

# Celebrating Growth



44<sup>th</sup> ANNUAL REPORT 2016-17

**Gujarat Alkalies and Chemicals Limited**  
An ISO 9001 Certified Company (Promoted by Govt. of Gujarat)



## Main products and principal uses

Sr. No.	Products	Production (MT)		Increase/ (Decrease)	Principal Uses
		2016-17	2015-16	%	
1.	Caustic Soda Lye	4,03,847	3,84,925	4.92	Soaps and Detergents, Rayon, Textiles, Pulp and Paper, Chemicals.
2.	Caustic Soda Flakes / Prills	1,31,975	1,36,480	(3.30)	
3.	Potassium Hydroxide	23,120	23,540	(1.78)	
4.	Potassium Carbonate	8,512	8,058	5.63	
5.	Caustic Potash Flakes	12,115	13,323	(9.07)	
6.	Chlorine Gas	3,72,420	3,55,921	4.64	Plastics (including PVC), Chlorinated Paraffins, Pesticides and other chemicals, Hydrochloric Acid, Chloromethanes and Water Treatment.
7.	Hydrochloric Acid (30%)	3,77,866	3,41,220	10.74	Chemicals, Fertilizers, Water Treatment and Phosphoric Acid.
8.	Chloromethanes	36,097	38,000	(5.01)	Solvent, Fluoro-Carbon refrigerants, Pharmaceuticals, Aerosol Propellants.
9.	Phosphoric Acid (85%)	27,517	27,392	0.46	Phosphate salts and phosphating of metals, Pharmaceuticals, Sugar refining and Fine Chemicals.
10.	Hydrogen Peroxide (100%)	45,318	43,028	5.32	Textiles, Pulp and Paper, Chemicals, Pharmaceuticals, Pesticides, Dyes and Effluent Treatment.
11.	Aluminium Chloride	33,887	31,265	8.39	Pesticides and Pharmaceuticals, Aromatic Chemicals, Reforming Hydrocarbons, Electrolysis Production of Aluminium.
12.	Poly Aluminium Chloride	35,775	33,481	6.85	Water Treatment, Separation of slurry, Sizing in Paper Industry, Decolorisation & Decontamination of Dyes in Textile Industry and Sewage Water Treatment.
13.	Chlorinated Paraffin	3,267	3,911	(16.47)	Secondary Plasticiser in PVC compounding for Pipes, Hoses, Cables, etc., Additive in Lubricating Oils and Paints.
14.	Chloro Toluene Products	8,451	7,873	7.34	As general solvent for inks, paints, lacquers and epoxyresin, medication solution as preservative and photography industries, Vat Dyes, Pharmaceuticals.
15.	Stable Bleaching Powder	12,830	10,108	26.93	Bleaching agent in paper, textiles and soap industry, Household Bleaching / cleaning applications, Waste water Treatment and Sewage disposal, Odourising Agent and Disinfecting Agent.
16.	Sodium Chlorate	17,575	11,570	51.90	Bleaching agent in Paper Industry & Water Treatment Industry.
<b>TOTAL 1 TO 16</b>		<b>15,50,572</b>	<b>14,70,095</b>	<b>5.47</b>	

## Financial highlights (on standalone basis)

- Highest ever Sales, Profit Before Tax (PBT) and Profit After Tax (PAT) achieved during the year 2016-17.
- The Company has achieved highest ever sales (including Excise Duty) of Rs.2,255.34 Crores during the year 2016-17 as against Rs.2,178.62 Crores in the previous year.
- Total production of all the products has increased by 5.47% to 15,50,572 MT during the year 2016-17 as against 14,70,197 MT in previous year.
- Gross Profit has increased by 33.01% to Rs 505.54 Crores during the year 2016-17 from Rs.380.07 Crores in previous year.
- Profit Before Tax has increased by 45.33% to Rs.381.78 Crores during the year 2016-17 from Rs.262.70 Crores in previous year.
- Profit After Tax has increased by 40.12% to Rs.308.10 Crores during the year 2016-17 from Rs.219.89 Crores in previous year.

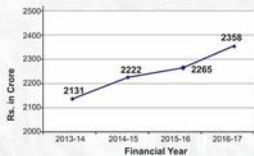
**GROSS PROFIT - NET PROFIT(NP) AND NP AS % OF EXTERNAL SALES**



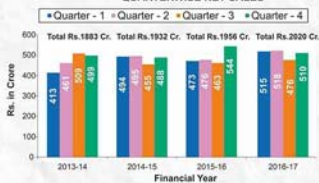
**SHARE CAPITAL, RESERVES & SURPLUS, NET WORTH, BOOK VALUE PER EQUITY SHARE & EPS**



**Total Revenue**



**QUARTERWISE NET SALES**



## Researching for a brighter tomorrow



The fact that Import Substitute Products like Sodium Chlorate and Hydrazine Hydrate etc. are the result of our constant Research and Development efforts fills us all with great pride. But at GACL R&D is not restricted to the development of new products only. With our focus on R&D, we look for ways to enhance our processes, adopt better technologies, reduce cycle time and such other manufacturing operations.

## Nurturing smiles with safety

The journey of becoming one of the leading manufacturers of Chlor-alkali and allied products is achieved only due to strict safety policies. Adherence to the safety policies has resulted in successful achievement of uninterrupted production year after year. Beyond the employees, our safety policies also address care for contract labourers, suppliers, customers and communities surrounding our plant areas. We also have established an Emergency Planning and Response (ERP) system to minimise the effect of any emergency.





## BOARD OF DIRECTORS (AS ON 03.08.2017)

**Dr. J N Singh, IAS.....Chairman**  
(up to 30.08.2016 ..... as Director)  
(from 31.08.2016 ..... as Chairman)

**Shri G R Aloria, IAS (Retd.)**  
(up to 23.08.2016..... as Chairman)

**Shri Arvind Agarwal, IAS**  
(up to 29.08.2016)

**Shri P K Taneja, IAS (Retd.)**  
(from 06.12.2016 up to 25.07.2017)

**Shri Anil Mukim, IAS**  
(from 15.10.2016)

**Shri M K Das, IAS**  
(from 03.08.2017)

**Shri J N Godbole.....Independent Director**  
(from 04.03.2009)

**Dr. Rajiv I Modi.....Independent Director**  
(from 01.10.2014)

**Mrs. Pallavi S Shroff.....Independent Director**  
(from 01.10.2014)

**Shri Rajiv Lochan Jain.....Independent Director**  
(from 06.01.2016)

**Shri P K Gera, IAS.....Managing Director**  
(from 19.02.2016)

### COMPANY SECRETARY & GENERAL MANAGER (LEGAL & CC)

Shri Sanjay S. Bhatt

### AUDITORS

Messrs Deloitte Haskins & Sells  
Chartered Accountants  
Vadodara

### SOLICITORS

Messrs Shardul  
Amarchand Mangaldas  
& Co.  
New Delhi

### COST AUDITORS

Messrs R K Patel & Co.  
Cost Accountants  
Vadodara

### BANKERS

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

### EXECUTIVE DIRECTOR (FINANCE) & CHIEF FINANCIAL OFFICER

Dr. H. B. Patel

**CIN : L24110GJ1973PLC002247**

### REGISTERED OFFICE AND VADODARA COMPLEX :

P.O. : Petrochemicals - 391 346  
Dist. : Vadodara  
GUJARAT (INDIA)  
Phone : (0265) - 2232681-82/2232981-82/2232701  
Fax : (0265) - 2231208

### DAHEJ COMPLEX :

Village : Dahej - 392 130  
Tal. : Vagra, Dist. : Bharuch  
GUJARAT (INDIA)  
Phone : (02641) - 256315-16-17/256235

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

### REGISTRAR & SHARE TRANSFER AGENT :

Link Intime India Pvt. Ltd. (Unit : GACL)  
B-102 & 103, Shangrila Complex, First Floor,  
Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota  
Vadodara : 390 020, GUJARAT (INDIA)  
Phone : (0265) - 2356573, 2356794, Fax : (0265) - 2356791  
E-mail : [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in)

**44<sup>th</sup> Annual General Meeting**Date : 16<sup>th</sup> September, 2017

Day : Saturday

Time : 11.30 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 Fourth Annual General Meeting of the Shareholders of **GUJARAT ALKALIES AND CHEMICALS LIMITED** will be held in the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara on Saturday, the 16<sup>th</sup> September, 2017 at 11.30 a.m. to transact the following Ordinary and Special Business :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2017, the Consolidated Financial Statements for the said Financial Year and the Reports of the Board of Directors and Auditors thereon.
2. To declare a Dividend on Equity Shares for the Financial Year ended 31<sup>st</sup> March, 2017.
3. To appoint a Director in place of Shri P K Gera, IAS (DIN 05223992) 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** pursuant to the resolution passed by the members at the 41<sup>st</sup> Annual General Meeting (AGM) held on 22<sup>nd</sup> August, 2014 and 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, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara, (Firm Registration No. 117364W) as the Statutory Auditors of the Company to hold office from conclusion of this 44<sup>th</sup> AGM till the conclusion of 45<sup>th</sup> AGM, be and is hereby ratified and the Board of Directors, be and is hereby authorized to fix the remuneration payable to the Statutory Auditors for the Financial Year ending March 31, 2018 based on the recommendation of the Audit Committee and reasonable out of pocket expenses incurred by them in connection with the audit of Financial Statements 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 Section 161(1) of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri Anil Mukim, IAS (DIN 02842064) who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. 15<sup>th</sup> October, 2016 and who holds office upto the date of this Annual General Meeting (AGM) and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a Member pursuant to Section 160 of the Companies Act,

2013 signifying the intention to propose the candidature of Shri Anil Mukim, IAS for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** pursuant to the provisions of Section 161(1) of the Companies Act, 2013, read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Shri M K Das, IAS (DIN 06530792) who has been appointed as an Additional Director by the Board of Directors of the Company w.e.f. 3<sup>rd</sup> August, 2017 and who holds office upto the date of this Annual General Meeting (AGM) and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from a Member pursuant to Section 160 of the Companies Act, 2013 signifying the intention to propose the candidature of Shri M K Das, IAS for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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) 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, 2018 at a total fee of Rs.4,95,000/- plus applicable taxes, 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 : 03.08.2017



## ANNEXURE TO THE NOTICE OF THE 44<sup>TH</sup> ANNUAL GENERAL MEETING

### STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 5

Shri Anil Mukim, IAS (DIN 02842064) was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 15<sup>th</sup> October, 2016, by Circular Resolution dated 15<sup>th</sup> October, 2016 passed by the Directors of the Company. Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), he holds office upto the date of this Annual General Meeting. The Company has received a Notice in writing under Section 160 of the Act from a Member of the Company signifying his intention to propose the appointment of Shri Anil Mukim, IAS as a Director, liable to retire by rotation. Shri Anil Mukim is a Senior IAS Officer of 1985 batch and he is Additional Chief Secretary, Finance Department, Government of Gujarat. He has very rich and varied experience in the field of Finance, Management and Administration. He has held various distinguished positions in the Government. Brief profile of Shri Anil Mukim, IAS is given in the Annexure forming part of this Notice. It is considered desirable that the Company should continue to avail the services of Shri Anil Mukim, IAS and accordingly, your Directors recommend his appointment as a Director of the Company, liable to retire by rotation.

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

The Company has received notice in writing under Section 160 of the Act from a Member along with the requisite deposit of Rs.1,00,000/- proposing the candidature of Shri Anil Mukim, IAS for the office of Director.

The Company has evaluated the performance of all the Directors as per the performance evaluation criteria laid down in the policy formulated by Nomination-cum-Remuneration Committee of Directors of the Company. As per the said Performance Evaluation Report, it is recommended to appoint Shri Anil Mukim, IAS as the Director of the Company.

Except Shri Anil Mukim, IAS, none of the other Directors / Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No. 5 of the Notice.

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

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

#### Item No. 6

The Board of Directors of the Company has appointed Shri M K Das, IAS (DIN 06530792) as an Additional Director on the Board of the Company w.e.f. 3<sup>rd</sup> August, 2017.

Pursuant to Section 161(1) of the Companies Act, 2013 ("the Act"), he holds office upto the date of this Annual General Meeting. The Company has received a Notice in writing under Section 160 of the Act from a Member of the Company signifying his intention to propose the appointment of Shri M K Das, IAS as a Director, liable to retire by rotation. Shri M K Das, IAS is a Senior IAS Officer of 1990 batch and at present he is Principal Secretary, Industries & Mines Department, Government of Gujarat and also Chairman of Gujarat Industrial Investment Corporation Ltd. (GIIC). He has very rich and varied experience in different capacities viz. District Development Officer, Junagadh; District Collector, Porbandar, Palanpur & Surat; Dy. Municipal Commissioner, Ahmedabad; Municipal Commissioner, Surat & Vadodara; Director (J&K Affairs), Home Ministry, Government of India; Principal Secretary, Food, Civil Supplies & Consumer Affairs Department. He is Director on the Board of Gujarat Mineral Development Corporation Ltd., Dahej SEZ Ltd., Dholera International Airport Co. Ltd. etc. Brief profile of Shri M K Das, IAS is given in the Annexure forming part of this Notice. It is considered desirable that the Company should continue to avail the services of Shri M K Das, IAS and accordingly, your Directors recommend his appointment as a Director of the Company, liable to retire by rotation.

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

The Company has received notice in writing under Section 160 of the Act from a Member along with the requisite deposit of Rs.1,00,000/- proposing the candidature of Shri M K Das, IAS for the office of Director.

It is recommended to appoint Shri M K Das, IAS as the Director of the Company.

Except Shri M K Das, IAS, none of the other Directors / Key Managerial Personnel of the Company and their relatives is / are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution No.6 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.6 of the Notice for your approval.

#### Item No. 7

The Board of Directors, at its Meeting held on 26<sup>th</sup> May, 2017, on the recommendation of the Audit Committee at its Meeting held on 25<sup>th</sup> May, 2017 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 Accounting Records maintained by the Company for the Financial Year 2017-18 at the remuneration of Rs.4,95,000/- plus applicable taxes.





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 2017-18 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 No. 7 of the Notice.

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 : 03.08.2017

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("THE MEETING") IS 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 shareholder.

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. 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.

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

4. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, the 02.09.2017 to Saturday, the 16.09.2017 (both days inclusive).
5. The dividend on equity shares, if declared at the Meeting, will be paid on or after 22.09.2017, to those shareholders holding shares in physical form and whose names appear on the Register of Members of the Company on 16.09.2017. 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 01.09.2017 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 22.09.2017 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 advisable to attach a photocopy of a cancelled cheque with your instructions to your DP.
- (b) The Company has appointed Link Intime India Pvt. Ltd. in place of MCS Share Transfer Agent Ltd. w.e.f. 1<sup>st</sup> April, 2017 as Registrar and Share Transfer Agent (R&T Agent). In this respect, the Newspapers advertisement was published on 1<sup>st</sup> April, 2017 in Business Standard, all editions (in English) and in Loksatta, Vadodara edition (in Gujarati).

Members are requested to send all future correspondence to the Link Intime India Pvt. Ltd. at B-102 & 103, Shangrila Complex, 1<sup>st</sup> Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, Vadodara 390 020. Members holding shares in physical mode are requested to notify immediately any change in their addresses, the Bank mandate or Bank details along with photocopy of the cancelled cheque 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 uncashed 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 DDs / Cheques payable at par upon furnishing Indemnity-cum-Request letter by the Shareholder 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	Declaration of Dividend	Date of		Amount Transferred (Rs.)
		Transferred to Un-paid Dividend A/c.	Transferred to IEP Fund	
2008-09	25.09.2009	25.10.2009	26.10.2016	12,33,849/-

- (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 already initiated necessary actions for transfer of all shares in respect of which dividend declared for the Financial Year 2008-09 has not been paid or claimed by the Members for seven (07) consecutive years or more.

Members are advised to visit the website [www.gacl.com](http://www.gacl.com) to ascertain details of shares liable to be transferred to IEPF Authority.

- (c) The Members who have not encashed dividend warrant(s) for the years 2009-10, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15 and 2015-16 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 and no claims can be entertained by the Company thereafter. 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 29<sup>th</sup> September, 2016 (date of last AGM) has been uploaded on the Company's

website ([www.gacl.com](http://www.gacl.com)) and also filed with the Ministry of Corporate Affairs.

- (d) Any person, whose unclaimed dividend has been transferred to the IEPF Authority may claim the dividend by making an application in Form IEPF 5, which is on-line available on the website of IEPF Authority at [www.iepf.gov.in](http://www.iepf.gov.in) along with fees, under his signature.
9. As on 31.03.2017, Share Certificates for 7,786 shares of 260 shareholders / allottees (returned undelivered by Post) are lying with the Stock Holding Corporation of India Ltd. (SHCIL), Vadodara in Demat 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](http://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:
- I. As per Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) (Amendment) Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 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 9<sup>th</sup> September, 2017 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 13<sup>th</sup> September, 2017 (09:00 a.m.) and ends on 15<sup>th</sup> September, 2017 (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. 9<sup>th</sup> September, 2017 may cast their votes electronically. The e-Voting module shall be disabled by CDSL for voting after 5.00 p.m. on 15<sup>th</sup> September, 2017. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently.**

Any person, who becomes Member of the Company after dispatch of the Notice of the meeting and holding shares as on the cut-off date i.e. 9<sup>th</sup> September, 2017 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.cdslindia.com](http://www.cdslindia.com) and Company's Website i.e. [www.gacl.com](http://www.gacl.com) For further guidance, Members are requested to send their query by email at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Members can also cast their vote using CDSL's mobile app m-Voting available. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone user 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:

- The Shareholders should log on to the e-Voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- Click on "Shareholders" tab.
- Now, enter your User ID:
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification Code as displayed and click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user, please follow the steps given below:

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

- After entering these details appropriately, click on "SUBMIT" tab.
- 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 (170814003) 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) Shareholders 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](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (s) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-Voting system in future. The same may be used in case the Shareholder forgets the password and the same needs to be reset.
- (t) In case you have any queries or issues regarding e-Voting, you may refer the Frequently Asked Questions ("FAQs") and e-Voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under 'Help Section' or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- 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 9<sup>th</sup> September, 2017.
- 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.
- 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 website of the Company [www.gacl.com](http://www.gacl.com) and also will be placed on the notice board of the Company.

