,80,000	267.84	1,80,000	222.05
c Gujarat Guardian Limited	10	74,25,000	12,707.89	74,25,000	17,599.48
d Gujarat State Petroleum Corporation Limited	1	2,15,43,200	1,725.61	2,15,43,200	1,729.92
e Gujarat Chemical Port Terminal Company Limited	1	6,13,90,000	11,602.71	6,13,90,000	9,331.28
f Vadodara Enviro Channel Limited	10	7,151	442.10	7,151	445.35
g Bhavnagar Energy Company Limited (Refer Note No. 43)	10	-	-	7,12,20,000	3,525.39
Total - 2 (Unquoted)			26,746.15		32,853.47
GRAND TOTAL			82,555.24		99,285.85
Current :					
(A) Investment in Equity Instruments (Quoted) :					
1 IDBI Bank Ltd.	10	3,18,800	148.72	3,18,800	230.17
2 Housing Development Finance Corporation Ltd. Less :- Sold During the F. Y. 2017-18	2	-	-	58,700 (58,700)	881.73 (881.73)
Total - A			148.72		230.17
(B) Investment in Government Securities (Unquoted) :					
Six Year National Saving Certificate (Pledged for renewal of licence)			0.20		0.20
Total - B			0.20		0.20
GRAND TOTAL			148.92		230.37
Aggregate Book Value of quoted investments			55,957.81		66,662.55
Aggregate Market Value of quoted investments			55,957.81		66,662.55
Aggregate Carrying Value of unquoted investments			26,746.15		32,853.47
Aggregate amount of impairment in value of Investments			4.00		4.00
Category-wise other Investments - as per Ind AS 109 classification :-					
Financial assets carried at fair value through profit or loss (FVTPL) (Equity Instruments)			148.72		230.17
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)			82,555.24		99,285.85

6.1 The Company held 42,63,157 fully paid- up Equity Shares of Rs.10/- of Gujarat Gas Co. Ltd. The said 42,63,157 Equity Shares were sub-divided from Rs.10/- each to 2,13,15,785 Equity Shares of Rs.2/- each on 17.01.2019.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****7 - LOANS**

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
LOANS RECEIVABLE :		
Non-Current :		
Unsecured - Considered Good :		
Loans to Employees	148.43	44.39
Loans to Officers	7.54	11.70
Total :	155.97	56.09
Current :		
Unsecured - Considered Good :		
Inter Corporate Deposit with Gujarat State Financial Services Ltd. (Related party - Refer Note-37)	52,500.00	37,500.00
Loans to Employees	95.44	125.08
Loans to Officers	4.16	4.00
Total :	52,599.60	37,629.08

8 - OTHER FINANCIAL ASSETS

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Non - Current :		
Unsecured - Considered Good :		
Security Deposits	2,108.19	1,974.39
Total :	2,108.19	1,974.39
Current :		
Unsecured - Considered Good :		
Security Deposits	212.86	284.97
Amount receivable from DGVCL for Wind Farm Credit	682.55	591.72
Receivable from GACL-NALCO Alkalies and Chemicals Pvt. Ltd. (Related party - Refer Note - 37)	-	1.19
Interest receivable	2,359.19	1,951.51
Total :	3,254.60	2,829.39

9 - NON-CURRENT TAX ASSETS (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Tax Assets (Net)	10,032.52	9,253.62
Total :	10,032.52	9,253.62

CURRENT TAX LIABILITIES (NET)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Tax Liabilities (Net)	819.19	3,367.05
Total :	819.19	3,367.05

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10 - OTHER ASSETS

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Non - Current :		
Unsecured - Considered Good :		
Capital Advances (Refer Note No. 10.1)	6,184.57	5,420.52
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)	686.61	501.00
Prepaid Expenses	6.74	13.50
Prepayment for leasehold land	4,473.85	1,150.98
Other Loans and Advances	29.13	33.92
Total :	12,638.45	8,377.47
Current :		
Unsecured - Considered Good :		
Prepaid Current Employee Benefits (Gratuity) (Ref. Note No. 35)	-	80.97
Advance to suppliers	3,870.04	4,383.27
Export Incentive Receivable	97.52	196.80
Balance with Excise & Customs	33.91	33.91
Prepaid Expenses	222.39	78.08
Prepayment for leasehold land	204.94	79.51
Indirect Taxes Receivable	1,252.68	1,147.01
Other Loans and Advances	379.69	525.31
Total :	6,061.17	6,524.86

10.1 Capital Advances includes advance payment made for leasehold lands allotted pending execution of lease deeds :

- (i) Rs. 1,732.59 Lakhs (FY 2017-18 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 2017-18 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 31.03.2019	As at 31.03.2018
(a) Raw Materials and Components	5,446.93	3,716.75
Goods-in-Transit	3,272.71	3,523.45
	8,719.64	7,240.20
(b) Work-in-Progress	1,496.14	567.21
(c) Finished Goods	3,883.99	3,380.95
Goods-in-Transit	116.80	161.84
	4,000.79	3,542.79
(d) Stores and Spares	8,564.00	14,816.19
Goods-in-Transit	31.55	-
	8,595.55	14,816.19
(e) Others :		
Packing Materials	252.46	292.64
Furnace Oil	-	17.16
Building Materials	66.08	54.56
Others	15.99	15.76
	334.53	380.12
Total :	23,146.65	26,546.51

12 - TRADE RECEIVABLES

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Current :		
(a) Secured, considered good (Refer Note No. 36.7)	6,493.34	6,045.02
(b) Unsecured		
Considered good	42,209.58	34,282.67
Considered Doubtful (Refer Note No. 12.1)	2,472.38	2,145.00
	44,681.96	36,427.67
(c) Which have significant increase in Credit Risk	-	-
(d) Credit Impaired	-	-
	51,175.30	42,472.69
Less : Allowance for expected credit losses	2,472.38	2,145.00
Total :	48,702.92	40,327.69

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 - TRADE RECEIVABLES (Contd.)

12.1 Trade Receivables include overdue outstanding from various parties aggregating to Rs. 1,322.42 Lakhs, (Previous Year Rs.1,163.41 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. 1,322.42 Lakhs (Previous Year Rs.1,163.41 Lakhs) exists for such doubtful debts as on 31.03.2019.

The average credit period on sale of goods is 58 days. However, no interest is charged on Trade Receivables for delay in payment beyond 58 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 31.03.2019	
Within the Credit Period	0.67%	
1-60 days past due	16.60%	
61-180 days past due	49.38%	
181-2 years past due	56.32%	
2-5 years past due	100.00%	
Above 5 years past due	100.00%	

Age of Receivables :	[Rs. in Lakhs]	
Particulars	As at 31.03.2019	As at 31.03.2018
Within the Credit Period	47,340.02	39,923.65
1-60 days past due	1,630.83	298.86
61-180 days past due	306.68	389.65
181-2 years past due	377.43	189.91
2-5 years past due	197.41	-
Above 5 years past due	1,322.93	1,670.62
Total :	51,175.30	42,472.69

Movement in Expected Credit Loss Allowance :	[Rs. in Lakhs]	
Particulars	As at 31.03.2019	As at 31.03.2018
Balance at beginning of the year	2,145.00	1,878.04
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	327.38	266.96
Balance at end of the year	2,472.38	2,145.00

The Concentration of Credit Risk is limited due to the fact that the customer base is large and unrelated.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12 - TRADE RECEIVABLES (Contd.)