**Contact Details**

<b>Company</b>	<b>: Gujarat Alkalies and Chemicals Limited</b> P.O. : Petrochemicals : 391 346 DIST. : VADODARA (GUJARAT) (0265) 2232681, 2232682 Ext.No.454 E-mail : <a href="mailto:coscec@gacl.co.in">coscec@gacl.co.in</a>
<b>Registrar &amp; Share Transfer Agent</b>	<b>Link Intime India Private Limited (Unit : GACL)</b> B -102 &103, Shangrila Complex, First Floor, Opp. HDFC Bank, Near Radhakrishna Char Rasta, Akota, VADODARA : 390 020 (GUJARAT) (0265) 2356573, 2356794 E-mail : <a href="mailto:vadodara@linkintime.co.in">vadodara@linkintime.co.in</a>
<b>e-Voting Agency :</b>	<b>Central Depository Services (India) Limited</b> E-mail : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
<b>Scrutinizer</b>	<b>: Mr. Niraj Trivedi, Practicing Company Secretary</b> 218-219, Saffron Complex, Fatehgunj, VADODARA : 390 002 (GUJARAT) E-mail : <a href="mailto:csneerajtrivedi@gmail.com">csneerajtrivedi@gmail.com</a>



## ANNEXURE

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING IN PURSUANCE OF REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015.**

Name of Director	Shri P K Gera, IAS	Shri Anil Mukim, IAS	Shri M K Das, IAS
DIN	05323992	02842064	06530792
Date of Birth	26.11.1959	15.08.1960	20.12.1966
Date of appointment	19.02.2016	15.10.2016	03.08.2017
No. of Shares held in GACL	NIL	NIL	NIL
Qualifications	B.Sc.(Elec.Engg.)(Hons.) M.Sc., M.Phil, Post Graduation in Economics, IAS	Graduation in Commerce & Law, IAS	B. Tech (Computer Science), IIT from Kharagpur, IAS
Nature of Expertise / Experience	<p>Shri Prem Kumar Gera is a Senior IAS Officer of 1985 batch having experience of more than 32 years in the Central and State Government holding various positions in Land Revenue Management, Rural Development, District Administration, Agriculture, Finance, Training, Personnel &amp; General Administration, Textiles etc. His previous postings under Government of India and Government of Gujarat include:</p> <ol style="list-style-type: none"> <li>1. Registrar and Joint Secretary, Central Information Commission, New Delhi.</li> <li>2. Director General, Sardar Patel Institute of Public Administration (SPIPA) &amp; Ex.Officio, Secretariat, Government of Gujarat (Administrative Reforms and Training), Gandhinagar, Gujarat.</li> <li>3. Resident Commissioner, Government of Gujarat, New Delhi.</li> <li>4. Joint Director, Lal Bahadur Shastri National Academy of Administration (LBSNAA).</li> <li>5. Director General, National Institute of Fashion Technology, New Delhi.</li> <li>6. Managing Director, Gujarat Mineral Development Corporation Ltd. (GMDC).</li> </ol>	<p>Shri Anil Mukim is a Senior IAS Officer of 1985 batch. He is Additional Chief Secretary, Finance Department, Government of Gujarat.</p> <p>He has held various distinguished positions in Government of Gujarat and Government of India. He has worked as Collector of Bhavnagar, Vadodara &amp; Bhuj; Principal Secretary to Hon'ble Chief Minister; Principal Secretary, Revenue Department; Municipal Commissioner, Ahmedabad; Joint Secretary, Ministry of Commerce &amp; Industry, Government of India; CVO, Housing &amp; Urban Development Corporation; Additional Chief Secretary, Health &amp; Family Welfare Department etc. He has rich experience in the field of Finance, Management and Administration.</p>	<p>Shri M K Das is a Senior IAS Officer of 1990 batch. He has done specialization in Revenue Administration, Urban Management &amp; Civic Issues, Law &amp; Order and Disaster Management. At present he is Principal Secretary, Industries &amp; Mines Department, Government of Gujarat and also Chairman of Gujarat Industrial Investment Corporation Ltd. (GIIC).</p> <p>He has very rich and varied experience in different capacities viz. District Development Officer, Junagadh; District Collector, Porbandar, Palanpur &amp; Surat; Dy. Municipal Commissioner, Ahmedabad; Municipal Commissioner, Surat &amp; Vadodara; Director (J&amp;K Affairs), Home Ministry, Government of India; Principal Secretary, Food, Civil Supplies &amp; Consumer Affairs Department, Government of Gujarat.</p> <p>He has got award from Hon'ble Governor for best performance in Rural Development in the year 1999.</p> <p>He has also been awarded 8 National Awards for best performance in various sectors while working as Municipal Commissioner in Surat &amp; Vadodara.</p>

**ANNEXURE**
**DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT BY THE SHAREHOLDERS OF THE COMPANY AT THE ENSUING ANNUAL GENERAL MEETING IN PURSUANCE OF REGULATION 36 (3) OF THE SEBI (LODR) REGULATIONS, 2015 (Contd.)**

Names of other Companies in which Directorship held	<ol style="list-style-type: none"> <li>1. GACL-NALCO Alkalies &amp; Chemicals Pvt.Ltd.</li> <li>2. Gujarat Guardian Ltd.</li> <li>3. Gujarat Industries Power Co. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Gujarat State Investments Ltd.</li> <li>2. Gujarat State Financial Services Ltd.</li> <li>3. Sardar Sarovar Narmada Nigam Ltd.</li> <li>4. Gujarat International Finance Tech City Co. Ltd.(GIFTCL).</li> <li>5. Metro Link Express for Gandhinagar Ahmedabad (MEGA) Company Ltd.</li> <li>6. Gujarat Narmada Valley Fertilizers &amp; Chemicals Ltd.</li> <li>7. Gujarat State Petroleum Corporation Ltd.</li> <li>8. Gujarat State Fertilizers &amp; Chemicals Ltd.</li> <li>9. Gujarat State Petronet Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Gujarat Mineral Development Corporation Ltd.</li> <li>2. Dahej SEZ Ltd.</li> <li>3. Gujarat Gas Financial Services Ltd.</li> <li>4. Gujarat Industrial Corridor Corpn. Ltd.</li> <li>5. Dholera International Airport Co. Ltd.</li> <li>6. Gandhinagar Railway and Urban Development Corp. Ltd.</li> <li>7. Gujarat Rail Infrastructure Development Corpn. Ltd.</li> </ol>
Names of the Committees of the Board of Companies in which Membership / Chairmanship held	<b>Gujarat Alkalies and Chemicals Ltd.</b> <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Stakeholders' Relationship-cum-Investors' Grievance Committee</li> <li>3. Corporate Social Responsibility (CSR) Committee</li> <li>4. Project Committee</li> <li>5. Personnel Committee</li> <li>6. Risk Management-cum-Safety Committee</li> </ol>	<b>Gujarat Alkalies and Chemicals Ltd.</b> <ol style="list-style-type: none"> <li>1. Stakeholders' Relationship-cum-Investors' Grievance Committee-Chairman</li> <li>2. Audit Committee</li> <li>3. Nomination-cum-Remuneration Committee</li> <li>4. Corporate Social Responsibility (CSR) Committee</li> <li>5. Project Committee</li> </ol>	-



## BOARD'S REPORT

To  
The Members,

Your Directors present this 44<sup>th</sup> Annual Report of the Company on the business and operations of the Company together with Standalone and Consolidated Audited Financial Statements (Ind AS based) for the Financial Year ended 31<sup>st</sup> March, 2017 and the report of the Auditors thereon.

### PERFORMANCE AND FINANCIAL RESULTS

The performance of the Company during the Financial Year 2016-17 was as follows:

#### FINANCIAL RESULTS

Particulars	(Rs. in Lakhs)			
	Standalone		Consolidated	
	2016-17	2015-16	2016-17	2015-16
Sales (excluding Excise Duty) and Other Income	2,12,334	2,04,198	2,12,334	2,04,198
Profit Before Interest, Depreciation and Taxation (PBIDT)	50,554	38,007	50,433	37,978
Profit Before Taxation (PBT)	38,178	26,270	38,057	26,241
Less: Provision for Taxation	7,368	4,281	7,327	4,281
Profit After Taxation (PAT)	30,810	21,989	30,730	21,960
Other Comprehensive Income	16,035	(76)	16,035	(76)
Total Comprehensive Income	46,845	21,913	46,765	21,884
Proposed Dividend	3,671.85	3,304.66	3,671.85	3,304.66
Tax on Proposed Dividend	747.50	672.75	747.50	672.75
Transferred to General Reserve	15,404.87	11,083.30	15,404.87	11,083.30
Earning Per Share	Rs.41.95	Rs.29.94	Rs.41.85	Rs.29.90
Dividend Per Share	Rs.5.00	Rs.4.50	Rs.5.00	Rs.4.50
Book Value Per Share	Rs.450.84	Rs.391.28	Rs.450.70	Rs.391.24

### 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 (inclusive Excise Duty) of Rs.2,255.34 crores during the year 2016-17 as against Rs.2,178.62 crores in the Previous Year.
- The Company has achieved highest ever Profit Before Tax of Rs.381.78 crores and Profit After Tax of Rs.308.10 crores during the year 2016-17.
- Total production of all the products has increased by 5.47% to 15,50,572 MT during the year 2016-17 as against 14,70,197 MT in Previous Year.
- Other Operating income has increased by Rs.7.39 crores to Rs.47.17 crores during the year 2016-17 as against Rs.39.78 crores in Previous Year.
- Other income has increased by Rs.9.70 crores to Rs.55.92 crores during the year 2016-17 as against Rs.46.22 crores in Previous Year.
- Gross Profit has increased by 33% to Rs.505.54 crores during the year 2016-17 from Rs.380.07 crores in Previous Year.
- Profit Before Tax has increased by 45% to Rs.381.78 crores during the year 2016-17 from Rs.262.70 crores in Previous Year.
- Profit After Tax has increased by 40% to Rs.308.10 crores during the year 2016-17 from Rs.219.89 crores in Previous Year.

### At Consolidated Level

The Financial Year 2016-17 is a first year in which consolidation of the Financial Statements of the Subsidiary Company viz. GACL-NALCO Alkalies & Chemicals Pvt. Ltd. has been done. Therefore, the figures are not comparable this year. From next year this issue will not be arise there. Following comparison is based on audited details :

- The Consolidated Gross Profit has increased by 33% to Rs.504.33 crores during the year 2016-17 from Rs.379.78 crores in Previous Year.
- The Consolidated Profit Before Tax has increased by 45% to Rs.380.57 crores during the year 2016-17 from Rs.262.41 crores in Previous Year.
- The Consolidated Profit After Tax has increased by 40% to Rs.307.30 crores during the year 2016-17 from Rs.219.60 crores in Previous Year.

Your Directors are glad to inform you that during the Financial Year 2016-17, the Company has achieved highest ever sales in spite of the stiff competition and adverse market conditions of Chlorine during the year. The Company has initiated various cost control measures due to which the Profit Before Tax for the Financial Year has increased to Rs.381.78 crores from Rs.262.70 crores in the Previous Year registering a growth of 45%.

### ADOPTION OF IND AS

The Company has adopted the Indian Accounting Standards (Ind AS) from 1<sup>st</sup> April, 2016. The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company has presented a reconciliation from the presentation of financial statements under previous GAAP to Ind AS of Shareholders' equity as at 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015 and of the comprehensive net income for the year ended 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015.

### DIVIDEND

Your Directors are glad to recommend a Dividend @ Rs.5.00 per share (i.e. 50%) on 7,34,36,928 Equity Shares of Rs.10/- each fully paid up for the year ended 31<sup>st</sup> March, 2017.

### 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 4<sup>th</sup> December, 2015 for setting up 2,66,667 MTPA (100%) Caustic Soda Plant and 130 MW Coal based Power Plant at Dahej, Gujarat. The Company holds 60% and NALCO holds 40% in JV Company. Accordingly, GNAL is a subsidiary of the Company.

The Managing Director of the GACL is the Chairman of the JV Company. The Managing Director of the GACL does not draw any commission or any remuneration from GNAL except the Sitting Fees of Rs.2,500/- and incidental expenses of Rs.2,500/- per meeting for attending the meetings of the Board of Directors or Committees thereof. The Sitting Fees are paid by GNAL directly to GACL.

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](http://www.gacl.com) Further, the Audited Annual Accounts of the GNAL are also placed on the website of the Company at [www.gacl.com](http://www.gacl.com) 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 with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation of Internal Control System was observed. As per the relevant provisions of the Companies Act, 2013, the Statutory Auditors have expressed their views on the adequacy of Internal Financial Control in their Audit Report.





## 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	Outlook	Remarks
Long Term Bank Facilities	Credit Analysis & Research Ltd. (CARE)	CARE AA+ (Double A Plus)	Stable outlook for Caustic Soda industry & GACL, being industry leader in domestic market, is likely to benefit from various factors.	This rating is considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
Short Term Bank Facilities	Credit Analysis & Research Ltd. (CARE)	CARE A1+ (A One Plus)		This rating is considered to have very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

## 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 Board of Directors at its 353<sup>rd</sup> Meeting held on 11<sup>th</sup> February, 2016 has constituted the Risk Management Committee of Directors comprising of :

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

The said Risk Management Committee has been renamed as "Risk Management-cum-Safety Committee" w.e.f. 10<sup>th</sup> November, 2016 by the Board. The existing Internal Risk Management Committee of Senior Executives of the Company continues to function. Out of the various risks identified by the Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by the Risk Management-cum-Safety Committee, 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 Risk Management-cum-Safety Committee, Audit Committee and the Board of Directors.

## 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 Listing Regulations. The Policy is applicable to all Directors and Employees of the Company.

As per the Policy, protected disclosures can be made by whistle blower to the Chairman of the Audit Committee. During the Financial Year 2016-17, 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 link :

[http://www.gacl.com/public\\_html/new/policy/VIGIL\\_MECHANISM\\_CUM\\_WHISTLE\\_BLOWER\\_POLICY.pdf](http://www.gacl.com/public_html/new/policy/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 has been 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 have 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. It was formed with an objective for promotion and development of Education in various fields and branches of Engineering, Management Technology, Information & Communication etc. and carry out such other projects having similar objects.

GES has altered its object clause so as to carry out various CSR activities of the Company (GACL) for charitable purpose. The details about various activities carried out by the Company under CSR directly and through GES are given in the Management Discussion and Analysis which forms part of this Annual Report.

The CSR Policy may be accessed on the Company's website at the link: [http://www.gacl.com/public\\_html/new/pdf/CSR\\_POLICY.pdf](http://www.gacl.com/public_html/new/pdf/CSR_POLICY.pdf)

As per the provisions of Section 135 of the Companies Act, 2013, the 2% of the average net profits of the last three financial years was Rs.4.58 crores. Accordingly, the Company was required to spend Rs.4.58 crores towards carrying out various CSR activities during the Financial Year 2016-17. The Company had spent Rs.3.46 crores towards various CSR activities during the Financial Year 2016-17. The Company has paid Rs.1.37 crores to GACL Education Society for carrying out various CSR activities. Thus, the Company has spent total Rs.4.83 crores against the statutory requirement of Rs.4.58 crores towards CSR activities during the Financial Year 2016-17.

The Annual Report on CSR activities for the Financial Year 2016-17 is annexed herewith as **Annexure – 2**.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

Shri G R Aloria, IAS (Retd.) has resigned as Chairman of the Company vide letter dated 11.08.2016 due to his superannuation from the services as Chief Secretary to the Government of Gujarat.

Shri Arvind Agarwal, IAS and Shri P K Taneja, IAS (Retd.), Non-Executive Directors have also resigned w.e.f. 29.08.2016 and 25.07.2017 respectively.

The Board placed on record its deep appreciation of the valuable services rendered to the Company by Shri G R Aloria, IAS (Retd.) as Chairman and Shri Arvind Agarwal, IAS and Shri P K Taneja, IAS (Retd.) as Directors of the Company.

The Government of Gujarat vide Resolution No. GAC/11-2006/4253/E dated 31.08.2016 appointed Dr. J N Singh, IAS, Chief Secretary to Government of Gujarat as Chairman of the Company as per the Articles of Association of the Company.

Pursuant to Section 161(1) of the Companies Act, 2013, Shri Anil Mukim, IAS and Shri M K Das, IAS have been appointed by the Board as Additional Directors effective from 15.10.2016 and 03.08.2017, respectively who shall hold office up to the date of this Annual General Meeting and their appointment as Directors liable to retire by rotation are proposed at this Annual General Meeting.

Shri P K Gera, IAS, Managing Director of the Company is not liable to retire by rotation as per the provisions of the Articles of Association of the Company, since he is appointed by the Government of Gujarat. However, this year, no other Director is retiring by rotation and to comply with the provisions of Section 152 of the Companies Act, 2013, it is proposed that Shri P K Gera, IAS, may retire as Director and may be reappointed at this Annual General Meeting as a Director. His terms and conditions for appointment as Managing Director does not change.

Thus, as on the date of this Report, there are eight (8) Directors on the Board of the Company. The Chairman and four (4) Independent Directors are Non-Rotational Directors, two (2) Directors viz. Shri Anil Mukim, IAS and Shri M K Das, IAS are Rotational Directors who will be first time appointed / regularized at this Annual General Meeting by shareholders and Shri P K Gera, IAS as Director will retire by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment as Director.

A brief resume of these three Directors viz. Shri P K Gera, IAS, Shri Anil Mukim, IAS and Shri M K Das, IAS forms part of the Notice of this Annual General Meeting.

Pursuant to provisions of Section 203 of the Companies Act, 2013, Shri P K Gera, IAS, Managing Director was also appointed by the Board as Key Managerial Personnel of the Company effective from 19.02.2016. Dr. H B Patel, Chief Financial Officer and Shri Sanjay S Bhatt, Company Secretary are the Key Managerial Personnel of the Company effective from 14.05.2014.

**The Company has received necessary declarations from the Independent Directors under Section 149(7) of the Companies Act, 2013, that he / she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.**

### **B. Board Evaluation**

Pursuant to relevant provisions of the Companies Act, 2013 and Listing Regulations, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

### **C. 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.

#### D. Meetings

During the year, Five (5) Board Meetings and Four (4) Audit Committee Meetings were convened and 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 Listing Regulations. Further, the composition and terms of reference of Audit Committee and other Committees are given in the Corporate Governance Report.

### 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 1<sup>st</sup> July, 2016 to 30<sup>th</sup> June, 2017.

The Board of Directors of the Company at its Meeting held on 26<sup>th</sup> May, 2017, re-appointed M/s. Talati & Talati, Chartered Accountants, Vadodara as Internal Auditors for conducting Internal Audit of the Company for the period from 1<sup>st</sup> July, 2017 to 30<sup>th</sup> June, 2018.

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 from the conclusion of 41<sup>st</sup> Annual General Meeting till the conclusion of 46<sup>th</sup> Annual General Meeting i.e. for a period of five years (subject to ratification of the appointment by the members at every AGM). You are requested to ratify the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara as Statutory Auditors from the conclusion of 44<sup>th</sup> Annual General Meeting till conclusion of 45<sup>th</sup> Annual General Meeting as per the provisions of Section 139 of the Companies Act, 2013.

The Board of Directors of the Company at its Meeting held on 26<sup>th</sup> May, 2017 have approved the reappointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Vadodara as Statutory Auditors of the Company for the Financial Year 2017-18.

Accordingly, a Resolution for ratification of appointment of the Statutory Auditors for the Financial Year 2017-18 is placed at relevant item of the Notice.

Your Directors recommend the same for your ratification and approval.

The Auditor's Report to the Members for the year under review does not contain any qualification.

#### C. Cost Auditors

The Board of Directors of the Company at its Meeting held on 26<sup>th</sup> May, 2017 has appointed M/s. R.K. Patel & Co., Cost Accountants, Vadodara (Firm Regn. No. 14115) as Cost Auditors for Financial Year 2017-18 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 taxes as applicable.

As per the provisions of the Companies Act, 2013, your Directors propose the relevant item of the Notice in respect of remuneration to the Cost Auditors for the Financial Year 2017-18 for your ratification and approval.

#### 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 Kabra & Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditors is annexed herewith as **Annexure - 3**. The Report does not contain any qualification.

### 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 Listing Regulations.

A detailed report on Corporate Governance along with Certificate issued by Practicing Company Secretary in terms of provisions of the Listing Regulations is attached herewith.

### BUSINESS RESPONSIBILITY REPORT

As per the provisions of the 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.

The Company has voluntarily published BRR for the F.Y. 2016-17 which has been approved by the Board of Directors at its 362<sup>nd</sup> Meeting held on 03.08.2017.

## 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 2016-17.

## PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

The Audit Committee of Directors at its Meeting held on 29<sup>th</sup> March, 2016 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 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 link :

[http://www.gacl.com/public\\_html/new/policy/related\\_party\\_tran\\_policy-1.pdf](http://www.gacl.com/public_html/new/policy/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 Note No. 5, 6, 7, 17, 21 & 42 (i)(e)(ii) 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. and National Stock Exchange of India Ltd. (NSE) and their listing fees for the Financial Years 2016-17 and 2017-18 have been paid and the provisions of the Listing Regulations have been complied with.

## EXTRACT OF ANNUAL RETURN

The extract of the Annual Return, as required under Section 134(3)(a) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rule, 2014 is annexed herewith as **Annexure - 6**.

## DIVIDEND DISTRIBUTION POLICY

The Board of Directors of the Company at its Meeting held on 26<sup>th</sup> May, 2017 has adopted "Dividend Distribution Policy" effective from 26<sup>th</sup> May, 2017, which is available on the Company's website at the link [http://www.gacl.com/public\\_html/new/policy/Dividend\\_Distribution\\_Policy.pdf](http://www.gacl.com/public_html/new/policy/Dividend_Distribution_Policy.pdf) As per the Regulation, the said "Dividend Distribution Policy" should also required to be disclosed in the Annual Report of the Company, which is annexed herewith as **Annexure - 7**.

## GENERAL

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. 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.

Your Directors further state that your Company has constituted prevention of Sexual Harassment Committee named as "Internal Complaint Committee-cum-Gender Equality Committee" and during the year under review, no complaint was received. There was no case pending under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



## DIRECTORS RESPONSIBILITY STATEMENT

Your Directors state that:

- i) in the preparation of the Annual Accounts for the Financial Year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed;
- ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 and of the profit of the Company for the year ended on that date;
- iii) 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;
- iv) the Directors have prepared the annual accounts on a going concern basis;
- v) 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
- vi) 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 : 03.08.2017

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**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:**

1. Replacement of old 2<sup>nd</sup> generation elements with new energy efficient 6<sup>th</sup> generation elements and 5B+ generation elements at Vadodara and Dahej Complexes.
2. Replacement of H<sub>2</sub> cooler with new H<sub>2</sub> recuperator in KOH Plant.
3. Installation of new PHE of MC I drying tower and hence, stoppage of one 78% circulation pump.
4. Revamping of H<sub>2</sub>O<sub>2</sub> Hydrogen Compressor.
5. Replacement of two cooling tower pumps of higher capacity with same rating motor.
6. Replacement of existing NaCl CDU pump in MC I with lower rating motor.
7. Replacement of old 98% H<sub>2</sub>SO<sub>4</sub> pump with PFA lined pump.
8. HPMV fittings have been replaced with LED light fittings at various locations.
9. Utilization of vapor condensate of CEU for preparation of SBS solution instead of DM water.
10. Replacement of 2 x 36W and 1 x 36W Tube light fittings by 18W LED type Tube light fittings in CSL Plant, 80W x 125W HPMV well glass fittings with 40W LED type well glass fittings and 250W street light fittings by 56W LED type street light fittings in CSL, CLM and H<sub>2</sub>O<sub>2</sub> Plants.
11. Installation of new energy efficient 30 TPH Boiler at CLM plant.
12. Replacement of CEU day tank pumps motors with IE2 type high efficient motor.
13. Replacement of 110 kVAR Capacitor in substation 2 switchyard and addition of 168 kVAR Capacitor by replacing 180 kVAR series reactor with 303 kVAR series reactor in capacitor bank.
14. K VX installed in Boiler No. 3 for steam generation.
15. Installation of Waste Heat Boiler in CLM plant.

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

The Company had taken up Wind Farm Projects of 14.7 MW capacity at Kuchhad, Dist. Porbandar, Gujarat, which was commissioned in March, 2017. The total installed Wind Energy Generation capacity of the Company has increased to 171.45 MW after this installation.

The Company has also taken up 15 MW Solar Power Project for captive use and to meet the Solar Renewable Purchase Obligations. The Project is expected to be commissioned during the Financial Year 2017-18.

**(iii) The Capital Investment on Energy Conservation equipments:**

During the Financial Year 2016-17, the Company has invested Rs.134.73 crores as Capital Investment on Energy Conservation equipments and saving of Rs.31.78 crores have been achieved.

**B. TECHNOLOGY ABSORPTION**
**(i) Major efforts made towards technology absorption:**

For the production of Caustic Soda in electrolysis process, the Company uses electrolyser elements (anodes and cathodes) imported from Thyssenkrupp, Germany. In an effort to modernize the electrolysis operation, the Company has taken up activities for the replacement of old generation electrolyser elements (Generation I & II) with the latest new generation VB+ elements both at Vadodara and Dahej Complexes. In its first phase of such replacement, the Company has installed 915 new energy efficient VB+ elements at Vadodara Complex and 440 such elements at Dahej Complex and the same were successfully commissioned in a phased manner by February, 2017.

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

**(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. The R&D efforts on captive consumption of in house developed cooling water treatment formulations, cleaning formulations, defoamer, technical support to other functions, re-fabrication of spent catalyst have resulted into appreciable savings.
- c. The efforts made on the stabilisation of Sodium Chlorate process have resulted in to the optimum utilisation of plant capacity.

**(iii) Information regarding imported technology (imported during last three years):**

Details of Technology Imported	Technology imported from	Year of Import	Status
Sodium Chlorate	German technology through their Indian subsidiary – M/s. Thyssenkrupp Industrial Solutions Pvt. Ltd.	September 2011	Commercial production started since March, 2014.
Replacement of 1365 (915 + 440) 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.	September 2015	Commissioned by February, 2017 in phase wise manner.

**(iv) Expenditure incurred on Research and Development:**

Sr. No.	Particulars	Amount [Rs. in Lakhs]
a)	Capital	4.84
b)	Revenue	251.54
	<b>Total (a + b)</b>	<b>256.38</b>

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO :****1. Activities relating to export, initiatives to increase exports, Development of New export markets for Products and Services and Export Plan.**

The Company has continued to maintain focus and avail of export opportunities based on market conditions. During the year under review, the Company has exported goods worth Rs.24,138.86 lakhs (FOB Value).

**2. Total Foreign Exchange Earned and Used****[Rs. in Lakhs]**

Foreign Exchange earned in terms of Actual Inflows	Rs.24,138.86
Foreign Exchange outgo in terms of Actual Outflows	Rs.31,922.65

**ANNEXURE – 2 to Board's Report****ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2016-17**

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 web-link to the CSR Policy and projects or programs:

Ever since its inception, GACL has been, as a conscious corporate citizen, serving the community around its business locations and much before the concept of CSR got clad into legal framework through Companies Act, 2013. GACL took up various socio – developmental activities in benefit to the community at large in a systematic way.

The present CSR Policy is being documented with a candid objective of formalizing as a document of what is being done by the Company and what would it proposes to do in the time to come. Section 135 read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules) has prescribed the requirements as to what should be the legal and structured framework for doing the CSR activities.

This Policy, which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for welfare & sustainable development of the community at large, is titled as the 'GACL CSR Policy'. The CSR Policy may be accessed on the Company's website at the link : [http://www.gacl.com/public\\_html/new/pdf/CSR\\_POLICY.pdf](http://www.gacl.com/public_html/new/pdf/CSR_POLICY.pdf)

This Policy shall apply to all CSR initiatives and activities taken up at the various Plant / Business

locations of GACL for the benefit of different segments of the society.

2. The Composition of the CSR Committee:

The CSR Committee of the Company comprise of :

1. Dr. J N Singh, IAS (w.e.f. 10.11.2016) - Chairman of the Committee
  2. Shri Anil Mukim, IAS (w.e.f. 10.11.2016)
  3. Shri J N Godbole
  4. Shri P K Gera, IAS
  5. Shri Arvind Agarwal, IAS (Chairman - upto 29.08.2016).
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	2013-14	2014-15	2015-16
1	Profit u/s. 135 read with Section 198	23,644.79	19,613.41	25,396.60
2	Average of three years Net Profit	22,884.93		

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	22,884.93
2	2% of Average three years Net Profit	457.70

5. Details of amount spent on CSR during the Financial Year:
- (a) Total amount to be spent for the Financial Year: Rs.457.70 Lakhs.

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

Sr. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other district where Projects or Programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Subheads: (1) Direct Expenditure on projects or programs (2) Overheads:	Cumulative expenditure up to to the reporting period	Amount spent: Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>A: Education, Special Children Interventions</b>							
1.	Uday Shala Project in Chhotaudepur district and project areas	CI.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects.	Contribution towards Uday Shala Project at Chhotaudepur by adopting 5 Government schools.	1,25,00,000	18,73,014	18,73,014	GACL Education Society
2.	Education and health of Special Children	CI.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects.	Contribution to Govt. run Home for Mentally Deficient Children (HMDC), Spandan, Medical Care Center Trust (Kashiba Children Hospital), Akshar Trust, Osmosis Play Centre and Educational Games Library Trust – NGOs dealing with learning difficulties such as Dyslexia, Cerebral Palsy, Autism, Down Syndrome, Hearing Impairment and other special needs at Vadodara and Bharuch	30,00,000	42,16,844	42,16,844	GACL Education Society (GES), Spandan, Medical Care Centre Trust (Kashiba Children Hospital), Akshar Trust and Osmosis Play Centre and Educational Games Library Trust
3.	SEEDS Programme – Vocational Skill Development	CI.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects.	Contribution to promote quality vocational education and also to promote entrepreneurship among the youth students from the families of rural and tribal area.	25,00,000	15,00,000	15,00,000	GACL Education Society & Shroff's Foundation Trust
4.	Kanya Kelvani & Shaala Praveshotsav	CI.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects.	Providing school bag kits during Kanya Kelvani & Shaala Praveshotsav, Chhotaudepur.	5,00,000	4,35,000	4,35,000	GACL Education Society





5	Grass root Research mapping on various CSR practices	Cl.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects.	For conducting phase wise research in mapping Good CSR practices and publishing a book for same & organizing a CEO Conclave on CSR	5,00,000	3,79,880	3,79,880	GACL Education Society & Centre for Excellence in CSR. Faculty of Social Work of The M. S. University of Baroda
<b>B: Health, Nutrition and Sanitation Interventions</b>							
1	Sewage Treatment Plant and other related activities in Dahej (Phase II)	Cl.(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water	Contribution towards construction of Sewage Treatment Plant at Dahej village of Vagra Taluka	3,33,00,000	1,10,24,430	1,10,24,430	GACL Education Society / Direct
<b>C: Support to Local areas / Government Authorities</b>							
1	Other one-time support to local area and other agencies	Cl.(i) Eradicating hunger, poverty and malnutrition and sanitation and making available safe drinking water. Cl.(ii) Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects.	Contribution to various agencies like Little Kingdom School of Nadiad, organized a smart camp at Ranoli and nearby villages of GACL Baroda Complex, construction of roads, construction of drinking water facility, contribution towards procurement of 2 invasive ventilators at Premdas Jalaram Hospital, development of CCU and NICU at Ramkrishna Paramhans Hospital and for project "Science on Wheels"	40,00,000	64,69,749	64,69,749	GACL Education Society
2	Vadodara By Foot	Cl. (iv) Protection of National heritage, art and culture including restoration of building and sites of historical importance and works of art.	Contribution towards organizing a Heritage Walk and Support for website development of Vadodara By Foot	25,00,000	42,012	42,012	GACL Education Society
<b>D: Management and Administration</b>							
1	Manpower required at Head quarter	Cl. (iv) 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	18,60,000	13,50,082	13,50,082	GACL Education Society

2	Provide motivated manpower to district administration	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 deputed at district collector offices at Vadodara and Narmada	15,00,000	6,29,090	6,29,090	GACL Education Society
3	Developing Dediapada Taluka	CL (x) Rural Development Projects.	Contribution towards website Development of Vikassheel Taluka.	10,00,000	1,59,303	1,59,303	GACL Education Society
4	Research, evaluation, IT support and Documentation	Building CSR capacities of CSR staff and implementing agencies.	Contribution towards procurement of IT support apparatus for conducting need based assessment surveys and research	5,00,000	5,37,635	5,37,635	GACL Education Society
<b>E: Unallocated</b>							
1	Other Human Development Activities	Various heads eligible under CSR	Contribution to various agencies like The M.S. University of Baroda, Rotary Club, United Way of Baroda, Baroda District Basketball association, Darshak ithas nidhi, Blood donation society, Bal Bhavan Society, Vadodara Municipal Corporation, Yogi Divine Society etc. and towards various social welfare of community	97,40,000	60,24,983	60,24,983	Direct / GACL Education Society
2	GACL Education Society	Various heads eligible under CSR	Payment to corpus of GACL Education Society for undertaking various CSR activities	1,36,55,000	1,36,55,000	1,36,55,000	GACL Education Society
<b>Total :</b>				<b>8,70,55,000</b>	<b>4,82,97,022</b>	<b>4,82,97,022</b>	

6. In case, the Company has failed to spend the two percent (2%) of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report.

Out of the Budget approved by the Board, the Company has spent an amount of Rs.4.83 crores towards the CSR activities during the Financial Year 2016-17. Whereas, 2% of the Average Net Profits for last three Financial Years, as per the provisions of Section 135 of the Companies Act, 2013, comes to Rs.4.58 crores for the Financial Year 2016-17. Therefore, during the Financial Year 2016-17, the Company exceeded its CSR spent over the statutory limit.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

#### Responsibility Statement:

The responsibility statement of Corporate Social Responsibility Committee of the Board of Directors of the Company is reproduced 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 March 31, 2017  
[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9  
of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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 March 31, 2017, complied with the statutory provisions listed hereunder and also that the company has proper Board-Processes and Compliance-Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2017, 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 and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

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 Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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



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

Adequate notice is given to all 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.

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.

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

**We further report that** during the audit period there were no specific instances in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the company's affairs.

Sd/-  
**Suresh Kumar Kabra**  
Partner  
Samdani Kabra & Asso.  
Company Secretaries  
ACS # 9711, CP # 9927

Vadodara  
3<sup>rd</sup> August, 2017

*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

To,  
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:

- 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 responsibility is to express an opinion on these secretarial records and compliances based on such verification and audit.
- we have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. Our examination was limited to the verification and audit of procedures and records on test basis to ensure that correct facts are reflected in Secretarial & other records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
- wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
- 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.

Sd/-  
**Suresh Kumar Kabra**  
Partner  
Samdani Kabra & Asso.  
Company Secretaries  
ACS # 9711, CP # 9927

Vadodara  
3<sup>rd</sup> August, 2017



## ANNEXURE - 4 to Board's Report

## Business Responsibility Report

## Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24110GJ1973PLC002247
2.	Name of the Company	Gujarat Alkalies and Chemicals Ltd.
3.	Registered address	P.O. : Petrochemicals-391 346, Dist. : VADODARA (GUJARAT)
4.	Website	www.gacl.com
5.	E-mail ID	investor_relations@gacl.co.in, cosec@gacl.co.in
6.	Financial Year reported	2016-17
7.	Sector(s) that the Company is engaged in (industrial activity codewise)	Chemicals- NIC Code - 2411
8.	List three key products/services that the Company manufactures/ provides (as in Balance Sheet)	1. Caustic Soda Lye 2. Caustic Soda Flakes 3. Hydrogen Peroxide
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 located in Gujarat at P.O. : Petrochemicals-391 346, Dist. Vadodara and Village: Dahej 392 130, Ta.: Vagra, Dist. Bharuch.
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 2016-17 Standalone (Rs. in Crores)
1.	Paid up Capital (INR)	Rs.73.44
2.	Total Turnover (INR)	Rs. 2,255.34
3.	Total Profit After Taxes (INR)	Rs. 308.10
4.	Total Spending on Corporate Social Responsibility (CSR)	4.83
	As percentage of Profit After Tax (%)	1.57%
5.	List the activities in which expenditure in 4 above has been incurred.	
	A. Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and differently abled and livelihood enhancement projects.	
	B. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	
	C. Promoting preventive health care and sanitation and making available safe drinking water.	
	D. Promotion of Art, Culture and Heritage.	
	E. Protection of National heritage, art and culture including restoration of building and sites of historical importance and works of art.	
	F. Rural Development Projects.	
	G. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.	