At March 31, 2019 and March 31, 2018, 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 31.03.2019		Balance as at 31.03.2018	
		Amount (Rs.)	% to Total Debtors	Amount (Rs.)	% to Total Debtors
1	Dealer-A	8,101.08	15.83	7,209.25	16.97
2	Dealer-B	3,986.68	7.79	2,959.19	6.97
3	Dealer-C	3,256.42	6.36	3,214.71	7.57
4	Dealer-D	3,160.12	6.18	2,127.24	5.01
5	Dealer-E	2,692.42	5.26	2,817.84	6.63
	Total (1 TO 5)	21,196.72	41.42	18,328.23	43.15
	Total Trade Receivable-GACL	51,175.30	100.00	42,472.69	100.00

13 - CASH AND CASH EQUIVALENTS

[Rs. in Lakhs]		
Particulars	As at 31.03.2019	As at 31.03.2018
Cash and Cash Equivalents :		
Balances with Banks :		
Current Account	2,758.80	6,763.38
Cheques, Drafts on hand	458.52	303.24
Cash on hand	3.22	4.00
Others :		
Stamps on hand	0.04	0.02
Deposit with Gujarat State Financial Services Ltd.	16,000.00	-
Total :	19,220.58	7,070.64

14 - OTHER BALANCES WITH BANKS

[Rs. in Lakhs]		
Particulars	As at 31.03.2019	As at 31.03.2018
Other Bank Balances consist of the following:		
Fixed Deposits with Banks	7,732.03	6,200.00
Unpaid Dividend (Refer Note No. 14.1)	148.41	140.32
Total :	7,880.44	6,340.32

14.1 During the year, the Company has transferred Rs. 10.79 Lakhs (Previous Year Rs.9.86 Lakhs for FY 2009-10) to Investor Education & Protection Fund for FY 2010-11.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15 - SHARE CAPITAL

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Equity Share Capital		
(a) Authorised share capital :		
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
	15,000.00	15,000.00
(b) Issued :		
7,34,39,875 Equity Shares of Rs.10/- each (As at March 31, 2018 :7,34,39,875)	7,343.99	7,343.99
(c) Less : Subscribed & Not Fully Paid-up (forefeited) :		
2,947 Equity Shares of Rs.10/- each (As at March 31, 2018 : 2,947)	0.15	0.15
(d) Subscribed & Fully Paid-up :		
7,34,36,928 Equity Shares of Rs.10/- each (As at March 31, 2018 :7,34,36,928)	7,343.84	7,343.84
Total	7,343.84	7,343.84

(i) Reconciliation of the number of equity shares :

Particulars	As at 31.03.2019		As at 31.03.2018	
	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.

(iii) Details of shares held by each shareholder holding more than 5% equity shares :

Sr. No.	Name of Shareholder	As at 31.03.2019		As at 31.03.2018	
		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 2018-19, the Company has proposed dividend of Rs. 8.00 per equity share (Previous Year Rs. 6.50 per share declared). Proposed dividends on equity share are subject to approval at the Annual General Meeting and are not recognised as a liability (including dividend tax) as at Balance Sheet date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****16 - OTHER EQUITY**

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
a. General Reserve	2,05,233.08	1,70,751.08
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	56,610.54	72,332.07
e. Retained Earnings	1,36,947.02	1,08,251.36
Total :	4,22,214.06	3,74,757.93

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.

17 - BORROWINGS

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Non-Current :		
Secured - at amortised cost :		
Term Loans from Banks :		
External Commercial Borrowing from ICICI Bank (Refer Note No.17.1)	8,180.29	9,418.57
External Commercial Borrowing from HSBC Bank (Refer Note No.17.2)	10,278.52	13,563.02
Total :	18,458.81	22,981.59

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17 - BORROWINGS (Contd.)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Current :		
Secured		
Loans repayable on demand from Banks (Refer Note No. 17.3)	292.50	432.76
Total :	292.50	432.76

17.3 The Company has working capital facilities with various Banks carrying interest rate ranging from 8.35% p.a. to 13.00% 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 31.03.2019	As at 31.03.2018
Non - current :		
(A) Provision for Employees' Benefits		
(i) Compensated Absences (Ref. Note No. 35)	6,243.09	5,703.34
(ii) Long Service Award	52.80	67.82
(B) Provision for Other Liabilities (Ref. Note No. 18.1)	1,719.66	1,719.66
(C) Asset Retirement Obligations	1,672.09	1,580.16
Total :	9,687.64	9,070.98
Current :		
(A) Provision for Employees' Benefits		
(i) Compensated Absences (Ref. Note No. 35)	762.95	742.21
(ii) Long Service Award	41.23	27.62
Total :	804.18	769.83

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 31.03.2019	As at 31.03.2018
Deferred Tax assets	(10,246.23)	(16,487.19)
Deferred Tax liabilities	54,837.40	51,558.46
Deferred Tax Liabilities (Net)	44,591.17	35,071.27

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)
Total :	35,071.27	4,456.28	(1,055.41)	-	-	4,957.61	1,161.42	44,591.17

2017-2018:

[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	42,243.07	3,952.51	-	-	-	-	-	46,195.58
Employee Benefits	(170.97)	-	(426.42)	-	-	-	-	(597.39)
Investments	5,879.40	-	(516.52)	-	-	-	-	5,362.88
Disallowances / Allowances	(2,634.30)	(618.06)	-	-	-	-	-	(3,252.36)
MAT Credit Entitlement	(14,691.07)	-	-	-	-	2,377.21	(323.58)	(12,637.44)
Total :	30,626.13	3,334.45	(942.94)	-	-	2,377.21	(323.58)	35,071.27

20 - TRADE PAYABLES

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Current :		
Trade Payable to related parties (Refer Note-37) :	97.95	596.94
Trade Payables		
a. Total outstanding dues of Micro Enterprises and Small Enterprises	1,426.90	1,071.81
b. Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	29,609.97	26,187.01
Total :	31,134.82	27,855.76

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20 - TRADE PAYABLES (Contd.)

The Average Credit Period on Purchases of Goods and Services is 50 days for current year. However, no interest is charged on the outstanding balance in case of delay in payment beyond the credit period. 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 31.03.2019	As at 31.03.2018
Current :		
Current maturities of long term secured debts (Refer Note No. 21.1)	5,993.43	5,648.50
Interest accrued but not due on borrowings	183.68	173.15
Unpaid dividends	148.41	140.32
Payables for capital goods	3,473.64	3,033.07
Security Deposits / Earnest Money Deposits	3,713.91	5,107.67
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	-
Total :	13,520.32	14,105.90

21.1 Represents repayment falling due in next twelve months :

- (i) Rs. 4,149.30 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. 1,844.13 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.

22 - OTHER CURRENT LIABILITIES

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
Other payables :		
Other Statutory Liabilities	3,526.80	819.41
Advance received from customers	704.40	452.72
Total :	4,231.20	1,272.13



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23 - REVENUE FROM OPERATIONS

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019		Year Ended 31.03.2018	
	(i) SALE OF PRODUCTS :			
[a] MANUFACTURING OPERATIONS :-				
Caustic Soda Lye	1,00,152.10		90,695.65	
Caustic Soda Flakes	49,198.14		44,435.68	
Caustic Soda Prills	5,005.50		3,758.97	
Chloromethanes	23,974.93		11,434.53	
Caustic Potash Lye	3,458.89		2,945.54	
Caustic Potash Flakes	8,543.27		7,363.74	
Potassium Carbonate	6,433.37		5,298.23	
Hydrogen Peroxide	38,378.76		26,477.30	
Phosphoric Acid (85%)	16,170.58		16,663.22	
Poly Aluminium Chloride	5,660.31		4,105.48	
Aluminium Chloride	17,595.78		13,033.58	
Chlorinated Paraffin Wax	2,287.51		1,033.96	
Benzyl Chloride	3,190.55		2,096.34	
Benzyl Alcohol	5,164.38		5,332.57	
Benzaldehyde	2,260.79		1,482.44	
Sodium Chlorate	8,360.83		7,321.94	
Stable Bleaching Powder	2,703.79		1,665.77	
Liquid Chlorine	5,055.09		(5,317.76)	
Hydrogen Gas	2,039.39		1,628.55	
Others	2,533.65		(1,447.53)	
		3,08,167.61		2,40,008.20
[b] TRADING ACTIVITY		428.38		206.72
[c] SALE OF POWER		1,635.38		1,555.81
[d] EXCISE DUTY		-		6,181.47
Total (i)		3,10,231.37		2,47,952.20
(ii) OTHER OPERATING REVENUE :				
Sale of Scrap	1,255.23		1,090.94	
Insurance claims received	0.47		0.47	
Export Incentives	199.63		179.06	
Credit balances written back (Net)	73.35		274.77	
Freight Outward Recovered (Gross)	4,102.62		1,830.70	
Other Receipts	275.10		61.36	
Total (ii)		5,906.40		3,437.30
Total (i + ii)		3,16,137.77		2,51,389.50

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24 - OTHER INCOME

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Interest Income		
a) Deposit with Banks	410.96	401.39
b) Short Term Deposit / Inter Corporate Deposit	4,089.54	2,587.24
c) Others		
- From Non-Current Assets	125.65	1,191.30
- From Current Assets	45.86	-
Dividend Income		
From Non-Current Investments	1,359.88	1,335.08
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.		
Other Non-operating Income		
a) Net Exchange rate variation	-	188.79
b) Rent received from assets given on operating lease	20.90	13.16
c) Profit on sale of Fixed Assets (Net)	-	4,817.38
d) Net gain arising from Financial Assets designated FVTPL	-	21.26
e) Miscellaneous Income	24.17	18.79
Total:	6,076.96	10,574.39

25 - COST OF MATERIALS CONSUMED

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Natural Gas (includes used in captive power plant)	28,269.49	21,376.80
Potassium Chloride	7,396.15	7,527.71
Salt	9,760.14	6,480.57
Rock Phosphate	5,592.42	4,911.84
Aluminium Ingots	12,413.14	10,854.08
Alumina Trihydrate Powder	3,225.24	2,138.94
Heavy Normal Paraffin	1,963.78	997.98
Toluene	6,154.21	4,304.96
Methanol - Commercial Grade	4,217.19	35.81
Caustic Soda Lye	345.55	878.49
Others	6,758.69	6,027.25
Total :	86,096.00	65,534.43

**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 31.03.2019		Year Ended 31.03.2018
Closing Stock :			
Finished Goods	4,000.79		3,542.79
Process Stock	1,496.14		567.21
		5,496.93	4,110.00
Less :- Opening Stock :			
Finished Goods	3,542.79		3,681.09
Process Stock	567.21		576.38
		4,110.00	4,257.47
(Increase) / Decrease :		(1,386.93)	147.47

27 - EMPLOYEE BENEFITS EXPENSE

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
a) Salaries and Wages	16,773.73	16,629.39
b) Contributions to :		
(i) Provident Fund	794.76	793.65
(ii) Superannuation Scheme	820.94	580.95
(iii) Gratuity Fund	272.91	240.74
(iv) Employee State Insurance Corporation	0.54	-
c) Staff Welfare Expenses	2,032.93	1,894.00
Total :	20,695.81	20,138.73

28 - FINANCE COSTS

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(a) Interest Expense :		
On Term Loans	1,209.33	1,107.54
On Cash Credit	0.12	0.18
On Dismantling Cost	91.93	121.74
Others	575.79	34.09
(b) Other Borrowing Costs :		
Bank Charges	216.96	226.16
Total :	2,094.13	1,489.71

29 - DEPRECIATION AND AMORTISATION EXPENSE

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Depreciation of Property, Plant and Equipment (Note 3)	13,893.43	12,723.95
Amortisation of Intangible Assets (Note 4)	103.21	7.67
Total :	13,996.64	12,731.62

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30 - POWER, FUEL & OTHER UTILITIES

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Power	51,972.58	44,208.14
Fuel, Natural Gas and Water Charges	10,978.61	7,998.56
Total :	62,951.19	52,206.70

31 - OTHER EXPENSES

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Stores and Spare-parts consumed	5,441.54	4,261.86
Repairs, Maintenance and Replacement		
Building	-	6.25
Plant and Machinery	3,836.03	3,752.09
Others	4,774.05	3,801.70
Job Work / Processing Charges	8,610.08	7,560.04
Safety & Environment Expenses	6,004.90	4,445.44
Insurance	159.22	191.71
Packing Materials Consumption	265.15	360.91
Rent (includes Lease Rent and charges Rs. 440.77 Lakhs Previous Year Rs. 158.36 Lakhs)	4,673.39	3,972.76
Rates and Taxes	659.75	382.93
Printing and Stationery	13.18	24.53
Postage and Telephone	13.51	41.94
Vehicle Running and Maintenance including Hire Charges	75.31	82.73
Directors' Fees	567.32	423.64
Auditors' Remuneration and Expenses	9.50	8.20
Membership and Subscription Fees	23.03	16.85
Brokerage and Commission	33.49	31.52
Travelling and Conveyance	-	1.81
Legal and Professional Charges	135.34	117.68
Research and Development Expenses	213.61	235.70
Loss on Sale of Fixed Assets (Net)	102.23	75.82
Donations & Other CSR Cost	11.65	-
Provision for expected credit loss allowances	1,052.66	1,277.22
Loss on Exchange Rate (Net)	327.38	266.96
Stores & Spare -parts Written Off	299.02	-
General Expenses	195.74	120.36
Commission on Sales	1,074.96	1,227.98
Other Marketing Expenses	186.77	273.73
Freight Outward Paid (Gross)	1,524.03	1,432.16
Net loss arising from Financial Assets designated FVTPL	4,124.81	1,734.11
Total :	81.45	9.25
	35,879.02	28,577.84

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. 26,938.36 Lakhs (Previous Year Rs. 18,481.09 Lakhs) and Tax Liability under MAT Provisions of Income Tax Act, 1961 is Rs. 21,980.75 Lakhs (Previous Year Rs.16,093.19 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 31.03.2019	Year Ended 31.03.2018
Current Tax		
In respect of current year [MAT Credit Set Off Rs.4,957.61 Lakhs (Previous Year MAT credit Set Off Rs. 2,377.21 Lakhs)]	26,938.36	18,453.22
In Respect of Prior Year	1,211.90	(295.52)
Total :	28,150.26	18,157.70
Deferred Tax		
In respect of current year	4,456.28	3,334.45
Total :	4,456.28	3,334.45
Total tax expense recognised in the current year relating to continuing operation	32,606.54	21,492.15

The income tax expense for the year can be reconciled to the accounting profit as follows :

[Rs. in Lakhs]

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Profit before tax from continuing operation	1,01,502.18	74,941.79
Income Tax expense calculated @ 34.944% (Previous Year 34.608%)	35,468.92	25,935.85
Effect of income that is exempt from taxation	(475.20)	(462.05)
Effect of expenses that are not deductible in determining taxable profits	1,843.18	1,979.52
Effect of concession (allowances)	(5,898.03)	(5,665.65)
Adjustments recognised in current year in relation to the current tax of prior years	1,211.90	(295.52)
Change in rate of cess (from 3% to 4%)	455.77	-
Income tax expense recognised in profit or loss (relating to continuing operation)	32,606.54	21,492.15

The tax rate used for the year 2018-19 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 31.03.2019	Year Ended 31.03.2018
Deferred Tax Assets / (Liabilities)		
Arising on income and expenses recognised in other comprehensive income :		
Net fair value gain on investment in equity shares at FVTOCI	1,009.08	516.52
Remeasurement of defined benefit obligation	46.33	426.42
	1,055.41	942.94
Arising on income and expenses reclassified from equity to profit or loss :		
Total income tax recognised on other comprehensive income	1,055.41	942.94
Bifurcation of the income tax recognised in other comprehensive income into:		
Items that will not be reclassified to profit or loss	1,055.41	942.94
Items that may be reclassified to profit or loss	-	-
	1,055.41	942.94

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

33 - EARNING PER SHARE - FROM CONTINUING OPERATIONS

[Rs. in Lakhs]

Particulars	Units	Year Ended	Year Ended
		31.03.2019	31.03.2018
Net Profit After Tax available for Equity Shareholders	Rs. In Lakhs	69,018.50	53,449.64
Weighted Average Number of Equity Shares of Rs.10/- each	Number	7,34,36,928	7,34,36,928
Basic Earning per Share	Rs.	93.98	72.78
Diluted Earning per Share	Rs.	93.98	72.78

34 - LEASES :

34-1 OBLIGATION UNDER FINANCE LEASES

[Rs. in Lakhs]

Particulars	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	As at	As at	As at	As at
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Not later than one Year	0.54	0.54	0.50	0.50
Later than one year and not later than five years	-	-	-	-
Later than five years	-	-	-	-
	0.54	0.54	0.50	0.50
Less: Future Finance Charges	-	-	-	-
Present Value of Minimum Lease Payments	0.54	0.54	0.50	0.50

This relates to Financial Year 1998-99 and stands as outstanding.