### Section C: Other Details

- Does the Company have any Subsidiary Company / Companies?  
Yes, the Company has one (01) Subsidiary Company, viz. GACL-NALCO Alkalies & Chemicals Pvt. Ltd.
- 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 been recently incorporated and till date, has not started its commercial operations. Therefore, there is no direct participation by the subsidiary in the BR initiatives of the Company, at present.
- 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%]  
Our suppliers, distributors etc. do not participate in the Company's BR initiatives.

### Section D: BR Information

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

- Details of the Director / Directors responsible for implementation of the BR policy / policies
  - DIN Number : 05323992
  - Name : Shri P K Gera, IAS
  - Designation : Managing Director

- 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.

Pursuant to the Regulation 32(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is covered under top 500 Companies by market capitalization as on 31<sup>st</sup> March, 2017 and hence, the publication of the Business Responsibility Report (BRR) by the Company shall be applicable for the Financial Year 2017-18 onwards. However, in respect of Financial Year 2016-17, there are some policies which are already in practice by the Company and hence, the Company has voluntarily submitted BRR in the Annual Report. The detailed policies under BRR with respect to guidance/principles provided under National Voluntary Guidelines on social, environment and economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India are formulated and approved by the Board of Directors at its 362<sup>nd</sup> Meeting held on 03.08.2017 and will be implemented during the Financial Year 2017-18 and shall be reported accordingly, in the Annual Report of the Financial Year 2017-18.

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	N*	Y	Y	N*	Y	N*	Y	N*
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	NA	Y	Y	NA	Y	NA	Y	NA
3.	Does the policy confirm to any national / international standards? If yes, specify. (50 words)	Y	NA	Y	Y	NA	Y	NA	Y	NA
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/Owner/CEO/appropriate Board Director?	Y	NA	Y	Y	NA	Y	NA	Y	NA
5.	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	N	N	Y	Y	N	Y	N	Y	N
6.	Indicate the link for the policy to be viewed online.	*	*	*	*	*	*	*	*	*
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	NA	Y	NA	Y	NA
8.	Does the Company have in-house structure to implement the policy/policies?	Y	NA	Y	Y	NA	Y	NA	Y	NA
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	NA	Y	Y	NA	Y	NA	Y	NA
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

\*All the good practices are being followed by the Company in consonance with the generally accepted principles. However, formal policies on these matters are under preparations.

The relevant policies are available on website of the Company at [www.gacl.com](http://www.gacl.com)

**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)*	*	*	*	*	*	*	*	*	*

\*Pursuant to the Regulation 32(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is covered under top 500 Companies by market capitalization as on 31<sup>st</sup> March, 2017 and hence, the publication of the Business Responsibility Report (BRR) by the Company shall be applicable for the Financial Year 2017-18 onwards.

**3. Governance related to BR**

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year. Annually.
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?  
The Company publishes BRR as part of Annual Report and BRR is also available on the website of the Company at [www.gacl.com](http://www.gacl.com)

**Section E: Principle-wise performance**
**Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?  
Yes. It does not extend to Group /Joint Ventures / Suppliers / Contractors / NGOs / Others.
2. How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management?  
During the Financial Year 2016-17, the Company had received 74 complaints from shareholders and all 74 (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.**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
  - i. Caustic Soda Lye
  - ii. Caustic Soda Flakes
  - iii. Hydrogen Peroxide





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?  
During production, consumption of Energy reduced, as under as compared to previous year :  
Energy reduced per unit of production - 63 KWH/MT.
  - Reduction during usage by consumers (energy) has been achieved since the previous year?  
Reduction in usage compared to previous year is as follows :  
Energy reduced per unit of Production - 63 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 vendor meet during 2016-17, we had appealed them to follow environment friendly processes, materials in their business. We also requested to use environment friendly material for packaging.
- If yes, what percentage of your inputs was sourced sustainably ?  
Few major activities of sustainable sourcing are mentioned hereunder:-
    - We have drastically reduced uses of papers for official use, sending purchase enquiries, printing of purchase orders, internal communications etc., instead of we are using electronic communications.
    - We are procuring Salt worth of Rs. 7,000 Lakhs (12% of total procurement) annually which is manufactured from water that does not contain any chemicals, hence, it is not harmful to environment. Our most of the salt suppliers are falling in small scale category, hence, indirectly we are providing an employment to unskilled people as a part of our social responsibilities.
    - We are procuring HM HDPE Carboys, barrels and various MS drums worth of Rs. 3,500 Lakhs (6% of total procurement). Scrap generated in the process of above materials are recyclable in nature and does not create any environmental issues.
    - We are procuring Potassium Chloride quantity 32,000 MT (33% of total spent value of imported items) annually from M/s. Canpotex Ltd., Canada. Initially, we were using inland transportation of material by road and now by rail transportation which helped to protect the environment by reducing fuel consumption.
    - We are also exploring to get shipment of Potassium Chloride from M/s. Canpotex Ltd., Canada at Kandla Port instead of Kakinada Port. Thus, total distance of inland transport will be reduced that will help us to save fuel.
    - Our major suppliers of Electrical and Instrumentation items are environment cautious and acquired certificates like ISO 14001 and OHSAS.
    - Some of our major suppliers of materials who have certificates like ISO 14001 and OHSAS.

Above are few examples and we are further trying to adopt sustainable sourcing in other area of our business.

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 ?

The Company is procuring entire requirement of salt for Baroda and Dahej Complexes from local suppliers situated at Dahej, Gandhar, Jambusar, Bhavnagar and Maliya - Morbi area. Many suppliers in these regions are small suppliers from whom we are procuring the material. The Company procures salt from Co-operative Society at Bhavnagar. Also, the Company procures other material like consumable and engineering items from local and small suppliers.

The Company had participated in the event organized by Confederation of Indian Industry (CII), Vadodra to support Micro, Small and Medium Enterprises (MSME) and interacted with them to explore business opportunity to form mutual benefits.

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 is seriously exploring possibility of recycling 40% of its liquid effluent stream, using RO principle.

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

- Please indicate the total number of employees (as on 31.03.2017) : 1384
- Please indicate the total number of employees hired on temporary / contractual / casual basis.  
As on 31<sup>st</sup> March, 2017, total 981 persons were hired on temporary / contractual / casual basis and total 116 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 31<sup>st</sup> March, 2017, permanent women employees are 40.
  4. Please indicate the number of permanent employees with disabilities.  
As on 31<sup>st</sup> March, 2017, the number of permanent employees with permanent disabilities are 11.
  5. Do you have an employee association that is recognized by Management.  
Yes, the Company have 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?  
62.14%
  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.
- 
8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

• Permanent Employees	:	67%
• Permanent Women Employees	:	72%
• Casual/Temporary/Contractual Employees (FTC)*	:	56%
• Employees with Disabilities	:	73%

\*Note: Training given to only FTC Employees is considered here.

**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 5 (five) Government Primary Schools of Chhotaudepur District and has also adopted Home for Mentally Deficient Children which is a Government Organization where orphans and destitute special children are kept. Moreover, the Company is also contributing financially to various hospitals which are providing treatment and medicines at a subsidized rate for marginalized and underprivileged people of the society.

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

1. Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors/ NGOs / Others ?  
The Policy on Human Rights is formulated and will be implemented from the current Financial Year.
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?  
The policy on environment covers only the Company.
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.

The Company has planted more than 1,00,000 plants and it keeps maintaining the same. With tree plantation being a regular feature, it plants 1,000 sapling every year. Rainwater harvesting and collection is a part of routine activity at GACL. This water is then utilized for the maintenance of green belts. The vermiculture concept has been implemented in the premises to convert waste generated by the canteen, gardens and plants to vermicompost.



GACL has been a pioneer in adopting the environment friendly and energy efficient technologies. It converted to Membrane Cell Technology from Mercury Cell Technology way back in 1989 and since 1994 all the plants are running on Mercury free Membrane Cell Technology.

As a matter of strategy, the Company has placed sensors at strategic locations in and around the complex to monitor ambient air quality. For disposal of solid waste, GACL has secured dedicated landfill site conforming to the Hazardous Waste Management Act. Being a member of Effluent Channel Project, it releases its liquid effluent in the channel and adheres to the necessary parameters of the Gujarat Pollution Control Board before discharging it into the channel. The details are also available on the website of the Company at link: [www.gacl.com/public\\_html/new/profile.htm](http://www.gacl.com/public_html/new/profile.htm)

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?  
Yes.
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 had taken up Wind Farm Projects of 14.7 MW Capacity in Gujarat, which was commissioned in March, 2017. The total installed Wind Energy Generation capacity of the Company has increased to 171.45 MW after these installations. The Company has also taken up Solar Power Project of 15 MW capacity in Gujarat, which will be commissioned by October, 2017.
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 the Financial Year.  
No show cause / legal notices received.

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

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with :  
The Company is a Member of :
  1. Alkali Manufacturers Association of India, New Delhi
  2. Indian Chemical Council, Mumbai
  3. Gujarat Chemical Association, Ahmedabad
  4. Society for Clean Environment, Vadodara
  5. National Safety Council, Mumbai
  6. Gujarat Safety Council, Vadodara
  7. Federation of Gujarat Industries, Vadodara
  8. Exim Club, Vadodara
  9. CHEMEXCIL, Mumbai
  10. Gujarat Employers' Organization, Vadodara
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:
  - Promotion of Education and Related Activities
  - Interventions for Special Children
  - Preventive Healthcare, Hygiene and Sanitation
  - Promoting Livelihood generation activities
  - Promotion of 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 Foundation Trust' and '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 out by officers of the GACL Education Society and outside agencies.
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 2016-17 is as under :

The Company had contributed Rs.19,00,000/- towards 'Uday Shala Project' wherein, 5 (five) Government Primary Schools of Chhotaudepur District are adopted. Quality teaching staff is provided in these Schools so as to make the base of the children strong along with infrastructure development.

The Company had also contributed Rs.1,10,24,430/- towards Infrastructure for underground drainage network and Sewage Treatment Plant facility for entire Dahej Village.

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

Yes, by involving the parents of the children and principal 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.

**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 the 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 the 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 arguments of parties before CCI were over and the matter had been kept for Order. 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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2016-17 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 2016-17 (Rs. in Lakhs)	% increase in remuneration in the Financial Year 2016-17	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	25.53	14.23%	2.93 times	Profit Before Tax increased by 45.33% and Profit After Tax increased by 40.12 % in Financial Year 2016-17.
2.	Dr. H B Patel* Executive Director (Finance) & CFO	34.27	9.59%	N.A.	
3.	Shri Sanjay S Bhatt* Company Secretary & GM (Legal & CC)	23.95	4.63%	N.A.	



\* The Remunerations of the Managing Director and other Key Managerial Personnel (Executive Director (Finance) & CFO and Company Secretary) during the FY 2016-17 is not comparable with FY 2015-16 due to following reasons:

1. The remuneration of Shri P K Gera, IAS in FY 2015-16 was for part of the year (i.e. from 19.02.2016 to 31.03.2016) and therefore, the same has been annualized to compare with the remuneration for the FY 2016-17.
2. The remuneration of Dr. H. B. Patel, Executive Director (Finance) & CFO is not comparable in FY 2016-17 due to release of variable incentive at higher performance rating, adhoc advance payment of variable incentive and benefit of new car policy. Further, remuneration of Shri S S Bhatt, Company Secretary is not comparable in FY 2016-17 due to financial benefit on promotion w.e.f. 01.07.2016, release of variable incentive at higher performance rating, adhoc advance payment of variable incentive, benefit of new car policy. Moreover, Shri S S Bhatt has availed leave encashment in FY 2015-16.

#### NOTES

1. The Remuneration of the Managing Director is decided by Government.
  2. Details for other Directors are not given as the other Directors are paid only Sitting Fees of Rs.8.40 Lakhs 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.8.72 Lakhs.
- (iii) In the Financial Year 2016-17, there was an increase of 3.20% in the median remuneration of employees.
- (iv) There were 1384 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2017.
- (v) Relationship between average increase in remuneration and Company performance :  
The Profit Before Tax for the Financial Year ended 31<sup>st</sup> March, 2017 increased by 45.33%, whereas, the increase in median remuneration was 3.20%. The remuneration of all employees (management and non-management) will be revised in the year 2017. Therefore, there is no direct relationship between the performance of the Company and remuneration of employees except that in case of performance incentive to management employees. One of the criteria to evaluate the individual performance is "Organization Performance". As per the Performance Evaluation Policy, different weightages are provided for "Organization's Performance" in different grades of Management employees.
- (vi) Comparison of the remuneration of the Key Managerial Personnel against performance of the Company :  
The remuneration of the Managing Director is decided by the Government. The remuneration of all employees including Key Managerial Personnel other than Managing Director is revised at end of every 4 years and the same will be revised in the year 2017. Therefore, there is no direct relationship between the performance of the Company and remuneration of KMP except performance incentive pay (as mentioned at (v) above). 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 or any 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.
- (vii) a) Variations in the market capitalization of the Company :  
The market capitalization as on 31<sup>st</sup> March, 2017 was Rs. 2,994.76 crores (Rs.1,215.75 crores as on 31<sup>st</sup> March, 2016) at National Stock Exchange of India Ltd. (NSE).
- b) Price Earning Ratio of the Company was 9.72 as at 31<sup>st</sup> March, 2017 and was 5.53 as on 31<sup>st</sup> March, 2016 as per Ind AS.
- c) Percent increase over / 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 1<sup>st</sup> 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 31<sup>st</sup> March, 2017, the market price of Shares of GACL on BSE Ltd. was Rs. 406.90 (closing price) and on National Stock Exchange of India Ltd. was Rs.407.80 (closing price). Thus, there is appreciation in market value of Shares by 2198.87% on BSE Ltd. and by 2178.21% on National Stock Exchange of India Ltd.
- (viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average percentile increase in salaries of employees other than managerial personnel during the Financial Year was 4.58%, whereas, the percentile increase in the managerial remuneration was 14.23% (calculated on annualized basis).
- (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 (as per the Company's Policy which is applicable to all management category employees) and other employees (as per the Company's Policy for management and settlement arrived with non-management category employees).

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

SR. NO.	EMPLOYEE NAME	DESIGNATION OF EMPLOYEE	REMUNERATION RECEIVED (Rs.)	QUALIFICATION & EXPERIENCE IN YEARS	DATE OF COMMENCEMENT OF EMPLOYMENT	AGE (YEARS)	LAST EMPLOYMENT HELD
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>PART - A (FULL YEAR)</b>		<b>NIL</b>					
<b>PART - B (PART OF THE YEAR)</b>							
1	A K SINGH	Chargeman.Gr.I	13,48,781	B.Sc. (36)	22.10.1983	60	Nil
2	R N OZA	Sr.Security Inspector	23,37,561	SSC (40)	15.09.1983	60	Gujarat Communication & Electronics Ltd.
3	G G PATEL	Sr.Security Inspector	14,11,632	SSC (40)	24.06.1985	60	C.I.S.F.
4	K R PATEL	Head Lady Searcher	9,38,885	10 <sup>th</sup> Std. (24)	01.03.1994	60	Security Service & Intelligence
5	P S PATEL	Sr.Foreman	26,95,941	SSC,ITI (36)	28.10.1982	60	Institute of Engineering
6	C C PATEL	Shift Incharge	29,16,910	SSC,ITI (40)	02.03.1982	60	SG Chemical & Pharma. Ltd.
7	D V BHATT	Assistant Officer	18,24,418	SSC (40)	17.08.1978	60	Gujarat Automotive Gears Ltd.
8	K J PRAJAPATI	Shift Incharge	21,76,237	SSC (39)	07.10.1977	60	Nil
9	H M SHAH	Sr.Officer	24,82,636	B.Com. (42)	05.09.1980	60	Sarabhai Chemical
10	D B PANDYA	Sr.Foreman	16,30,486	SSC,Wireman (39)	18.08.1983	60	The Atul Product Ltd.
11	M V ODHAVIA	Sr.Manager	20,99,316	Dip.Petrochem. (38)	18.01.1996	60	Petrofils Co.Op.Ltd.
12	G P CHAUBAL	Manager	26,28,255	B.Com. (41)	16.03.1979	60	Indian Dairy Corp.
13	B V PATEL	Add.General Manager	45,46,824	BE(Chem.) (33)	12.03.1984	60	Nil
14	S P AHIR	Master Tech.Gr.I	9,86,229	SSC,ITI (36)	05.07.1997	55	Baroda Rayon 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 2016-17**

SR. NO.	EMPLOYEE NAME	REMUNERATION* RECEIVED (Rs.)	DESIGNATION OF EMPLOYEE	EMPLOYED FOR
1	Dr. H B PATEL	32,94,401	ED (F) & CFO	FULL YEAR
2	G S PALIWAL	26,52,881	GM (MARKETING)	FULL YEAR
3	P G PUJARA	23,96,210	ED (CPP)	FULL YEAR
4	S S BHATT	23,85,656	CS & GM (LEGAL & CC)	FULL YEAR
5	A K SHRIVASTAVA	23,58,539	GM (ES & TS)	FULL YEAR
6	M N PATEL	23,56,572	GM (O&ES)	FULL YEAR
7	Dr. SUNIL SINHA	22,37,795	GM (R&D)	FULL YEAR
8	D C THAKUR	22,24,838	GM (PROCESS-CSL)	FULL YEAR
9	K A SHAH	21,88,816	AGM (PROCESS)	FULL YEAR
10	D R BHATT	21,64,790	GM (E&S)	FULL YEAR

\* The above remuneration is Cost to the Company (CTC). However, actual remuneration drawn may differ due to various factors such as variable incentive, leave encashment availed, promotion etc.