[Rs. in Lakhs]

Particulars	As at	As at
	31.03.2019	31.03.2018
Included in the Financial Statements (Note 21) :		
Current Maturities of Finance Lease Obligations	0.50	0.50
Non Current Borrowings	-	-
Total :	0.50	0.50

34-2 OBLIGATION UNDER OPERATING LEASES

[Rs. in Lakhs]

Particulars	Minimum Lease Payments	
	As at	As at
	31.03.2019	31.03.2018
Not later than one Year	6.64	-
Later than one year and not later than five years	26.56	-
Later than five years	153.91	-
Total :	187.11	-

The Company has taken certain assets on non-cancellable operating lease.

The lease agreement provide for an option to the Company to renew the lease period at the end of the non-cancellable period.

There are no exceptional / restrictive commitments in the lease agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 - EMPLOYEE BENEFIT PLANS

Defined Contribution Plan

An amount of Rs.794.76 Lakhs (FY 2017-18 Rs.793.65 Lakhs) contributed to Provident Fund Trust and amount of Rs.820.94 Lakhs (FY 2017-18 Rs. 580.95 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, 2019

[Rs. in Lakhs]

Particulars	Gratuity	
	31.03.2019	31.03.2018
I Expense recognised in the Statement of Profit and Loss for the year ended		
a. Current Service Cost	298.72	286.21
b. Net Interest on net Defined Liability / Asset	(36.74)	(48.63)
c. Total Expenses	261.98	237.58
II Amount recognised in Other Comprehensive Income		
a. Actuarial (Gains) / Losses on Liability	181.99	1,104.30
b. Return on Plan Assets excluding amount included in Net interest on Defined Liability / (Asset) above	(49.41)	127.83
c. Total	132.58	1,232.13
III Net Assets / (Liability) recognised in the Balance Sheet as on		
a. Present Value of Defined Benefit Obligation	9,306.97	8,846.27
b. Fair Value of Plan Assets	9,993.58	9,428.24
c. Funded Status [(Surplus) / Deficit]	(686.61)	(581.97)
Net (Asset) / Liability	(686.61)	(581.97)
IV Change in Present value of Obligation during the year ended		
a. Present Value of Defined Benefit Obligation at the beginning of the year	8,846.27	7,475.81
b. Current Service Cost	298.72	286.21
c. Interest Cost	663.47	575.64
d. Benefit paid	(683.48)	(595.69)
e. Actuarial (Gain) / Loss on obligation	181.99	1,104.30
f. Present Value of Defined Benefit Obligation at the end of the year	9,306.97	8,846.27
V Change in Fair value of Plan Assets during the year ended		
a. Fair Value of Plan Assets at the beginning of the year	9,428.24	7,282.90
b. Expected Return on Plan Assets	700.21	624.27
c. Contribution by Employer	499.20	2,244.59
d. Actual Benefit Paid	(683.48)	(595.69)
e. Actuarial Gain / (Loss) on Plan Assets	49.41	(127.83)
f. Fair Value of Plan Assets at the end of the year	9,993.58	9,428.24
g. Actuarial Gain / (Loss) to be recognised	49.41	(127.83)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 - EMPLOYEE BENEFIT PLANS (Contd.)

[Rs. in Lakhs]

Particulars	Gratuity	
	31.03.2019	31.03.2018
VI Actual Return on Plan Assets		
Expected Return on Plan Assets	700.21	624.27
Actuarial Gain / (Loss) on Plan Assets	49.41	(127.83)
Actual Return on Plan Assets	749.62	496.44
VII Balance Sheet Reconciliation		
Opening Net Liability	(581.97)	192.91
Expenses Recognised in Profit & Loss Account	261.98	237.58
Amount recognised in Other Comprehensive Income	132.58	1,232.13
Employer's Contribution	(499.20)	(2,244.59)
Amount Recognised in Balance Sheet (Asset) / Liability	(686.61)	(581.97)

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	2018-19	2017-18	2016-17	2015-16	2014-15
Present Value of funded Obligations	9,306.97	8,846.27	7,475.81	6,790.16	6,441.15
Fair Value of Plan Assets	9,993.58	9,428.24	7,282.90	7,116.57	6,751.99
Funded Status [(Surplus) / Deficit]	(686.61)	(581.97)	192.91	(326.41)	(310.84)
Experience adjustments on Plan Liabilities	46.72	1,577.54	42.20	(9.55)	488.56
Experience adjustments on Plan Assets	49.41	(127.83)	86.09	-	(21.69)

[Rs. in Lakhs]

Particulars	Leave Salary	
	31.03.2019	31.03.2018
I Expense recognised in the Statement of Profit and Loss for the year ended		
a. Current Service Cost	249.39	234.60
b. Net Interest on net Defined Liability / Asset	483.42	407.08
c. Acturial (Gains) / Losses on Liability	349.94	981.36
d. Total Expenses	1,082.75	1,623.04
II Net Assets / (Liability) recognised in the Balance Sheet as on		
a. Present Value of Unfunded Obligations	7,006.04	6,445.56
b. Unrecognised Past Service Cost	-	-
c. Fair Value of Plan Assets	-	-
Net Liability	7,006.04	6,445.56
III Change in Present value of Obligation during the year ended		
a. Present Value of Unfunded Obligation at the beginning of the year	6,445.56	5,286.73
b. Current Service Cost	249.39	234.60
c. Interest Cost	483.42	407.08
d. Acturial Gain / Loss	349.94	981.36
e. Benefit paid	(522.27)	(464.21)
f. Present Value of Unfunded Obligation at the end of the year	7,006.04	6,445.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

35 - EMPLOYEE BENEFIT PLANS (Contd.)

Experience Adjustments

[Rs. in Lakhs]

Leave Salary	2018-19	2017-18	2016-17	2015-16	2014-15
Present Value of Unfunded Obligations	7,006.04	6,445.56	5,286.73	4,604.52	4,228.15
Fair Value of Plan Assets	-	-	-	-	-
Funded Status [(Surplus) / Deficit]	7,006.04	6,445.56	5,286.73	4,604.52	4,228.15
Experience adjustments on Plan Liabilities	255.13	1474.63	116.22	338.54	541.61
Experience adjustments on Plan Assets	-	-	-	-	-

Actuarial Assumptions

	As at 31.03.2019	As at 31.03.2018
1 Discount Rate	7.50% p.a.	7.70% p.a.
2 Expected Return on Plan Assets	7.50% p.a.	7.70% 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]

Particulars	Gratuity		Leave Salary	
	2018-19	2017-18	2018-19	2017-18
Discount Rate :				
One percentage increase	(643.01)	(609.24)	(550.01)	(507.81)
One percentage decrease	732.25	693.36	635.82	586.98
Salary Escalation Rate :				
One percentage increase	728.63	691.31	632.65	585.22
One percentage decrease	(651.54)	(618.40)	(557.25)	(515.39)
Withdrawal Rate :				
One percentage increase	6.71	27.55	7.37	26.35
One percentage decrease	(6.98)	(30.46)	(7.76)	(29.54)

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]	
	As at 31.03.2019	As at 31.03.2018
Total Debt	24,745.24	29,063.35
EBDITA	1,17,498.85	88,936.96
Total debt / EBDITA	0.21	0.33

The Total Debt service coverage ratio at the end of the reporting period was as follows :

Particulars	[Rs. in Lakhs]	
	As at 31.03.2019	As at 31.03.2018
EBDITA	1,17,498.85	88,936.96
Interest and Installment on loans	7,871.09	6,912.05
Debt Service Coverage	14.93	12.87

The Total Debt to tangible Net Worth ratio at the end of the reporting period was as follows :

Particulars	[Rs. in Lakhs]	
	As at 31.03.2019	As at 31.03.2018
Total Debt	24,745.24	29,063.35
Tangible Net Worth	4,28,875.00	3,82,101.77
Total Debt / Tangible Net Worth	0.06	0.08

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36.2 Categories of Financial Instruments

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
Financial Assets					
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
Total :	82,555.24	148.72	157,744.64	240,448.60	240,448.60
Financial Liabilities					
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
Total :	-	-	63,406.45	63,406.45	61,445.90

The carrying value of financial instruments by categories as of March 31, 2018 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
Financial Assets					
Cash and Cash Equivalents	-	-	7,070.64	7,070.64	7,070.64
Other Balances with Banks	-	-	6,340.32	6,340.32	6,340.32
Quoted investments (Level 1)	66,432.38	230.17	-	66,662.55	66,662.55
Unquoted investments (Level 3)	32,853.47	-	0.20	32,853.67	32,853.67
Investment in Joint Venture	-	-	15,199.64	15,199.64	15,199.64
Trade receivables	-	-	40,327.69	40,327.69	40,327.69
Loans	-	-	37,685.17	37,685.17	37,685.17
Other financial asset	-	-	4,803.78	4,803.78	4,803.78
Total :	99,285.85	230.17	1,11,427.44	2,10,943.46	2,10,943.46
Financial Liabilities					
Short Term borrowings	-	-	432.76	432.76	432.76
Long Term borrowings	-	-	22,981.59	22,981.59	22,570.25
Trade Payables	-	-	27,855.76	27,855.76	27,855.76
Other financial liabilities	-	-	14,105.90	14,105.90	14,105.90
Total :	-	-	65,376.01	65,376.01	64,964.67

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 :

[Amount in Lakhs]

Particulars	As at 31.03.2019		As at 31.03.2018	
	Currency	Amount in FC	Currency	Amount in FC
Receivables for export	US\$	10.34	US\$	8.18
	EURO	0.27	EURO	-
	GBP	1.82	GBP	1.73
Advance to suppliers	CHF	6.81	CHF	0.15
	JPY	2,191.00	JPY	2,200.00
	US\$	-	US\$	0.40
	EURO	-	EURO	3.33
Payables for imports	JPY	4.50	JPY	6.62
	US\$	5.66	US\$	16.70
	EURO	0.10	EURO	1.56
	GBP	0.30	GBP	-
Commission payable on exports	US\$	0.10	US\$	0.18
Other payables	EURO	0.19	EURO	0.03
	GBP	0.06	GBP	0.11
ECB Borrowings	US\$	359.32	US\$	445.99

NOTES TO THE CONSOLIDATED 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	
	2018-19	2017-18	2018-19	2017-18
USD	1,226.61	1,427.32	802.11	933.35
GBP	(6.65)	(14.87)	(4.35)	(9.72)
EUR	0.09	0.44	0.06	0.29
CHF	(24.33)	(0.50)	(15.91)	(0.33)
JPY	(70.58)	(67.75)	(46.15)	(44.30)

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.149 Lakhs (Rs. 182 Lakhs for the year 2017-18).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 - FINANCIAL INSTRUMENTS (Contd.)

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.6,493.34 Lakhs and Rs.6,045.02 Lakhs as at 31st March, 2019 and 31st March, 2018 respectively. (Refer Note No. 12 for Trade Receivables outstanding).

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
March 31, 2019							
Variable Interest rate Instruments	5.25%	US \$ in Million		8.66	24.33	2.67	35.66
			24,452.24	5,993.44	17,536.73	922.07	24,452.24
Trade Payables		Rs. In Lakhs	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
March 31, 2018							
Variable Interest rate Instruments	5.30%	US \$ in Million		8.66	30.33	5.34	44.33
			28,630.09	5,648.50	19,501.24	3,480.35	28,630.09
Trade Payables		Rs. In Lakhs	27,855.76	27,855.76	-	-	27,855.76
Other Financial Liabilities			8,457.40	8,313.89	140.32	3.19	8,457.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 - FINANCIAL INSTRUMENTS (Contd.)

36.8 Liquidity Risk Management (Contd.)

Financing facilities

[Rs. in Lakhs]

Particulars	[Rs. in Lakhs]	
	As at 31.03.2019	As at 31.03.2018
Secured Bank Loan facilities		
- amount used	292.50	432.76
- amount unused	12,707.50	12,567.56
Cash and cash equivalents	19,220.58	7,070.64
Other Bank Balances	7,880.44	6,340.32

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)
	31.03.2019	31.03.2018		
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.55,957.81	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs.66,662.55	Level 1	Quoted bid prices in an active market

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 - FINANCIAL INSTRUMENTS (Contd.)

36.9 Fair Value Measurements (Contd.)

[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
	31.03.2019	31.03.2018				
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.12,707.89	a) 1) Investment in equity securities of a company belonging to the manufacturing sector domiciled in India- Rs.17,599.48	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.1,725.61	a) 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs.1,729.92	Level 3	(Refer note below)	Discount factor, Sales Volume and Trading Margin	No Sensitivity analysis has been carried out as at 31.03.2019 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 manufacturing sector domiciled in India- Rs.709.94	b) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs.4,192.79	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).	Annual Reports for past 5 years, 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.11,602.71	c) Investment in equity securities of a company belonging to the manufacturing sector domiciled in India- Rs.9,331.28	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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

36 - FINANCIAL INSTRUMENTS (Contd.)

36.9 Fair Value Measurements (Contd.)

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 31.03.2019

[Rs. in Lakhs]

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Long Term Borrowings	-	-	16,498.26	16,498.26

Fair Value Hierarchy as at 31.03.2018

[Rs. in Lakhs]

Particulars	Level 1	Level 2	Level 3	Total
Financial Liabilities				
Long Term Borrowings	-	-	22,570.25	22,570.25

36.9.3 Reconciliation of Level 3 fair value measurements

[Rs. in Lakhs]

Particulars	Investment in unquoted shares irrevocably designated as FVTOCI
For the year ended March 31, 2019	
Opening Balance	32,853.47
Purchases	-
Total gains/(losses) in other comprehensive income	(6,107.32)
Closing balance	26,746.15
For the year ended March 31, 2018	
Opening Balance	33,892.34
Purchases	1,200.00
Total gains/(losses) in other comprehensive income	(2,238.87)
Closing balance	32,853.47