## ANNEXURE - 6 to Board's Report

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN**  
as on the Financial Year ended on 31<sup>st</sup> March, 2017

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

**I. REGISTRATION AND OTHER DETAILS:**

- i) CIN : L24110GJ1973PLC002247
- ii) Registration Date : 29<sup>th</sup> March, 1973
- iii) Name of the Company : Gujarat Alkalies and Chemicals Limited
- iv) Category / Sub-Category of the Company : Company having Share Capital
- v) Address of the Registered Office and contact details : P.O.: Petrochemicals-391 346  
: Dist. Vadodara, Gujarat  
: Tel. No. : 0265 - 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, 2356794  
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:

SI. 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	34.08
2	Caustic Soda Flakes		19.08
3	Hydrogen Peroxide Group		10.85

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

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

**IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):**
**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2016)				No. of Shares held at the end of the year (as on 31.03.2017)				% 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									
(a) Individuals/ Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(c) State Government(s)	21	0	21	0.00	21	0	21	0.00	0.00
(d) Bodies Corporate	26867261	0	26867261	36.59	26867261	0	26867261	36.59	0.00
(e) Financial Institutions/ Banks	7119028	0	7119028	9.69	7119028	0	7119028	9.69	0.00
(f) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(1)</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>0.00</b>
(2) Foreign									
(a) Individuals (Non-Resident Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b) Other - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
(c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(e) Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>33986310</b>	<b>0</b>	<b>33986310</b>	<b>46.28</b>	<b>0.00</b>
(B) Public Shareholding									
(1) Institutions									
(a) Mutual Funds/ UTI	1766225	1287	1767512	2.41	1488806	1287	1490093	2.03	-0.38
(b) Banks / Financial Institutions	6357	678	7035	0.01	24227	678	24905	0.03	0.02
(c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
(d) State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f) Insurance Companies	1458901	200	1459101	1.99	1458901	200	1459101	1.99	0.00
(g) Foreign Institutional Investors	538494	0	538494	0.73	2992939	0	2992939	4.08	3.34
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i) Any Other (Foreign Bank)	195	2225	2420	0.00	138	2225	2363	0.00	0.00
<b>Sub-Total (B)(1)</b>	<b>3770172</b>	<b>4390</b>	<b>3774562</b>	<b>5.14</b>	<b>5965011</b>	<b>4390</b>	<b>5969401</b>	<b>8.13</b>	<b>2.99</b>
(2) Non-institutions									
(a) Bodies Corporate									
(i) Indian	20628166	5888	20634054	28.10	20503840	6104	20509944	27.93	-0.17
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
(b) Individuals									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	8654502	1550669	10205171	13.90	8752708	1488985	10241693	13.95	0.05
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	4436568	0	4436568	6.04	2347452	0	2347452	3.20	-2.84
(c) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
(d) Any Other : NRI	334717	3917	338634	0.46	318876	3917	322793	0.44	-0.02
: OCB	0	0	0	0.00	0	0	0	0.00	0.00
: Co-op. Societies	0	6905	6905	0.01	0	6905	6905	0.01	0.00
: Trusts	2630	52094	54724	0.07	336	52094	52430	0.07	0.00
<b>Sub-Total (B)(2)</b>	<b>34056583</b>	<b>1619473</b>	<b>35676056</b>	<b>48.58</b>	<b>31923212</b>	<b>1558005</b>	<b>33481217</b>	<b>45.59</b>	<b>-2.99</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>37826755</b>	<b>1623863</b>	<b>39450618</b>	<b>53.72</b>	<b>37888223</b>	<b>1562395</b>	<b>39450618</b>	<b>53.72</b>	<b>0.00</b>
<b>Total (A)+(B)</b>	<b>71813065</b>	<b>1623863</b>	<b>73436928</b>	<b>100.00</b>	<b>71874533</b>	<b>1562395</b>	<b>73436928</b>	<b>100.00</b>	<b>0.00</b>
(C) Shares held by Custodians and against which Depository Receipts have been issued									
(1) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2) Public	0	0	0	0.00	0	0	0	0.00	0.00
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>71813065</b>	<b>1623863</b>	<b>73436928</b>	<b>100.00</b>	<b>71874533</b>	<b>1562395</b>	<b>73436928</b>	<b>100.00</b>	<b>0.00</b>





## (ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% 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	0.00	21	0.00	0.00	0.00
2	Gujarat Industrial Invest. Corpn. Ltd.	7119028	9.69	0.00	7119028	9.69	0.00	0.00
3	Gujarat State Investments Ltd.	15329373	20.87	0.00	15329373	20.87	0.00	0.00
4	Gujarat Mineral Development Corp. Ltd.	4145433	5.64	0.00	4145433	5.64	0.00	0.00
5	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	1759996	2.40	0.00	1759996	2.40	0.00	0.00
6	Gujarat Industrial Development Corp.	2897740	3.95	0.00	2897740	3.95	0.00	0.00
7	Gujarat Maritime Board	2734719	3.72	0.00	2734719	3.72	0.00	0.00
	<b>Total...</b>	<b>33986310</b>	<b>46.28</b>	<b>0.00</b>	<b>33986310</b>	<b>46.28</b>	<b>0.00</b>	<b>0.00</b>

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	33986310	46.28	33986310	46.28
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	0	0.00	0	0.00
3	At the end of the year	33986310	46.28	33986310	46.28

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

Sl. No.	Name and DP /ID/CL ID of Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	IN300214/10229376				
	<b>LOK PRAKASHAN LTD.</b>				
	a. At the beginning of the year	16075325	21.890		
	b. Changes during the year				
	DATE	REASON			
	02.12.16	ACQUIRED	80000	0.109	
	09.12.16	ACQUIRED	53007	0.072	
	16.12.16	ACQUIRED	7400	0.010	
	c. At the end of the year			16215732	22.081
2	IN300450/10328205				
	<b>GUJARAT STATE FERTILIZERS &amp; CHEMICALS LIMITED</b>				
	a. At the beginning of the year	1655040	2.254		
	b. Changes during the year	0	0.000		
	c. At the end of the year			1655040	2.254

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

Sr. No.	Name and DP ID/CL ID of shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
3	<b>IN302927/10034403</b>				
	<b>SHREYANS SHANTILAL SHAH</b>				
	a. At the beginning of the year	1375790	1.873		
	b. Changes during the year				
	DATE	REASON			
	17.02.17	SOLD	-86883	-0.118	
	24.02.17	SOLD	-18500	-0.025	
c. At the end of the year				1270407	1.730
4	<b>IN301127/16005185</b>				
	<b>GUJARAT INDUSTRIES POWER COMPANY LTD.</b>				
	a. At the beginning of the year	1103360	1.502		
	b. Changes during the year	0	0.000		
	c. At the end of the year			1103360	1.502
5	<b>IN300142/10752037</b>				
	<b>HSBC GLOBAL INVESTMENT FUND - ASIA EX JAPAN EQUITY</b>				
	a. At the beginning of the year	0	0.000		
	b. Changes during the year				
	DATE	REASON			
	17.03.17	ACQUIRED	549944	0.749	
	24.03.17	ACQUIRED	144963	0.197	
	31.03.17	ACQUIRED	125442	0.171	
c. At the end of the year				820349	1.117
6	<b>IN300812/10000029</b>				
	<b>GENERAL INSURANCE CORPORATION OF INDIA</b>				
	a. At the beginning of the year	801186	1.091		
	b. Changes during the year	0	0.000		
c. At the end of the year			801186	1.091	
7	<b>IN300812/10001728</b>				
	<b>THE NEW INDIA ASSURANCE COMPANY LIMITED</b>				
	a. At the beginning of the year	657765	0.896		
	b. Changes during the year	0	0.000		
c. At the end of the year			657765	0.896	
8	<b>IN300142/107200955</b>				
	<b>BNP PARIBAS MID CAP FUND</b>				
	a. At the beginning of the year	123772	0.169		
	b. Changes during the year				
	DATE	REASON			
	08.04.16	ACQUIRED	11600	0.016	
	15.04.16	ACQUIRED	8020	0.011	
	22.04.16	ACQUIRED	27780	0.038	
	29.04.16	ACQUIRED	80422	0.110	
	06.05.16	ACQUIRED	35500	0.048	
	13.05.16	ACQUIRED	50000	0.068	
	03.06.16	ACQUIRED	62906	0.086	
	15.07.16	ACQUIRED	100000	0.136	
	29.07.16	ACQUIRED	11333	0.015	
	05.08.16	ACQUIRED	20000	0.027	
	23.09.16	ACQUIRED	60000	0.082	
	03.02.17	SOLD	-29390	-0.040	
	17.02.17	SOLD	-84000	-0.114	
	c. At the end of the year				477943



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

Sr. No.	Name and DP ID/CL ID of shareholder		Shareholding at the beginning of the year		Shareholding at the end of the year	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	IN300054/10040054					
	<b>DIMENSIONAL EMERGING MARKETS VALUE FUND</b>					
	a. At the beginning of the year		457409	0.623		
	b. Changes during the year					
	DATE	REASON				
	29.04.16	SOLD	-4789	-0.007		
	16.12.16	ACQUIRED	2931	0.004		
	c. At the end of the year				455551	0.620
10	IN300167/10049940					
	<b>IDFC STERLING EQUITY FUND</b>					
	a. At the beginning of the year		1407000	1.916		
	b. Changes during the year					
	DATE	REASON				
	03.06.16	SOLD	-59718	-0.081		
	30.06.16	SOLD	-32856	-0.045		
	08.07.16	SOLD	-239	0.000		
	29.07.16	SOLD	-2283	-0.003		
	05.08.16	SOLD	-31904	-0.043		
	12.08.16	SOLD	-19190	-0.026		
	19.08.16	SOLD	-22316	-0.030		
	26.08.16	SOLD	-47703	-0.065		
	02.09.16	SOLD	-5186	-0.007		
	30.09.16	SOLD	-32413	-0.044		
	21.10.16	SOLD	-136109	-0.185		
	28.10.16	SOLD	-167083	-0.228		
	04.11.16	SOLD	-112603	-0.153		
	11.11.16	SOLD	-19976	-0.027		
	18.11.16	SOLD	-30000	-0.041		
	02.12.16	SOLD	-11284	-0.015		
	09.12.16	SOLD	-3151	-0.004		
	06.01.17	SOLD	-52986	-0.072		
	13.01.17	SOLD	-33749	-0.046		
	20.01.17	SOLD	-186251	-0.254		
	10.03.17	SOLD	-26362	-0.036		
	31.03.17	SOLD	-29063	-0.040		
	c. At the end of the year				344575	0.469
11	1203330000617270					
	<b>SAL CARE PRIVATE LIMITED</b>					
	a. At the beginning of the year		281300	0.383		
	b. Changes during the year		0	0.000		
	c. At the end of the year				281300	0.383
12	IN300142/10720922					
	<b>BNP PARIBAS DIVIDEND YIELD FUND</b>					
	a. At the beginning of the year		228222	0.311		
	b. Changes during the year					
	DATE	REASON				
	29.07.16	ACQUIRED	20667	0.028		
	05.08.16	ACQUIRED	30000	0.041		
	03.02.17	SOLD	-36610	-0.050		
	17.02.17	SOLD	-16000	-0.022		
	c. At the end of the year				226279	0.308

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

Sl. No.	Name of Directors and Key Managerial Personnel	At the beginning of the year (as on 01.04.2016)	% 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 31.03.2017)	% of Total Shares of the Company
1	Shri G R Aloria, IAS (Retd.) (Chairman) (upto 23.08.2016)	0	0	0	0	0
2	Dr. J N Singh, IAS (as Director up to 30.08.2016 and as Chairman from 31.08.2016)	0	0	0	0	0
3	Shri Arvind Agarwal, IAS (as Director upto 29.08.2016)	0	0	0	0	0
4	Shri Anil Mukim, IAS (Director) (from 15.10.2016)	0	0	0	0	0
5	Shri P K Taneja, IAS (Retd.) (Director) (from 06.12.2016)	0	0	0	0	0
6	Shri J N Godbole (Independent Director)	0	0	0	0	0
7	Mrs. Pallavi S Shroff (Independent Director)	0	0	0	0	0
8	Dr. Rajiv I Modi (Independent Director)	0	0	0	0	0
9	Shri Rajiv Lochan Jain (Independent Director)	0	0	0	0	0
10	Shri P K Gera, IAS (Managing Director)	0	0	0	0	0
11	Dr. H B Patel (Chief Financial Officer)	200	0.0003	0	200	0.0003
12	Shri Sanjay S Bhatt (Company Secretary)	0	0	0	0	0

**V. INDEBTEDNESS:**

 Indebtedness of the Company including interest outstanding/accrued but not due for payment as on 31<sup>st</sup> March, 2017

**[Rs. in Lakhs]**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	29,594.40	0.00	0.00	29,594.40
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	121.86	0.00	0.00	121.86
<b>Total (i+ii+iii)</b>	<b>29,716.26</b>	<b>0.00</b>	<b>0.00</b>	<b>29,716.26</b>
Change in Indebtedness during the Financial Year				
Addition	12,544.57	0.00	0.00	12,544.57
Reduction	-7,067.20	0.00	0.00	-7,067.20
<b>Net Change</b>	<b>5,477.37</b>	<b>0.00</b>	<b>0.00</b>	<b>5,477.37</b>
Indebtedness at the end of the Financial year				
i) Principal Amount	35,019.50	0.00	0.00	35,019.50
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	174.13	0.00	0.00	174.13
<b>Total (i+ii+iii)</b>	<b>35,193.63</b>	<b>0.00</b>	<b>0.00</b>	<b>35,193.63</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

F.Y.2016-17

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 (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 (c) Profits in lieu of Salary under Section 17(3) of Income Tax Act, 1961	25,13,489.00 39,665.00 -
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as a % of Profit - Others, specify	-
5	Others, please specify : Leave Salary & Pension Contribution	-
	<b>Total..A</b>	<b>25,53,154.00</b>
Ceiling as per the Act (@5% of Net Profit of Rs.30,809.75 Lakhs as per Section 197 of the Act.): Rs.1,540.49 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. 2016-17

Sl. No.	Name	Sitting Fees paid		
		For Board Meetings (Rs.)	For Committee Meetings (Rs.)	Total (Rs.)
1	Shri G R Aloria, IAS (Retd.)	20,000.00	0.00	*20,000.00
2	Dr. J N Singh, IAS	40,000.00	1,00,000.00	*1,40,000.00
3	Shri Arvind Agarwal, IAS	0.00	10,000.00	*10,000.00
4	Shri P K Taneja, IAS (Retd.)	10,000.00	0.00	*10,000.00
5	Shri Anil Mukim, IAS	20,000.00	20,000.00	*40,000.00
6	Shri J N Godbole	40,000.00	2,20,000.00	#2,60,000.00
7	Dr. Rajiv I Modi	0.00	0.00	@0.00
8	Mrs. Pallavi S Shroff	10,000.00	60,000.00	#70,000.00
9	Shri Rajiv Lochan Jain	50,000.00	2,40,000.00	#2,90,000.00
	<b>TOTAL...B</b>	<b>1,90,000.00</b>	<b>6,50,000.00</b>	<b>8,40,000.00</b>
	Commission			NIL
	Others, please specify			NIL
	<b>Total Managerial Remuneration (A + B)</b>			<b>33,93,154.00</b>
	Overall ceiling as per the Act			Rs.1,540.49 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. 2016-17

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Dr. CA. 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 (b) Value of perquisites u/s. 17(2) of Income Tax Act, 1961 (c) Profits in lieu of salary under Section 17(3) of Income Tax Act, 1961	31,30,210.00 43,835.00 -	22,76,622.00 9,384.00 -	54,06,832.00 53,219.00 -
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as a % of profit - Others, specify	- -	- -	- -
5	Others, please specify - Contribution to PF - Superannuation	1,52,979.00 99,996.00	1,07,852.00 1,440.00	2,60,831.00 1,01,436.00
	<b>TOTAL</b>	<b>34,27,020.00</b>	<b>23,95,298.00</b>	<b>58,22,318.00</b>

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

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



## 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 31<sup>st</sup> 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 has become one of the top five hundred listed companies as per the market capitalization as on 31<sup>st</sup> 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 361<sup>st</sup> meeting held on 26<sup>th</sup> 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. 26<sup>th</sup> May, 2017.

This Policy shall not apply to –

- 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;
- Distribution of dividend in kind i.e. Issue of bonus shares or other securities by the Company;
- 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/upto 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:

- 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 2016-17

The Indian Economy has grown at the rate of 7.1% in the fiscal 2016-17 as compared to 7.6% in the previous year. GDP growth in fourth quarter of 2016-17 has been at 6.1% which was 7.9% in the same period of previous year. With a GDP at US\$ 2 trillion, India's economy ranks as the seventh largest in the World. As per OECD Economic Outlook Report, the economic growth is projected to remain strong and India will remain the fastest growing G20 economy in 2017-18. India is the fourth-fastest-growing economy with 7.2% projected growth. According to IMF World Economic Outlook, growth in India is projected to rebound to 7.2% in Financial Year 2017-18 and further to 7.7% in Financial Year 2018-19.

According to data released by the Central Statistics Office (CSO), the growth (Gross Value Added - GVA) in farm sectors during the fourth quarter of fiscal 2016-17 has accelerated to 5.2% as compared to 1.2% in the same period of previous year. While the manufacturing sector output in the fourth quarter slowed to 5.3% versus 12.7% in the same period of last year, the construction sector slipped into the negative territory.

The Financial Year 2016-17 was marked by two significant economic measures taken by the Government. The Government's demonetisation move to counter the shadow economy and promote cashless economy have increased financial inclusion and transparency in the system. This is expected to boost digital payments in the Country. The Government also passed a historical - Goods and Services Tax (GST) Act, which has been implemented from July 1, 2017. This will have a significant impact on the taxation structure and ease of doing business in the Country. The acceleration of structural reforms is bringing a new growth impetus.

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

According to India Chlor-Alkali Market Forecast & Opportunities, 2019, the market for Chlor-Alkali in India is projected to exhibit a Compound Annual Growth Rate (CAGR) of around 7%. The market is expected to witness high penetration rate in the Western and Northern regions of the Country.

There are 32 active Chlor-Alkali Units in India. The production of Caustic Soda during the Financial Year 2016-17 has been 30.18 Lakhs MTPA as against total capacity of approx. 37 Lakhs MTPA thus capacity utilization of 82%. The products of Chlor-Alkali industry are the basic raw materials for various industries like Alumina, Paper & Pulp, Soaps & Detergents,

Pharmaceuticals, Dyes, Pesticides, Water Treatment etc. The additional capacity expansion during the Financial Year 2016-17 was approx. 3.4 Lakhs MTPA in India mainly because of expansion of existing Plants (Source: 39<sup>th</sup> Annual Report of AMAI).