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 2018-19	Amount Outstanding as on 31.03.2019	Volume of Transaction in 2017-18	Amount Outstanding as on 31.03.2018
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Joint Venture	Expenses incurred on behalf of Joint Venture	692.26	-	13.81	1.19
		Rent Receipt	13.34	-	-	-
		Security Deposit Received	-	2.69	2.69	2.69
		Investment in Equity Shares	8,730.00	23,822.14	14,899.64	14,969.28
Delhi Jal Board	Government related Entity	Sale of Goods	843.21	203.28	538.35	236.97
Gujarat Water Supply & Sewage Board	Government related Entity	Sale of Goods	115.69	53.54	73.86	43.75
Public Health Engineering Department	Government related Entity	Sale of Goods	828.99	812.29	462.06	592.59
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	Inter Corporate Deposits	90,000.00	52,500.00	67,100.00	37,500.00
		Interest Received	4,089.54	-	2,587.24	1,260.02
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	Investment in Equity Shares	-	-	1,200.00	7,122.00
		Sale of Goods	0.87	17.83	54.76	46.97
Gujarat State Fertilizers & Chemicals Ltd.	Government related Entity	Investment in Equity Shares	-	1,500.00	-	1,500.00
		Purchase of Goods	1,242.48	89.18	674.94	65.85
		Sale of Goods	2,281.13	197.71	1,942.49	300.00
		Dividend Received	165.00	-	165.00	-
Gujarat Narmada Valley Fertilizers & Chemicals Limited	Government related Entity	Purchase of Goods	1,428.56	8.77	210.45	531.09
		Sale of Goods	1,882.14	287.80	959.83	731.14
Gujarat Industries Power Company Limited.	Government related Entity	Investment in Equity Shares	-	8,139.82	-	8,139.82
		Sale of Goods	44.27	4.02	34.68	7.95
		Dividend Received	623.40	-	623.40	-
Gujarat Gas Limited	Government related Entity	Investment in Equity Shares	-	2,000.00	-	2,000.00
		Dividend Received	170.53	-	127.89	-
Gujarat Guardian Limited	Associates	Investment in Equity Shares	-	742.50	-	742.50
		Dividend Received	400.95	-	326.70	-
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	942.18	-	235.29	-
		Rent Receipt	8.23	-	-	-
		Security Deposit Received	4.06	4.06	-	-
M/s Shardul Amarchand Mangaldas & Co. (upto 05.05.2018)	Others	Legal & Professional Fees	-	-	35.83	-
Shri P K Gera, IAS, Managing Director	Key Management Personnel	Remuneration	33.67	-	29.72	-
Dr. H. B Patel – Executive Director (Finance) & Chief Financial Officer	Key Management Personnel	Remuneration	43.93	-	38.71	-
		Loans	-	5.45	-	7.36
Shri S S Bhatt, Company Secretary and GM (Legal)	Key Management Personnel	Remuneration	36.76	-	28.47	-
		Loans	-	6.25	-	8.34
Dr. J N Singh, IAS - Chairman	Key Management Personnel	Sitting Fees	1.20	-	1.00	-
Shri M K Das, IAS - Director (From 03.08.2017)	Key Management Personnel	Sitting Fees	0.80	-	0.10	-
Shri Arvind Agarwal, IAS - Director (From 04.06.2018)	Key Management Personnel	Sitting Fees	0.10	-	-	-
Shri J N Godbole - Director	Key Management Personnel	Sitting Fees	2.80	-	2.60	-
Smt. Vasuben Trivedi - Director (From 03.08.2018)	Key Management Personnel	Sitting Fees	1.10	-	-	-
Shri Rajiv Lochan Jain - Director	Key Management Personnel	Sitting Fees	3.50	-	2.90	-
Mrs. Pallavi S Shroff - Director (upto 05.05.2018)	Key Management Personnel	Sitting Fees	-	-	0.20	-
Shri Anil Mukim, IAS - Director (upto 07.03.2018)	Key Management Personnel	Sitting Fees	-	-	1.30	-
Shri P K Taneja, IAS (Retd.) (upto 25.07.2017)	Key Management Personnel	Sitting Fees	-	-	0.10	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

38 - THE BREAK-UP OF PAYMENT TO AUDITORS (NET OF TAXES) IS AS UNDER :

Particulars	[Rs. in Lakhs]	
	2018-19	2017-18
Audit Fees - Standalone & Consolidated	16.50	13.65
Quarterly/Half Yearly Review	5.05	3.15
Out of Pocket Expenses	1.48	0.05
Other services	-	-
Total	23.03	16.85

39 - INCOME AND EXPENDITURE IN FOREIGN CURRENCY

Sr. No.	Particulars	[Rs. in Lakhs]	
		2018-19	2017-18
(a)	Earnings in Foreign Exchange - Export of Goods on F.O.B. basis (includes Deemed Export sales)	34,084.53	31,530.97
b)	Expenditure in Foreign Currency (on accrual basis) on account of :		
(i)	Interest	1,209.33	1,107.97
(ii)	Foreign Tour Expenses	12.46	7.39
(iii)	Bank charges and Commission	1.53	4.68
(iv)	Subscription	2.08	1.81
(v)	Commission on Export Sales	6.67	11.92
(vi)	AMC & Other Charges (For ISO Tank)	35.42	-
(vii)	Other Expenses	2,475.00	39.02

40 - VALUE OF IMPORTS ON CIF BASIS

Particulars	[Rs. in Lakhs]	
	2018-19	2017-18
Raw Materials	18,748.18	13,502.98
Stores and Spare Parts	1,779.18	1,073.96
Capital Goods	6,918.34	3,001.88

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 31.03.2019		As on 31.03.2018	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
Receivable for Exports	US \$	714.94	10,33,820.14	532.95	8,17,728.02
	EURO	20.97	27,000.00	-	-
	GBP	165.09	1,82,364.00	298.44	3,23,419.98
Advance to Suppliers	CHF	486.64	681,000.00	9.99	14,700.00
	JPY	1,414.51	21,91,00,000.00	1,359.16	22,00,00,000.00
	US \$	-	-	25.92	40,250.00
	EURO	-	-	263.15	3,32,520.40

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 31.03.2019		As on 31.03.2018	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
Payables for Imports	JPY	2.81	4,50,000.00	4.11	661,800.00
	US \$	391.55	5,66,186.55	1,099.43	16,70,190.00
	EURO	7.52	9,680.00	127.52	1,56,350.00
	GBP	27.33	30,200.00	-	-
Commission payable on exports	US \$	6.67	9,652.00	11.92	18,296.20
Other Payables	GBP	4.98	5,500.00	1.11	1,200.00
	EURO	14.93	19,227.49	8.89	11,000.00

Amount payable on account of ECB Borrowings :

Particulars	Currency	As on 31.03.2019		As on 31.03.2018	
		Rs. in Lakhs	Amount in FC	Rs. in Lakhs	Amount in FC
ECB and Accrued interest	US \$	24,848.97	3,59,32,277.55	29,067.40	4,45,98,996.66

42 - CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

[Rs. in Lakhs]

Particulars	As at 31.03.2019	As at 31.03.2018
(i) Contingent Liabilities		
(a) Claims against the Company not acknowledged as debt	19,648.84	28,388.25
(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	1,669.76	1,600.60
(e) Disputed Service Tax liability	393.31	393.31
(f) Disputed Income Tax liability (excluding interest) :		
(i) Pending Before Appellate Authorities in respect of which the Company is in appeal	5,576.64	6,695.28
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	15,648.14	14,997.62
	63,418.43	72,556.80
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	10,716.30	8,162.92
Total (i)	74,134.73	80,719.72
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	33,196.13	26,475.57
(b) Sponsors' Support Agreement for project cost overrun by way of subscription to further equity in proportion with other sponsors in Bhavnagar Energy Co. Ltd. (Refer Note No.43)	Nil	Not ascertainable
Total (ii)	33,196.13	26,475.57
Total	1,07,330.86	1,07,195.29

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

- 43** - The Company had invested an amount of Rs.7,122.00 Lakhs in equity shares of Bhavnagar Energy Company Limited (BECL). As on 31st March, 2018, the fair value of the said investment stood at Rs.3,525.39 Lakhs. The Gujarat Government vide notification dated 27th August, 2018 in terms of Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003, formulated the Gujarat Electricity Reform (Transfer of Generation Undertakings) Scheme, 2018 (the scheme), whereby BECL shall be merged with effect from 1st April, 2018 into Gujarat State Electricity Corporation Ltd. (GSECL). In terms of the said notification, the Company would receive one equity share of Rs. 10/- of Gujarat State Electricity Corporation Ltd. for its investment in BECL. Accordingly, during the year, the Company has impaired its investment of Rs.3,525.39 Lakhs in BECL by debit to Other Comprehensive Income. Consequent to the said scheme the Company contends that the shareholders' agreement with BECL stands extinguished as also the Sponsors' Support Agreement. As at 31st March, 2019 the Company is yet to receive one equity share of GSECL and accordingly investment in BECL is retained at Nil value in Note No.6. The Scheme provides that the The Gujarat Government may amend, alter, vary, modify, add, delete or otherwise change the terms and conditions at any time for the period of twelve months from the date of transfer.
- 44** - The revenue from operations figures pertaining to year ended 31st March, 2018 are as per the published results and inclusive of Excise Duty according to the requirements of Ind-AS and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Government of India has implemented Goods and Service Tax ("GST") from 1st July, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, as per Ind AS 18, the revenue is reported net of GST for the year ended 31st March, 2019. Hence, the figures of Revenue from Operations are not comparable. The comparative revenue from operations figures net of Excise Duty for the previously reported periods would have been as follows :

[Rs. in Lakhs]

Particulars	31.03.2019	31.03.2018
Revenue from Operations (Net of Excise Duty)	3,16,137.77	2,45,208.03

- 45** - 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'.
- 46** - Effective 1st April, 2018, the Company has adopted IND AS 115 "Revenue from contracts with Customers" using the cumulative catch-up method. The Standard is applied retrospectively only to contracts that are not completed as at the date of initial application and comparative information is not restated in the financial statements.