However, due to fall in global Ethylene Dichloride (EDC) price, Indian producers continued to import EDC - which is the key input in the production of Poly Vinyl Chloride (PVC), as also due to new Chlor-Alkali capacity addition and expansions of existing plants - Chlorine demand remain depressed; whereas supplies were in excess during the entire fiscal year. Depressed Chlorine demand & overall negative Chlorine value impacted overall capacity utilizations of Chlor-Alkali plants across the industry, which reduced domestic availability of Caustic Soda. Also, because of price rise in Caustic Soda globally, domestic Caustic Soda prices remain firm during the whole fiscal year.

#### THE CAUSTIC SODA MARKET SCENARIO

We are a multi-product Company, having more than 35 products in our basket, yet the major revenues are coming from Caustic Soda Group and therefore, market scenario of Caustic Soda and Chlorine market is of utmost important to us.

The installed capacity of Caustic Soda in the country is about 37 Lakhs MTPA as on 31.03.2017 as compared to 33.70 Lakhs MTPA as on 31.03.2016. The entire capacity in India 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 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 31<sup>st</sup> March, 2017 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 9001:2008 (Quality Management System), ISO 14001:2004 (Environment Management System), BS/OHSAS 18001:2007 (Operational Health & Safety Management System), ISO 50000:2011 (Energy Management System) 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 Cell Technology way back in the year 1989.

GACL has always ensured upgrading and adapting eco-friendly and green technologies while it ensured the capacity utilization of 95% in Caustic Soda during Financial Year 2016-17. Further, the Company has achieved optimum capacity utilization of more than 100% in some of the plants/products viz. Phosphoric Acid, Hydrogen Peroxide, Aluminium Chloride. 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 total 35 products including Caustic Soda, Chlorine, Hydrochloric Acid, Hydrogen, Chloromethanes, Potassium Hydroxide, Potassium Carbonate, Phosphoric Acid (85%), Hydrogen Peroxide, Sodium Chlorate, Stable Bleaching Powder, Poly Aluminium Chloride, Anhydrous Aluminium Chloride, Toluene based chemicals, Chlorinated Paraffin 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.

Production of Caustic Soda by electrolysis process is highly power intensive and the Company devised a sustainable strategy to meet its growing energy demands. Besides 90 MW gas based Captive Co-generation Power Plant and participation in a 145 MW Joint Captive Gas based Power Plant of GIPCL, the Company has taken major initiative for green energy by setting up Wind Farms for a total installed capacity of 171.45 MW as on 31<sup>st</sup> March, 2017. The Company has also taken up 15 MW Solar Power Project for captive use and to meet the Solar Renewable Purchase Obligations. The Project is expected to be commenced during the Financial Year 2017-18.

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

The total production of all the products of the Company has increased by 5.47% to 15,50,572 MT during the Financial Year 2016-17 from 14,70,197 MT in previous year. The production of Caustic Soda Lye, Chlorine Gas / Liquid, Hydrochloric Acid, Hydrogen Peroxide (100%), Poly Aluminium Chloride (18%), Aluminium Chloride, Potassium Carbonate, Phosphoric Acid

(85%), Stable Bleaching Powder, Sodium Chlorate and Chloro Toluene Products has increased during the Financial Year 2016-17 as compared to the previous year. However, the production of Caustic Soda Flakes / Prills, Chloromethanes, Potassium Hydroxide, KOH Flakes, CPW has decreased during the Financial Year 2016-17 mainly due to market conditions and stoppage of production facility of a job work contractor for CPW. The stoppage of production of Sodium Cyanide and Calcium Chloride in the previous year was continued during the year.

During the Financial Year 2016-17, the Company has achieved highest ever productions in Hydrochloric Acid (30%), Hydrogen Peroxide (100%) both at Baroda & Dahej Complexes and Aluminium Chloride, Poly Aluminium Chloride, Stable Bleaching Powder, Sodium Chlorate and Chlorotoluene Products at Dahej Complex.

During the Financial Year 2016-17, the Company has achieved highest ever sales in Caustic Soda Lye, Hydrochloric Acid (30%), Caustic Potash Lye, Hydrogen Peroxide (100%), Aluminium Chloride, Poly Aluminium Chloride, Benzyl Chloride, Benzyl Dehyde, Benzyl Alcohol, Sodium Chlorate and Stable Bleaching Powder.

During the year 2016-17, your Company has achieved highest ever Sales (including Excise Duty) of Rs.2,255.34 crores, as against Rs.2,178.62 crores in the previous year which indicates an increase of 3.52%.

The other operating income for the Financial Year 2016-17 was Rs.47.17 crores as compared to Rs.39.78 crores in the previous year. The other income during the Financial Year 2016-17 was increased to Rs.55.92 crores from Rs.46.22 crores in the previous year. The other income includes Rs.13.15 crores for receipt of Dividend and Rs.32.54 crores towards interest income.

The Earning Per Share has been achieved of Rs.41.95 per Share as on 31.03.2017, as compared to Rs.29.94 per Share as on 31.03.2016. Cash Earning Per Share has been achieved of Rs.67.09 as on 31.03.2017, as compared to Rs.50.40 per Share as on 31.03.2016. Book Value of Share has improved to Rs.450.84 per Share as on 31.03.2017 as compared to Rs.391.28 per Share as on 31.03.2016. The Return on Capital Employed is achieved at 8.91% as on 31.03.2017, as compared to 7.42% as on 31.03.2016. The Company has increased its total debts level to Rs.353.37 crores as on 31.03.2017 as compared to Rs.295.39 crores as on 31.03.2016, which resulted into increase in the Debt : Equity ratio to 0.09 : 1 as on 31.03.2017 as compared to 0.08 : 1 as on 31.03.2016. The Interest Coverage ratio has increased to 39.39 times as on 31.03.2017 as compared to 38.29 times as on 31.03.2016.

The overall Raw Material expenses have decreased to Rs.647.55 crores as compared to Rs.668.90 crores in the previous year, mainly due to decrease in procurement cost of various raw materials like Common Salt, Heavy Normal Paraffin, Aluminium Ingots, Barium Carbonate, Hydrated Lime, Toluene and Natural Gas etc. Electricity charges have decreased by 11.33% to Rs.413.44 crores in the Financial Year under review as compared to Rs.466.29 crores during the previous year,



mainly due to decrease in consumption of external purchased power during the Financial Year under review.

The cost of Fuel, Natural Gas and Water charges decreased to Rs. 71.22 crores in the Financial Year under review from Rs. 84.46 crores in the previous Financial Year, due to decrease in prices on Natural Gas. Employees' remuneration has increased to Rs. 169.76 crores as compared to Rs. 162.10 crores in previous year due to normal increment and provisioning requirement as per Ind AS 19. Depreciation and amortization expense has increased to Rs. 110.92 crores in the year under review as compared to Rs. 107.44 crores in the previous year, due to full year depreciation for the plants commissioned during the previous year and the year under review. Other expenses have increased by 14.82% to Rs. 308.67 crores during the year under review from Rs. 268.82 crores in the previous year. The Finance Costs have increased to Rs. 12.83 crores from Rs. 9.93 crores.

Gross Profit has increased to Rs. 505.54 crores in Financial Year 2016-17 from Rs. 380.07 crores in the previous year registering a growth of 33%. The Profit after finance costs but before depreciation and amortization (Cash Profit) has increased to Rs. 492.70 crores in Financial Year 2016-17 from Rs. 370.14 crores in the previous year. Your Company has achieved Profit Before Tax of Rs. 381.78 crores for the Financial Year 2016-17 as compared to Rs. 262.70 crores of the previous year registering a growth of 45%. The Profit After Tax for the Financial Year 2016-17 increased to Rs. 308.10 crores as compared to Rs. 219.89 crores of the previous year registering a growth of 40%.

At Consolidated Level, Gross Profit has increased by 32.80% to Rs. 504.33 crores during the Financial Year 2016-17 from Rs. 379.78 crores in previous year. Consolidated Profit Before Tax has increased by 45.03% to Rs. 380.57 crores during the Financial Year 2016-17 from Rs. 262.41 crores in previous year. Consolidated Profit After Tax has increased by 39.94% to Rs. 307.30 crores during the Financial Year 2016-17 from Rs. 219.60 crores in previous year.

## RESEARCH AND DEVELOPMENT

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

The process development work has been carried out in several areas which included the product based on Hydrogen Peroxide & waste generated from Phosphoric Acid Plant. We have also entered into a collaborative project on catalyst development with one of the premier research organization of our Country. The basic engineering package developed for Hydrazine Hydrate has been validated by an independent agency and the further work in terms of detailed engineering & commercialization of the process is already under progress.

The work also continued to monitor the process streams and quality of important raw materials in order to have better controls

on the process. The technical support to Operations, Marketing, Project & Process department was continuously extended which in turn resulted in to the fruitful benefits. The work on cooling water treatment including the technical support in terms of corrosion & microbiological growth monitoring was carried out successfully.

## EXPANSION AND DIVERSIFICATION

The Company has taken up various projects for expanding its current product lines through debottlenecking of the existing plants and putting up additional capacities through new plants. Such projects include increasing the production capacity for Chloromethanes Plant from 110 TPD to 170 TPD as well as that for Potassium Hydroxide Plant from 60 TPD to 120 TPD, both at Vadodara Complex. The Potassium Hydroxide Plant became operational successfully during the Financial Year 2016-17 and the Chloromethanes Plant is expected to be operational during the Financial Year 2017-18. The Company is also expanding Hydrogen Peroxide capacity by putting another new 14,000 TPA plant at Dahej. The project is planned to go on stream in May, 2018. For gainful utilization of Chlorine, the Company has planned for establishment of a new 1,05,000 TPA Chloromethanes Plant and a new 33,870 TPA Phosphoric Acid Plant at Dahej Complex.

The Company also intends to put up a 15,000 MTPA Stable Bleaching Powder (SBP) Plant at an estimated cost of Rs. 22 crores and 16,500 TPA Anhydrous Aluminium Chloride (AAC) Plant at an estimated cost of Rs. 35 crores at Dahej Complex.

Further, the Company has increased capacity of Anhydrous Aluminium Chloride (AAC) Plant by installing four additional reactors during the Financial Year 2016-17 due to which the capacity of AAC Plant at Dahej has increased from 63 TPD to 72 TPD i.e. 14% increase.

The Company is successful in development of an indigenous technology in collaboration with Indian Institute of Chemical Technology (IICT) to manufacture Hydrazine Hydrate, an import substitute product, using Hydrogen Peroxide as the raw material. The basic engineering package of commercial plant to manufacture 8,000-10,000 TPA of Hydrazine Hydrate has been validated by an independent consultant. The plant will be put up at Dahej Complex.

The Company has formed a Joint Venture with National Aluminium Company Ltd. 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 actions for implementing the project have been initiated. In order to gainfully utilize the Chlorine produced in this Plant, the Company is planning to establish a dedicated Chlorine Park wherein bulk Chlorine consuming units can be supplied Chlorine through pipeline.

A pilot project on converting waste liquid into a marketable product, Anhydrous Sodium Sulphate, is under implementation and expected to be operational during the Financial Year 2017-18.

In order to continue promoting Green technology, the Company had further taken up a Wind Farm Project for 14.7 MW during the year, which was commissioned on March 31, 2017 raising the installed Wind Power capacity further to 171.45 MW.

The Company has also taken up 15 MW Solar Power Project for captive use and to meet the Solar Renewable Purchase Obligations. The project is expected to be commissioned during the Financial Year 2017-18.

Upon successful completion of the above projects, the Company aims to increase its present top line of Rs.2,000 crores per annum to Rs.5,000 crores per annum by the year 2021.

#### 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 5.47% to 15,50,572 MT during the Financial Year 2016-17 from 14,70,197 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 decreased as compared to previous year due to decrease in power rates from all sources and increase of power generation from Wind Farm.

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 3.29%, other operating income by 18.58% and other income by 20.99%, decrease in raw material cost (other than natural gas), insurance expense, net external electricity charges, utilities cost, packing material cost are the major factors contributing to the profitability of the Company, during the Financial Year 2016-17. However, due to increase in employee cost, depreciation and amortisation expense, stores, spares, job work / processing charges, other expenses and finance cost, the profitability of the Company for the year under review has been adversely 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 the 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 3 to 4 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 2016-17, the Company's total Wind Energy Generation Capacity has now gone up to 171.45 MW. 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 35 products in its basket, the products in short supplies provide some leverage against slow moving products.

The Company had only single source of 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.

#### Stoppage of Sodium Cyanide Plant

The Company had previous year, temporary shut down its Sodium Cyanide Plant due to non-availability of raw material viz. HCN, from the supplier. The supplier had stopped their ACN Plant to carry out Safety Audit of the plant. Since then, our plant



is under shutdown due to non-availability of raw material. Recently, the supplier has confirmed regarding closure of their plant operations permanently on the basis of Safety Audit findings and overall review of the plant. Thus, the Company has no other alternate source of HCN. Hence, the Company has decided to stop the plant permanently and dispose off the equipments of the Plant.

#### **Mothball & Closure of Calcium Chloride Plant**

The Calcium Chloride Plant of Vadodara Complex was incurring losses and in order to improve the profitability of the Company, the Company had in previous year, decided to close the said plant and mothball it for some time till the mode of disposal of the plant is decided. The Company was exploring the options to sell or otherwise dispose off the plant. This plant was of very small capacity and set up mainly to consume the excess Chlorine or Hydrochloric Acid. The Company has now decided to stop Calcium Chloride Plants at Vadodara and Dahej Complexes and equipments of the said Plant will be sold / disposed off.

#### **GAIL Take or Pay Claim**

For the Calendar Year 2014, the Company had received a demand notice of Rs.42.07 Crore from GAIL India Limited (GAIL) under "Take or Pay Clause" (Pay if not Taken Liability Clause) under the long term Gas Supply Agreement entered into between the Company and GAIL for its Dahej Complex. The Company had filed a petition before the Hon. High Court of Delhi under the Arbitration and Conciliation Act to protect its interest. The Hon. High Court of Delhi passed an order granting interim relief to the Company against invocation of LC and directed the appointment of Arbitrator for deciding the issue between the Company and GAIL. Pursuant to the said order, Dr. (Justice) Arijit Pasayat (Retd.) was appointed as Sole Arbitrator. The matter is pending with the Sole Arbitrator. The Company and GAIL are exploring possibilities to arrive at amicable settlement.

GAIL has proposed to settle the matter by accepting Rs.7.09 crores as one time settlement amount. However, since the Company had already requested GAIL to reduce quantity of gas by 33% in the year 2013 and the Company had also utilized more quantity of gas at its Vadodara Complex, the Company has proposed to settle the matter by paying Rs.4.21 crores to GAIL as against Rs.7.09 crores. The response from GAIL is still awaited.

#### **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 \$ 20 Million equivalent to Rs.98.44 crores from HDFC Bank Limited in Financial Year 2012-13, carries interest rate of LIBOR plus 3.50% p.a. This loan is

secured by plant and machinery of 20,000 MTA Sodium Chlorate Project at Dahej, Dist. Bharuch, Gujarat. It has to be repaid in 10 equal half yearly instalments from 14.08.2013.

2. ECB loan of US \$ 30 Million equivalent to Rs.190.20 crores from The Hongkong and Shanghai Banking Corporation Limited (HSBC Bank) in Financial Year 2015-16, carries interest rate of LIBOR plus 1.80% p.a. This loan is secured by plant and machinery of 31 MW Wind Farm Project at Dist. Rajkot and Kachchh, Gujarat and Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat. It has to be repaid in 10 equal half yearly instalments from 07.01.2018.
3. 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 be 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 Board of Directors at its 353<sup>rd</sup> Meeting held on 11<sup>th</sup> February, 2016 has constituted the Risk Management Committee of Directors comprising of :

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

The said Risk Management Committee has been renamed as "Risk Management-cum-Safety Committee" w.e.f. 10<sup>th</sup> November, 2016 by the Board. The existing Internal Risk Management Committee of Senior Executives of the Company continues to function. Out of the various risks identified by the



Internal Risk Management Committee, the Audit Committee has identified certain critical risks, which are reviewed by the Risk Management-cum-Safety Committee, 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 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 with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed. As per the relevant provisions of the Companies Act, 2013, the Statutory Auditors have expressed their views on the adequacy of Internal Financial Control in their Audit Report.

#### **OUTLOOK**

The Company is manufacturing and marketing various products including Caustic Soda (Lye, Flakes & Prills), Liquid Chlorine, Hydrochloric Acid, Chloromethane, Hydrogen Peroxide, Caustic Potash (Lye & Flakes), Potassium Carbonate, Phosphoric Acid, Aluminium Chloride, Chlorinated Paraffin, Poly Aluminium Chloride, Chloro-Toluene and Sodium Chlorate etc.

Most of the plants are integrated in such a way that part of finished product of one plant is consumed as a raw material in other plant. The Company, thus, enjoys some leverage over its competitors due to its integration philosophy.

As a value addition to Hydrochloric Acid, the Company had commissioned Poly Aluminium Chloride (PAC) and is able to capture sizable domestic market for various grades of PAC, as a value addition to Hydrochloric Acid. The physical exports of PAC powder has also been increased, wherein realisation are promising.

Further, the Company has increased capacity of Anhydrous Aluminium Chloride (AAC) Plant by installing four additional reactors during the Financial Year 2016-17 due to which the capacity of AAC Plant at Dahej has increased from 63 TPD to 72 TPD i.e. 14% increase.

The Company has put up Stable Bleaching Powder facility as a value addition to Chlorine at Dahej Complex and the production is optimized and our product has been widely accepted among various segments like Water Treatment Plants, Disinfection, Aquaculture etc. across India. 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 Chemical, Petrochemical, Plastics, Textile, Fertilizer & other Industries. As part of market development, we place emphasis on interaction 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, 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.

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.

The Company has successfully continued to serve Eastern part of India and has executed supplies to NALCO, Orissa in tune of 27,775 MT. To remain competitive in distant markets, wherein transportation cost is a major constrain – a multi modal logistic option is explored. Accordingly, the Company has introduced Rail as well as Sea movement for bulk movement of Caustic Soda.

Supply of Caustic Soda Lye through Sea route to M/s. NALCO is also being explored & accordingly, all arrangements have been made to store required quantum of Caustic Soda Lye at the storage tank of GCPTCL, Dahej (hired by us for such transactions).

We have introduced Depot concept as Modinagar as our strategic location on Pan India basis. Accordingly, we have supplied 3,283 MT of Caustic Soda Lye to our consignment center at Modinagar through railways so as to efficiently cater to the demand of distantly located consumers. Various other stock points/consignment centers are proposed in the states like Uttar Pradesh, Maharashtra, Goa & Andhra Pradesh for making competitive presence in distant markets.

GACL has imported approximately 5,240 MT of Caustic Soda Lye and traded the same to domestic consumers during the Financial Year 2016-17.

#### **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. Our foreign exchange earnings are sufficient to meet our obligation to repay ECB loans raised to reduce interest cost on various projects.

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 are provided in Board's Report.

#### **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 9001:2008, ISO 14001: 2004 and BS/OHSAS 18001: 2007 Integrated Management System certificates and Energy Management 50000 Certificate to the Company. The Company has continued its emphasis on safety awareness for its employees, contract labourers, customers handling our products and among communities in neighbourhood of our plants. The Company regularly organizes safety awareness programme for the employees. 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 like situations. Preparedness and response to this ERP is checked periodically by conducting Mock-drills. 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 borewell has been constructed for harvesting rainwater to effectively recharge ground water table and raising the ground water level.

In both Complexes at Baroda and Dahej, large area has been covered by development and maintenance of green belt, landscaping, flora & fauna, rainwater harvesting and natural ponds. The Company has undertaken water conservation by channelizing Cooling Tower Water Spillage, treated sewage and drip irrigation. Nearly 15,476 nos. of trees have been planted and 17.51 acre Green Belt Garden developed till 31.03.2017 at Dahej Complex.

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

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

A step further to its environment preservation philosophy and commitments, the Company is exploring possibility of recycling part of its liquid effluent stream, using ZLD (Zero Liquid Discharge) principle.

#### 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 various thematic activities in various areas. 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.

The Company always comes forward with relevant aid to the society at large; one such initiative has been taken up to provide underground drainage network and Sewage Treatment Plant facility for entire Dahej Village which is in the close proximity of our Dahej Complex. Such an initiative by the Company was in line with our State Government's coveted dream of 'NIRMAL GUJARAT'.

Promoting education related activities are closely monitored by the Company. The Company has adopted 5 Government Primary Schools under the Uday Shaala Project at Chhotaudepur. Moreover, the Company is working intensively in field of educating and mainstreaming Children with special needs. The Company has adopted Government of Gujarat's Home for Mentally Deficient Children located at Karelibaug, Vadodara where destitute and orphan children with special needs are kept. As a part of CSR obligations, the Company has sponsored these children to Spandan School for mentally challenged for receiving special education and training necessary for mainstreaming them into the society. In addition to this, the Company has taken similar initiatives for the noble cause of helping children with learning Disabilities, Autism, Cerebral Palsy, Hearing Impairment, Down Syndrome by extending financial assistance to Akshar Trust, Medical Care Centre Trust (Kashiba Children's Hospital) of Vadodara and Osmosis Play Centre and Educational Games Library Trust of Bharuch. Similarly, the Company is also contributing for SEEDS Project of VIVEC (Shroffs Foundation Trust) to promote entrepreneurship among the young children from remote rural and tribal areas of the State. For promotion of preventive healthcare facilities, the Company has given financial assistance to Ramkrishna Paramhans Hospital (Shroffs Foundation Trust) for development of Neonatal Intensive Care unit, Paediatric Intensive Care Unit and Critical Care Unit at Kalali, Vadodara. In addition to this, the Company has also provided financial assistance in procurement of two invasive ventilators at Premdas Jalaram Hospital of Vadodara. Also in line with the Government's initiative of Swachh Bharat Mission, installation of Namma Toilets on platform no. 6 of Vadodara Railway Station is initiated. The Company has contributed for undertaking a phase wise research project for mapping Good CSR practices undertaken by Centre for Excellence in CSR of faculty of Social Works of the M. S. University of Vadodara.

Efforts to uphold the cultural legacy were also embarked upon to promote Art, Culture and Heritage by organizing a Heritage Walk during the Vadodara International Marathon Day Event. In addition to this, a unique initiative, Vadodara By Foot, is initiated with the objective to promote web enabled awareness generation regarding the heritage and culture of Vadodara city and making the information available on a single click supporting the government initiative to promote tourism and Digital India.

#### MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The Human Resource function of the Company is guided by the spirit of Corporate Team Building with dedication towards strengthening the Company's systems thereby improving

efficiency and registering growth. All employees continue to have a healthy, cordial and harmonious approach in problem solving and in enhancing Company's value at all levels.

Human Resources at GACL is considered as a strategic business partner. The policies, procedures and practices are aligned to meet the organizational vision and mission.

The Human Resource department ensures that the employee diversity is advantageous and remains the strength of the Company. As a part of manpower and succession planning during the year 2016-17, the Company has taken all the efforts towards optimum utilization of human resources and total 50 (fifty) employees were recruited.

The Company has initiated various skill building and talent development programs to develop the potential of our employees. Total 168 training programs were conducted and there were 1,508 participants. We have initiated HR digitization processes through our In-house ERP system. This will help us to create a paper-less culture in our organization.

The Company has maintained the harmonious Industrial Relation and there was no industrial unrest, no complaint against sexual harassment or gender discrimination. There was adherence to all statutory HR compliances.

#### AWARDS AND RECOGNITIONS

The Company is a proud recipient of Award Tally–GHKC & GreEnv Contest – 2016-17 as winner for Vadodara Complex and also second runner up for Dahej Complex conducted by Baroda Productivity Council.

#### INFORMATION TECHNOLOGY

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

GACL believes that IT is an important enabler for integration of all activities, ensuring transaction efficiency, integrity, transparency and control. The Company has implanted its IT initiatives to corroborate its vision and business plan.

The Company has Enterprise Resource Planning (ERP) in place, which is backbone for its information base. The Vadodara and Dahej Complexes of the Company are connected through reliable WAN with solution implemented to get almost 100% uptime. A Decision Support System (DSS) is also implemented in addition to ERP, which helps top management in taking strategic and timely business decisions. Management has adopted a total transparent system of business with optimal use

of the state of art technologies and IT tools. It also provides information required by its business partners through website.

The Vadodara and Dahej Complexes are also connected through video conference facility and Daily Production Meetings (DPMs) are held regularly wherein all the members of Senior Management Team participates and discuss various points including Production, Marketing, Safety, Project implementation, HR / IR issues, etc.

The Company has its own mail server to achieve fast and reliable messaging solutions. Information about Company is available on its website [www.gacl.com](http://www.gacl.com).

#### IMPLEMENTATION OF ERP-SAP

The Company had started its journey on the path of Information Technology in the year 1990-91 by setting up IT Department and developing home grown ERP including Decision Support System to meet its business needs. It has always been endeavour of GACL to keep the pace with technology advancement. Now in today's era with advance Corporate Governance and intense globalization of business, it had become imperative to keep pace with the changing era and adopt the progressive changes.

In view of the same, the Company decided for having ERP in place that matches the Global Standardization. In this direction Global Flagship ERP software "SAP" has been opted for implementation. The implementation of SAP would give us both tangible and non-tangible benefits on account of seamless integration and Business Process Re-Engineering. The SAP implementation is in the advanced stage.

#### 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  
Date : 03.08.2017

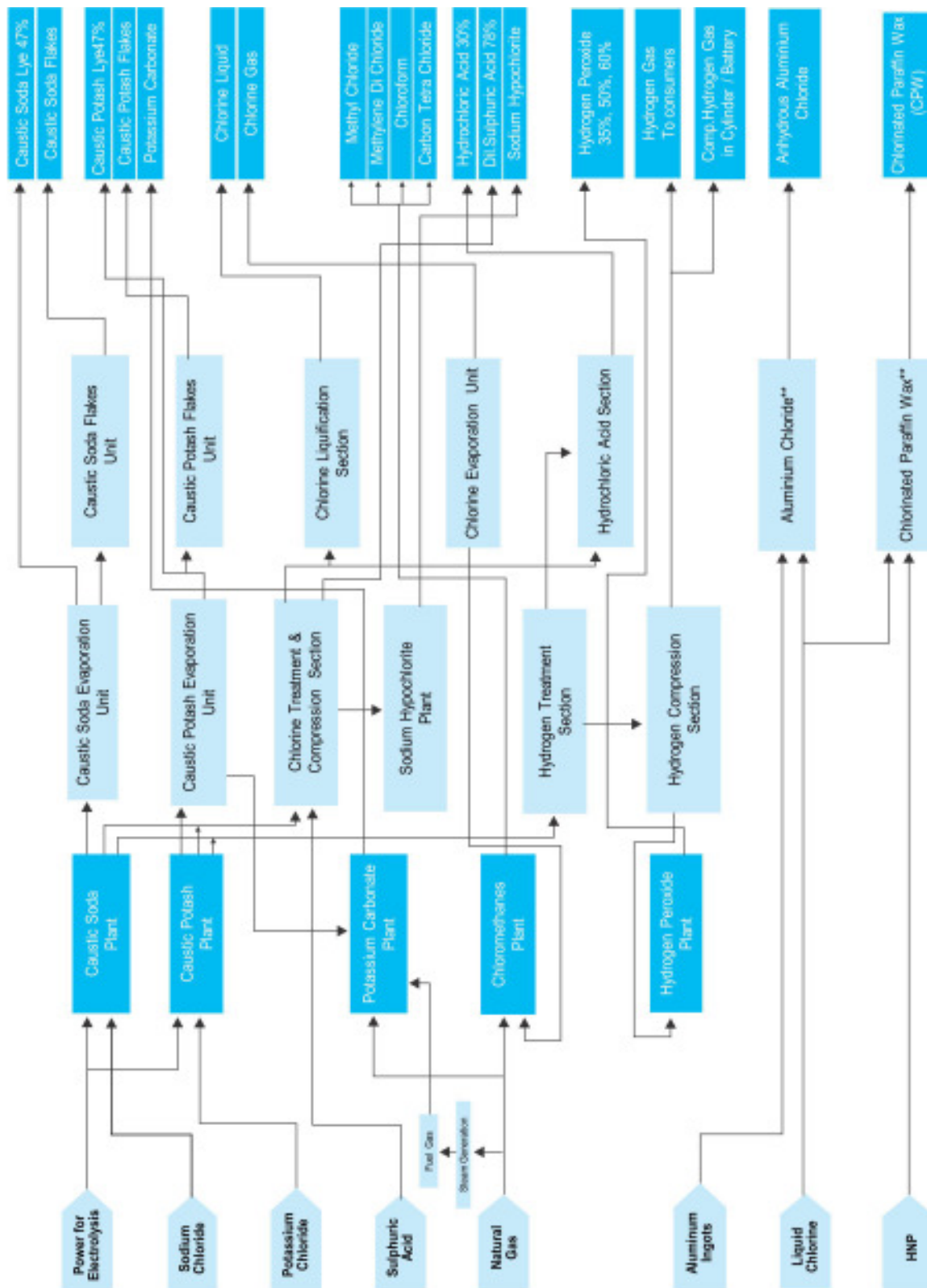




## QUANTITATIVE DATA FOR TEN YEARS :

PARTICULARS	UNIT	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<b>PRODUCTION :</b>											
CAUSTIC SODA LYE	MT	403847	384925	383834	379846	364733	383690	415124	414094	378276	398499
CAUSTIC SODA FLAKES	MT	125994	127376	124531	134593	137958	143809	166705	169594	137012	151761
CAUSTIC SODA PRILLS	MT	5981	9104	9237	17406	14976	16747	20822	18204	18902	13760
CHLORINE GAS / LIQUID	MT	372420	355921	353295	348380	333206	354942	382713	380236	346027	363911
HYDROCHLORIC ACID (30%)	MT	377866	341220	338211	326429	303920	273522	293329	313810	325379	331295
CAUSTIC POTASH LYE	MT	23120	23540	20915	18728	15906	23722	23596	21121	17206	17153
POTASSIUM CARBONATE	MT	8512	8058	5912	7001	6476	10553	11945	11002	6297	6546
CAUSTIC POTASH FLAKES	MT	12115	13323	13025	10234	7867	11891	11841	10315	10900	9940
CHLOROMETHANES	MT	36097	38000	38530	37888	34417	36026	35626	34558	31773	30914
SODIUM CYANIDE	MT	-	102	1549	1898	1844	2644	2635	2802	2039	2271
PHOSPHORIC ACID (85%)	MT	27517	27392	25732	25075	24125	23191	23645	21386	24160	28286
HYDROGEN PEROXIDE (100%)	MT	45318	43028	38127	29039	31329	27465	26304	26804	24359	17393
ALUMINIUM CHLORIDE	MT	33887	31265	29573	29189	23823	25542	27249	19891	18464	10558
CALCIUM CHLORIDE	MT	-	-	6889	9169	8204	8822	8789	8762	6768	6621
POLY ALUMINIUM CHLORIDE	MT	35775	33481	30022	27792	25903	28638	28972	22786	18714	13564
CHLORINATED PARAFFIN WAX	MT	3267	3911	7860	8004	8577	7862	6943	7780	4833	4381
CHLORO TOLUENE PRODUCTS	MT	8451	7873	6570	6154	4821	4107	1649	91	-	-
STABLE BLEACHING POWDER	MT	12830	10108	8999	9006	6456	3304	139	-	-	-
SODIUM CHLORATE	MT	17575	11570	4977	22	-	-	-	-	-	-
POWER GENERATION	MU KWH	336.00	258.56	199.82	354.68	475.33	633.14	730.82	783.37	651.28	703.62
POWER GENERATION - WIND FARM	MU KWH	340.38	259.28	207.63	173.79	184.54	164.13	153.58	128.59	46.37	4.94
<b>SALES :</b>											
CAUSTIC SODA LYE	MT	268563	244492	237720	222274	193874	211060	215028	211977	209965	218923
CAUSTIC SODA FLAKES	MT	125884	128870	125811	136076	135119	144648	165938	169356	138172	151576
CAUSTIC SODA PRILLS	MT	5954	9146	9764	16828	15481	16553	20617	18194	19059	13942
CHLORINE GAS / LIQUID	MT	276816	273103	268066	265875	257897	283552	305886	296665	259057	272446
HYDROCHLORIC ACID (30%)	MT	343044	302874	301045	291099	270689	230671	251508	273983	291302	298472
CAUSTIC POTASH LYE	MT	4231	3828	3637	2886	3420	3419	2613	2161	1916	2409
POTASSIUM CARBONATE	MT	8627	7152	6414	6379	7250	10061	12196	10550	6524	6512
CAUSTIC POTASH FLAKES	MT	12299	12983	13104	10041	8401	11677	11747	10170	11384	9554
CHLOROMETHANES	MT	35786	37923	39990	39360	32401	34916	35377	34719	32663	30174
SODIUM CYANIDE	MT	0	280	1448	1854	1911	2407	2648	2637	1994	2270
PHOSPHORIC ACID (85%)	MT	27180	27029	27228	24312	25656	22491	24051	21633	21690	29015
HYDROGEN PEROXIDE (100%)	MT	45264	43856	37735	28932	31018	27824	25871	26981	24382	20433
ALUMINIUM CHLORIDE	MT	35066	31112	29988	29095	25114	23607	25966	22455	16618	10953
CALCIUM CHLORIDE	MT	0	1500	7376	8799	8995	8300	8809	8398	6802	7080
POLY ALUMINIUM CHLORIDE	MT	37774	35337	29647	28394	26530	30013	31345	23956	22701	14598
CHLORINATED PARAFFIN WAX	MT	3259	3798	8410	7501	8611	7783	7158	7800	4603	4502
HYDROCHLORIC ACID - CP	MT	5559	6489	13193	13595	14559	12837	11682	12912	8225	7493
BENZYL CHLORIDE	MT	3467	2955	2698	2447	2067	1718	1172	91	-	-
BENZYL DEHYDE	MT	1364	1170	968	744	547	366	178	-	-	-
BENZYL ALCOHOL	MT	3649	3519	3062	2704	2626	1455	165	-	-	-
HCL FROM HBC	MT	12087	14710	11701	12024	7164	2772	1797	-	-	-
SODIUM CHLORATE	MT	17667	11389	4879	-	-	-	-	-	-	-
STABLE BLEACHING POWDER	MT	12990	9981	8998	8984	6476	3131	74	-	-	-
POWER TO GRID	MU KWH	7.83	10.21	5.91	13.26	33.90	28.64	34.13	44.99	7.60	4.13
SALES VOLUME (EXCL. INTER-UNIT)	Rs./Cr.	2020.25	1955.97	1931.81	1882.85	1794.31	1698.22	1423.17	1278.08	1386.82	1133.63