The impact on account of applying the erstwhile Ind AS 18 Revenue instead of Ind AS 115 Revenue from contract with customers on the financials statements of the Company for the year ended and as at March 31, 2019 is Nil.

The performance obligation to transfer each distinct product consist of supplying the product to a named destination, handling charges and packing charges. In respect of contract with customers requiring delivery of a series of products, the performance obligation for each distinct product is satisfied upon transfer of control of the promised product. Accordingly, the revenue is recognised on point in time basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

47 - 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, 2019 is Rs.5.72 Lakhs.

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 28th May, 2019.

As per our attached Report of even date.

For and on behalf of the Board

For **Deloitte Haskins & Sells**
Chartered Accountants
Firm Reg. No. : 117364W

P. K. Gera, IAS
Managing Director
DIN No. : 05323992

Dr. J. N. Singh, IAS
Chairman
DIN No. : 00955107

Gaurav J. Shah
Partner
Membership No. 35701

CA. (Dr.) H. B. Patel
Executive Director (F) &
Chief Financial Officer

S. S. Bhatt
Company Secretary &
General Manager (Legal & CC)

Place : Gandhinagar
Date : 28th May, 2019

Place : Gandhinagar
Date : 28th May, 2019

**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 shareholding
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- 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 & Chemicals Pvt. Ltd.	31.03.2019	23,92,96,400	23,929.64	60	N.A.	N.A.	23,822.14	122.86	-

Sd/-

P. K. Gera, IASManaging Director
DIN No. 05323992

Sd/-

Dr. J. N. Singh, IASChairman
DIN No. 00955107

Sd/-

CA. (Dr.) H. B. PatelExecutive Director (F) &
Chief Financial Officer

Sd/-

S. S. BhattCompany Secretary &
General Manager (Legal & CC)Place : Gandhinagar
Date : 28th May, 2019



GUJARAT ALKALIES AND CHEMICALS LIMITED

CIN: L24110GJ1973PLC002247

ATTENDANCE SLIP

I/We _____

Folio No.	
D.P. ID	
Client ID	

hereby record my/our present at the **46TH ANNUAL GENERAL MEETING** of the Company held on **Friday, the 27th September, 2019 at 11:00 a.m. in the premises of the Company at P.O.: Petrochemicals- 391 346, Dist.: Vadodara.**

Signature of the Member / Proxy / Representative attending the Meeting _____

- Notes: (i) Please handover this Attendance Slip at the entrance to the place of the Meeting.
(ii) Only Members and in their absence, duly appointed proxies will be allowed for the Meeting.
Please avoid bringing non-members/children to the Meeting.



GUJARAT ALKALIES AND CHEMICALS LIMITED

CIN: L24110GJ1973PLC002247

Regd. Office: P.O.: Petrochemicals – 391 346, Dist.: Vadodara, GUJARAT (INDIA)

Phone: 0091-0265-2232681-82 • E-mail: investor_relations@gacl.co.in

Website: www.gacl.com

46TH ANNUAL GENERAL MEETING

Friday, the 27th September, 2019 at 11:00 a.m.

**FORM NO. MGT-11
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :	
Registered Address :	
E-mail ID :	Folio No /Client ID/DP ID :

I/We, being the member(s) holding _____ shares of the above named Company, hereby appoint:

(1)	Name :		
	Address :		
	E-mail ID:	Signature:	or failing him/her
(2)	Name :		
	Address :		
	E-mail ID:	Signature:	or failing him/her
(3)	Name :		
	Address :		
	E-mail ID:	Signature:	or failing him/her

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 46th Annual General Meeting of the Company, to be held on Friday, the 27th September, 2019 at 11:00 a.m. in the premises of the Company at P.O.: Petrochemicals- 391 346, Dist.: Vadodara and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1.	Adoption of Audited Standalone Financial Statements and Audited Consolidated Financial Statements for the Financial Year ended 31 st March, 2019, and the reports of the Board of Directors and Auditors thereon.		
2.	Declaration of Dividend on Equity Shares for the Financial Year ended 31 st March, 2019.		
3.	Appointment of Shri Arvind Agarwal, IAS (DIN:00122921) as a Director of the Company.		
4.	Appointment of M/s. K C Mehta & Co. Chartered Accountants, Vadodara (Firm Registration No. 106237W) as Statutory Auditors of the Company to hold office from the conclusion of 46 th Annual General Meeting (AGM) till the conclusion of 51 st AGM i.e. for a period of five (05) consecutive years and to fix their remuneration.		
Special Business			
5.	Appointment of Shri S B Dangayach (DIN:01572754) as Non-Executive Independent Director of the Company w.e.f. 9 th August, 2019 for five years, not liable to retire by rotation.		
6.	Re-appointment of Dr. Rajiv I Modi (DIN:01394558) as Non-Executive Independent Director of the Company w.e.f. 1 st October, 2019 for second term of five years, not liable to retire by rotation.		
7.	Ratification of remuneration of Cost Auditors for Financial Year 2019-20.		

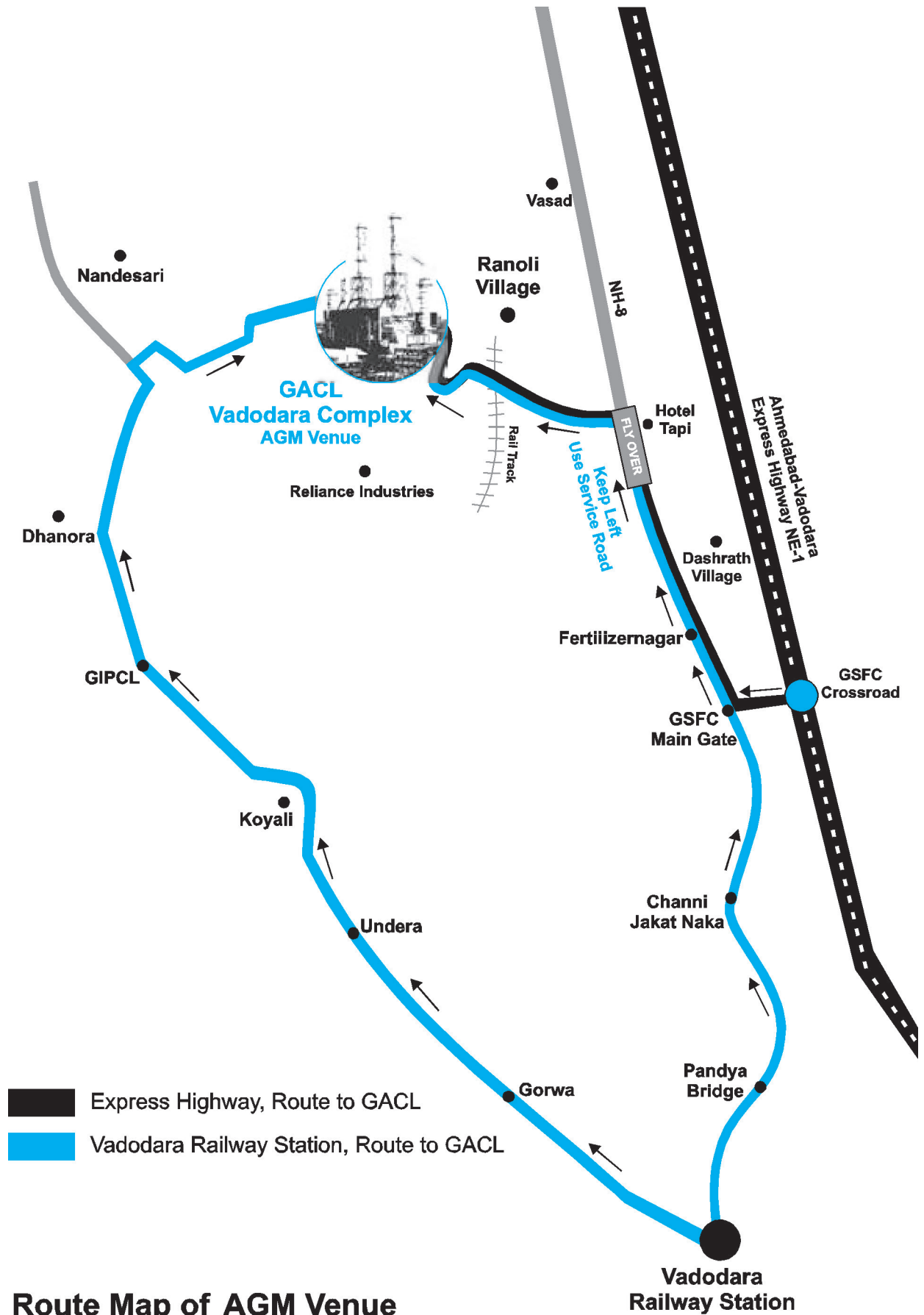
Signed this _____ day of _____, 2019

Signature of Member(s) _____

Signature of Proxy holder(s) _____

- Note:**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
 - For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 46th Annual General Meeting.
 - *It is optional to put 'X' in the appropriate column against the Resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
 - Please complete all details including particulars of Member(s) in above box before submission.

Affix
Revenue
Stamp
Re.1/-



Route Map of AGM Venue

The alternative energy link

We were one of the first state enterprises to harness the power of alternative energy. We have constantly added to this initiative of ours. Today we have a total of 171.45 MW installed wind power capacity. In order to continue promoting Green technology, we have also commissioned 22.5 MW Solar Power Project at Charanka, Patan, Gujarat. Another 12.5 MW Solar Power Project at the same site will be commissioned soon.



Connecting greener and cleaner technologies



We have always ensured upgrading and adapting eco-friendly modern technologies. These technologies have helped us grow in a cleaner manner. In the last Financial Year, we replaced 700 old generation II elements with more energy-efficient VB+ elements. We are continuously upgrading all our manufacturing facilities and it has powered our growth in a more meaningful way. It has also differentiated us in the industry.

Binding tomorrow with R&D

We always believe in improving our products and processes. Our investment in R&D has always helped us in raising the bar. With continuous R&D efforts focussing on new products, process development and improvement, product quality, customer satisfaction, cost-cutting and other important aspects, we are propelling our progress.



Generating social value and wellness



We established GACL Education Society (GES) with an aim to work towards Holistic and Sustainable Development of Local Communities. GES has been working closely with communities living around our manufacturing facilities. Some of the key areas the organisation has been working on are Promotion of Education, Empowerment of special children, Health and Hygiene, Social Infrastructure Development, Development of Skills for Livelihood, Promotion of Art, Culture & Heritage and other such initiatives.



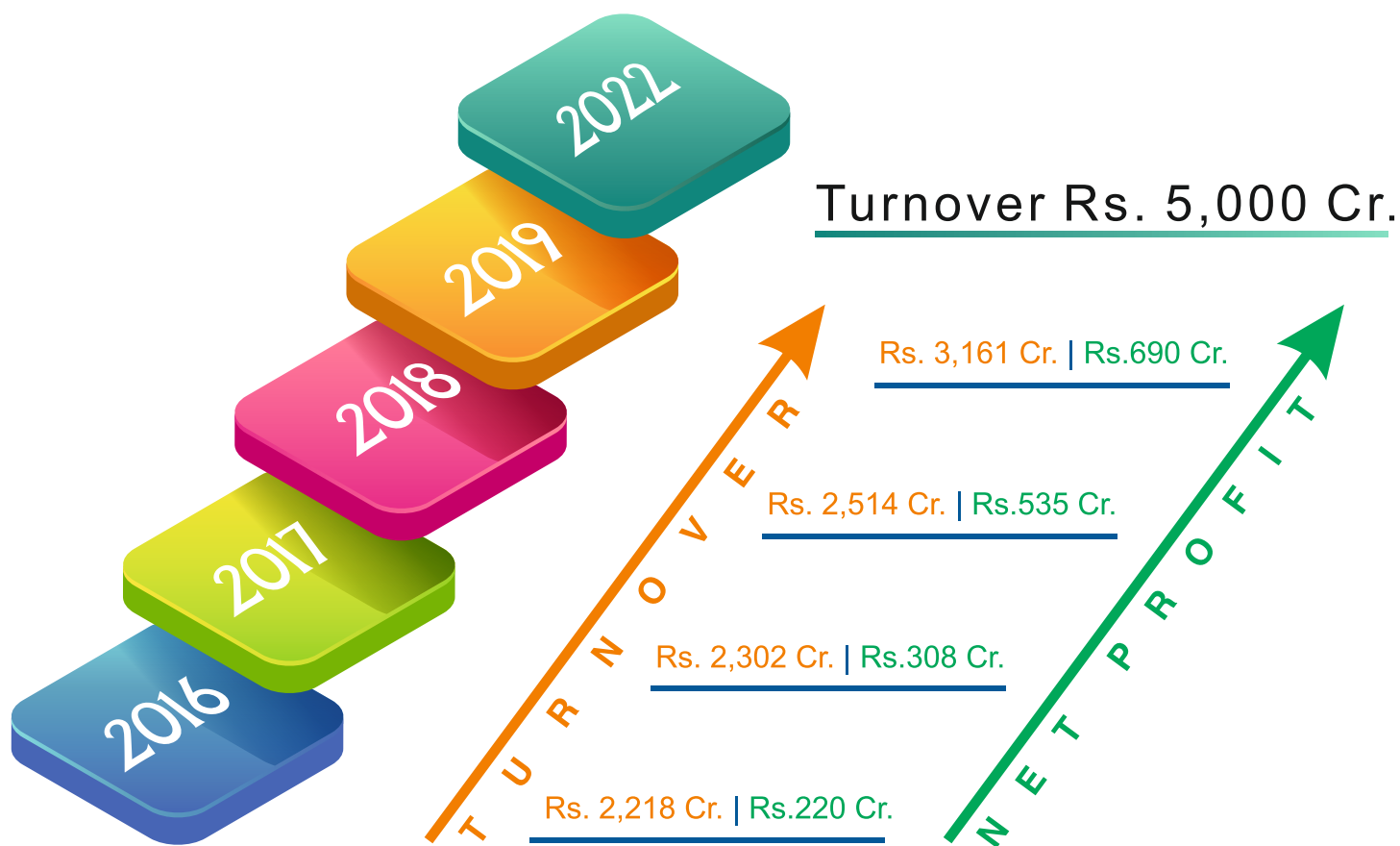
Glimpses of CSR initiatives of GACL Education Society (GES) – a CSR arm of Gujarat Alkalies and Chemicals Limited

Images from top to bottom:

1) Strengthening Self Help Groups to create livelihood opportunities 2) Sanitary Pad distribution under Project Prerna for females' Menstrual Health 3) Mr. P K Gera, IAS, MD GACL with HMDC Children at Vadodara International Marathon 4) RJ Kshitij of Radio Mirchi promoting 'VadodarabyFoot' initiative to promote rich heritage of Vadodara 5) Mr. P K Gera, IAS, MD GACL understanding community perspective to improve quality of education in rural area 6) Namma Modular Toilet built by GES at Vadodara Railway Station.



Excellent Achievements, Extraordinary Future



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

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