# 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	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08
<b>OPERATING RESULTS</b>										
<b>[Rs. in Lakhs]</b>										
GROSS INCOME / TOTAL REVENUE	2,35,844	2,26,462	1,99,707	1,92,632	1,83,330	1,72,274	1,44,669	1,33,371	1,44,810	1,20,586
GROSS PROFIT	50,554	38,007	32,287	40,373	51,402	41,129	28,127	29,019	39,720	39,884
FINANCE COSTS	1,283	993	933	635	834	2,053	2,117	1,748	2,459	2,532
DEPRECIATION AND AMORTIZATION EXPENSE	11,092	10,744	9,806	15,065	15,152	15,115	13,312	12,155	10,943	9,896
PROFIT/(LOSS) BEFORE INVESTMENT ALLOWANCE RESERVE & TAXATION	38,178	26,270	21,548	24,673	35,416	23,961	12,698	15,116	26,318	27,456
PRIOR PERIOD ADJUSTMENTS (NET)	-	-	-	18	14	20	(13)	488	188	(95)
OTHER EXCEPTIONAL ITEM	-	-	-	-	1,719	1,599	-	-	-	-
PROFIT/(LOSS) BEFORE TAX	38,178	26,270	21,548	24,655	33,683	22,342	12,711	14,628	26,130	27,551
<b>PROVISION FOR TAXATION :</b>										
- CURRENT INCOME TAX-MAT	8,140	5,425	4,333	-	-	-	2,387	2,370	2,885	-
- DEFERRED INCOME TAX	4,424	4,003	(1,195)	1,358	882	1,139	(307)	3,848	3,980	1,788
- PROVISION FOR TAXATION INCLUDING WEALTH TAX	-	-	-	6,730	10,238	5,842	-	-	-	3,312
- UNDER FRINGE BENEFIT TAX	-	-	-	-	-	-	-	-	38	43
- MAT CREDIT ENTITLEMENT	(5,196)	(5,147)	(4,333)	-	-	-	(799)	(2,369)	-	-
- EXCESS PROVISION FOR INCOME TAX OF EARLIER YEARS WRITTEN BACK	-	-	(43)	(1,935)	(972)	-	-	(6,405)	-	-
PROFIT/(LOSS) AFTER TAX	30,810	21,989	22,786	18,502	23,535	15,361	11,430	17,184	19,227	22,408
OTHER COMPREHENSIVE INCOME	16,035	(76)	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	46,845	21,913	22,786	18,502	23,535	15,361	11,430	17,184	19,227	22,408
<b>Note:</b> The above figures are as per the annual reports of respective years, except for F.Y. 2015-16 recasted as per Ind AS.										
<b>SOURCES AND APPLICATION OF FUNDS</b>										
<b>[Rs. in Lakhs]</b>										
<b>SOURCE OF FUNDS :</b>										
SHARE CAPITAL	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344	7,344
RESERVES & SURPLUS	3,28,334	2,85,467	2,67,531	1,89,029	1,73,963	1,53,435	1,40,634	1,31,764	1,17,149	1,00,499
BORROWINGS (NET)	29,118	22,522	9,238	15,589	21,065	31,144	35,216	32,324	33,523	31,547
OTHER LONG TERM LIABILITIES	-	-	-	-	1,781	1,628	857	-	-	-
LONG TERM PROVISIONS	8,050	7,030	6,464	4,936	4,275	2,672	2,710	-	-	-
DEFERRED TAX (NET)	30,642	32,537	33,348	33,632	33,471	32,589	31,450	31,757	27,909	23,928
TOTAL FUNDS EMPLOYED	4,03,488	3,54,900	3,23,925	2,50,530	2,41,899	2,28,812	2,18,211	2,03,189	1,85,925	1,63,318
<b>APPLICATION OF FUNDS :</b>										
FIXED ASSETS (GROSS)	4,35,440	3,91,773	3,63,654	3,44,305	3,42,157	3,17,665	2,98,149	2,87,996	2,58,220	2,26,049
LESS: DEPRECIATION	2,13,020	2,01,383	1,90,880	1,79,825	1,65,716	1,53,390	1,41,260	1,27,100	1,09,518	99,668
FIXED ASSETS (NET)	2,22,420	1,90,390	1,72,774	1,64,480	1,76,441	1,64,275	1,56,889	1,60,896	1,48,702	1,26,381
INVESTMENTS	1,01,716	85,467	84,426	18,184	17,233	16,108	15,620	14,051	11,728	12,051
LONG TERM LOANS AND ADVANCES	2,049	1,989	1,948	18,388	3,436	10,763	9,968	-	-	-
OTHER NON-CURRENT ASSETS	17,319	22,883	19,277	2,126	4,158	2,742	2,231	-	-	-
CURRENT ASSETS (NET)	59,984	54,171	45,500	47,352	40,631	34,924	33,503	28,242	21,806	20,952
MISC. EXP. TO BE WRITTEN OFF	-	-	-	-	-	-	-	-	3,689	3,934
TOTAL FUNDS APPLIED	4,03,488	3,54,900	3,23,925	2,50,530	2,41,899	2,28,812	2,18,211	2,03,189	1,85,925	1,63,318
DEBT EQUITY RATIO	0.09 : 1	0.08 : 1	0.03 : 1	0.08 : 1	0.12 : 1	0.20 : 1	0.24 : 1	0.24 : 1	0.28 : 1	0.30 : 1
<b>AMOUNT PER EQUITY SHARE OF Rs.10/-</b>										
<b>[in Rs.]</b>										
EARNING PER SHARE	42	30	31	25	32	21	15	23	26	30
SALES PER SHARE	275	266	263	256	244	231	194	174	189	154
DIVIDEND	5.00	4.50	4.50	4.00	3.50	3.00	3.00	3.00	3.00	3.50
BOOK VALUE	451	391	369	263	242	214	197	185	164	141
<b>MARKET PRICE :</b>										
HIGH	434	210	237	222	217	167	146	156	204	275
LOW	162	143	155	141	115	119	106	59	53	112
<b>Note:</b> The above figures are as per the annual reports 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 is set out below:

### A. MANDATORY REQUIREMENTS

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

At 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 31<sup>st</sup> March, 2017. 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 Director. The Brief Profiles of the Directors on Board as on 31<sup>st</sup> March, 2017 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.

**Shri P K Taneja, IAS (Retd.), Non-Executive Director:** Shri P K Taneja is a retired IAS Officer of 1984 batch and before attaining the age of superannuation on 28.02.2017, he was Additional Chief Secretary, Industries & Mines Department, Government of Gujarat. He has done Graduation in Engineering (Electronics & Communication) from IIT, Roorkee.

He has very rich and varied experience in different capacities viz. District Development Officer, Collector and District Magistrate in Gujarat, Municipal Commissioner, Secretary to Minister. He was Director in the Department of Electronics and in the Ministry of Chemicals & Fertilizers, Government of India. In Corporate Sector, he had served as CEO & Managing Director, Gujarat State Handloom Development Corporation; CEO & Managing Director, Gujarat State Drinking Water Infrastructure Company Ltd.; Managing Director, Gujarat Energy Transmission Corporation Ltd.; Managing Director, Gujarat State Electricity Corporation Ltd.; Managing Director, Gujarat State Fertilizers & Chemicals Ltd.; Director (Finance), Gujarat Urja Vikas Nigam Ltd. and Chairman & Managing Director, Madhya Gujarat Vij Company Ltd. He was also a Managing Director of GACL during the period from 31<sup>st</sup> December, 2001 to 6<sup>th</sup> November, 2006.

He was Principal Secretary, Social Justice & Empowerment Department and also Health & Family Department of Government of Gujarat. He also served as Additional Chief Secretary, Forest & Environment Department and Home Department of Government of Gujarat.

**Shri Anil Mukim, IAS, Non-Executive Director:** Shri Anil Mukim is a Senior IAS Officer of 1985 batch. He is Additional Chief Secretary, Finance Department, Government of Gujarat. He has done Graduation in Commerce and Law.

He has held various distinguished positions in Government of Gujarat and Government of India. He has worked as Collector of Bhavnagar, Vadodara & Bhuj; Principal Secretary to Hon'ble Chief Minister; Principal Secretary, Revenue Department; Municipal Commissioner, Ahmedabad; Joint Secretary, Ministry of Commerce & Industry, Government of India; CVO, Housing & Urban Development Corporation; Additional Chief Secretary, Health & Family Welfare Department etc. He has rich experience in the field of Finance, Management and Administration.

**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.

**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. Dr. Modi had led a delegation to Japan to promote Vibrant Gujarat Investors meet. He is 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.

**Mrs. Pallavi Shroff, Independent Director:** Mrs. Pallavi Shroff, Managing Partner of M/s. Shardul Amarchand Mangaldas & Co., a leading legal firm of India. Mrs. Shroff is also Independent Director of Maruti Suzuki Ltd., Apollo Tyres Ltd. & Trident Limited. A Lawyer by profession, she has vast experience of 36 years as a leading litigation practitioner and has been recognized by international publications for her leading practice in arbitration and dispute resolution. As a Member of several high powered committees appointed by Government of India, she has been closely associated with the formulation of several important commercial statutes. Mrs. Shroff's areas of expertise include corporate & commercial laws, anti-dumping, arbitration, dispute resolution, competition and antitrust. She holds degrees of BA, MMS and Bachelor of Law.

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

**Shri P K Gera, IAS, Managing Director :** Shri Prem Kumar Gera is a Senior IAS Officer of 1985 batch has carried B.Sc. (Elec. Engg.) (Hons.), M.Sc.(Public Economy Management), M. Phil. He has also done Post Graduation in Economics. He is having experience of more than 32 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).

#### 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

#### 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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/public\\_html/new/pdf/toa\\_director.pdf](http://www.gacl.com/public_html/new/pdf/toa_director.pdf))

#### 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/public\\_html/new/pdf/FAMILIARIZATION\\_PROGRAM.pdf](http://www.gacl.com/public_html/new/pdf/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 and presentation is made covering details about the organizational set up, 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-Alkalies 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 Independent Directors;
- Memorandum and Articles of Association of the Company;
- Company's Product Profile / Brochure;
- A brief presentation on Company.

#### MEETING OF INDEPENDENT DIRECTORS

As per Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and under the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors was held on 26<sup>th</sup> May, 2016 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. All Independent Directors except Dr. Rajiv I Modi were present at the Meeting.

On 30<sup>th</sup> August, 2016, another separate meeting of the Independent Directors was held with all the Auditors viz. Statutory Auditors, Cost Auditors, Internal Auditors and Secretarial Auditors and 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 by the Company. Shri J N Godbole and Shri Rajiv Lochan Jain, Independent Directors were present at the Meeting.

#### CODE OF CONDUCT

The Board of Directors of the Company on 29<sup>th</sup> 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 5<sup>th</sup> February, 2015.

The Code of Conduct for the Directors and Senior Management Personnel is available on the Company's Website. (web links: [http://www.gacl.com/public\\_html/new/directors.pdf](http://www.gacl.com/public_html/new/directors.pdf) and [http://www.gacl.com/public\\_html/new/executives.pdf](http://www.gacl.com/public_html/new/executives.pdf) )

All the Board Members and the Senior Management Personnel have affirmed compliance with the 'Code of Conduct' during the Financial Year 2016-17. A declaration by the Managing Director to this effect is provided at Annexure 'I' which forms part of this Report.

#### 2.2 BRIEF RESUME OF DIRECTORS UNDER APPOINTMENT / REAPPOINTMENT:

The brief resume as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 44<sup>th</sup> Annual General Meeting of the Company, forming part of this Annual Report.

#### 2.3 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

During the Financial Year 2016-17, five (5) Board Meetings were held, as per the following details:

Quarter	Date(s) of Meeting
1st Quarter - From April to June, 2016	26 <sup>th</sup> May, 2016
2nd Quarter - From July to September, 2016	28 <sup>th</sup> July, 2016 & 29 <sup>th</sup> September, 2016
3rd Quarter - From October to December, 2016	10 <sup>th</sup> November, 2016
4th Quarter - From January to March, 2017	27 <sup>th</sup> January, 2017

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

As on 31.03.2017

Name and Category of Directors	No. of Board Meetings of GACL attended	Attendance at last AGM of GACL held on 29.09.2016	Directorships in other Companies (Other than Pvt. Ltd. Cos.)	Audit Committee and Stakeholders' Relationship-cum-Investors' Grievance Committee	
				Membership	Chairmanship out of Membership in Column No. 5
1	2	3	4	5	6
@ Shri G R Aloria, IAS (Retd.) Non-Executive Chairman (up to 23.08.2016)	2	N.A.	6	NIL	NIL
Dr. J N Singh, IAS Non- Executive Director (up to 30.08.2016) Non-Executive Chairman (from 31.08.2016)	4	YES	9	2	NIL
@Shri Arvind Agarwal, IAS Non-Executive Director (up to 29.08.2016)	NIL	N.A.	7	3	1
Shri P K Taneja, IAS (Retd.) Non-Executive Director (from 06.12.2016)	1	N.A.	4	1	NIL
Shri Anil Mukim, IAS Non-Executive Director (from 15.10.2016)	2	N.A.	9	2	1
# Shri J N Godbole Independent Director (from 18.09.2015)	4	NO	8	9	4
Dr. Rajiv I Modi Independent Director (from 01.10.2014)	1	NO	7	2	NIL
Mrs. Pallavi S Shroff Independent Director (from 01.10.2014)	1	NO	3	3	NIL
Shri Rajiv Lochan Jain Independent Director (from 06.01.2016)	5	YES	2	4	1
Shri P K Gera, IAS Managing Director (from 19.02.2016)	5	YES	2	2	NIL

@ In respect of Directors who were ceased during the year, the particulars are taken as on the date of cessation.





- # As per the Companies Act, 2013, Shri J N Godbole was appointed as Independent Director at 41<sup>st</sup> AGM held on 22.08.2014 till 42<sup>nd</sup> AGM held on 18.09.2015. Further, he was re-appointed as Independent Director at 42<sup>nd</sup> AGM held on 18.09.2015 for a term of 05 years till the conclusion of 47<sup>th</sup> AGM.

Shri J N Godbole, Chairman of the Audit Committee, had vide letter expressed his inability to attend the 43<sup>rd</sup> Annual General Meeting (AGM) of the Company held on 29.09.2016. He had nominated Shri Rajiv Lochan Jain, Independent Director of the Company to be his Nominee in his place and authorized him to reply the queries of the Shareholders, if any, during the said AGM.

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

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

During the year and as on 31.03.2017, Directors were not holding any 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 31.03.2017:

- (A) Audit Committee;
- (B) Nomination-cum-Remuneration Committee;
- (C) Stakeholders' Relationship-cum-Investors' Grievance Committee;
- (D) Corporate Social Responsibility Committee;
- (E) Project Committee;
- (F) Personnel Committee (*renamed with effect from 29.09.2016*); and
- (G) Risk Management-Cum-Safety Committee (*renamed with effect from 10.11.2016*).

### (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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("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 31.03.2017, the Audit Committee comprised of six (6) Members viz. Shri J N Godbole as the Chairman of the Committee; Shri Anil Mukim, IAS, Dr. Rajiv I Modi, Mrs. Pallavi S Shroff, Shri Rajiv Lochan Jain 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 2016-17, four (4) Meetings of Audit Committee were held, i.e. on 26.05.2016, 28.07.2016, 10.11.2016, and 25.01.2017. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole, Chairman	4
Dr. J N Singh, IAS (up to 10.11.2016)	2
Dr. Rajiv I Modi	0
Mrs. Pallavi S Shroff	4
Shri Rajiv Lochan Jain	4
Shri P K Gera, IAS	4
Shri Anil Mukim, IAS (from 10.11.2016)	0

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

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the erstwhile Listing Agreement, the Board has renamed the "Remuneration Committee" as the "Nomination-cum-Remuneration Committee" w.e.f. 1<sup>st</sup> August, 2014.

**(i) BROAD TERMS OF REFERENCE**

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

- (1) to formulate the criteria for determining qualifications, positive attributes and independence of a Director and to recommend to the Board a policy relating to the remuneration of Directors, Key Managerial Personnel (KMP) and other employees;
- (2) to formulate criteria for evaluation of Directors including Independent Directors and the Board;
- (3) to devise a policy on Board diversity;
- (4) to identify persons who are qualified to become Directors including Managing Director and/or Whole-Time 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; and
- (6) to review and assess the extent to which the appropriate mix of diversity, skills, experiences and expertise are represented on the Board and report to the Board from time to time.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(ii) COMPOSITION**

As at 31.03.2017, the Committee comprised of three (3) Members viz. Shri J N Godbole as the Chairman of the Committee; Shri Anil Mukim, IAS and Shri Rajiv Lochan Jain.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2016-17, two (2) Meetings of the Committee were held, i.e. on 26.05.2016 and 10.11.2016. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole, Chairman	2
Dr. J N Singh, IAS (up to 10.11.2016)	1
Shri Rajiv Lochan Jain	2
Shri Anil Mukim, IAS (from 10.11.2016)	N.A.

**(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**

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

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the Company or its Shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence;
- (f) inform the Board immediately when they lose their independence;
- (g) assist the Company in implementing the best Corporate Governance practices;



- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the Company;
- (k) keep themselves well informed about the Company and the external environment in which it operates;
- (l) do not unfairly obstruct the functioning of a proper Board or Committee of the Board;
- (m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder'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.;
- (o) regularly update their knowledge so as to remain updated on latest amendments of the Acts / Rules / Regulations 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.

#### (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. 19<sup>th</sup> February, 2016 for a period of five (5) years or till further order by the Government of Gujarat 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 2016-17 are as under:

Remuneration	Amount Rs.
Gross Salary	25,13,489/-
Contribution to Pension Fund & Leave salary	-
Perquisites / Benefits	39,665/-
Fixed component / performance linked incentives	N.A.
Stock options details	N.A.
<b>Total .....</b>	<b>25,53,154/-</b>

**NON-EXECUTIVE DIRECTORS**
**CRITERIA FOR PAYMENT TO NON-EXECUTIVE DIRECTORS**

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

The Non-Executive Directors are also paid Rs.2,500/- towards reimbursement of incidental / out-of-pocket expenses per day.

Details of Sitting Fees paid to Directors during the Financial Year 2016-17 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.)
Shri G R Aloria, IAS (Retd.)	No	No	20,000/-	NIL	*20,000/-
Dr. J N Singh, IAS	No	No	40,000/-	1,00,000/-	*1,40,000/-
Shri Arvind Agarwal, IAS	No	No	NIL	10,000/-	*10,000/-
Shri P K Taneja, IAS (Retd.)	No	No	10,000/-	NIL	*10,000/-
Shri Anil Mukim, IAS	No	No	20,000/-	20,000/-	*40,000/-
Shri J N Godbole	No	No	40,000/-	2,20,000/-	**2,60,000/-
Dr. Rajiv I Modi	No	No	NIL	NIL	***NIL
Mrs. Pallavi S Shroff	No	No	10,000/-	60,000/-	**70,000/-
Shri Rajiv Lochan Jain	No	No	50,000/-	2,40,000/-	**2,90,000/-
<b>Total.....</b>			<b>1,90,000/-</b>	<b>6,50,000/-</b>	<b>8,40,000/-</b>

\* Sitting Fees deposited in Government Treasury.

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

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

None of the Non-Executive Directors has any pecuniary relationship or transactions with the Company.

**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. Letters of appointment are issued by the Company to the Independent Directors, incorporating their roles, duties, responsibilities etc.

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

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

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the erstwhile Listing Agreement, the Board has renamed the existing "Shares / Debentures Transfers and Investors' Grievance Committee" as the "Stakeholders' Relationship-cum-Investors' Grievance Committee."

**(I) BROAD TERMS OF REFERENCE**

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

The Board has designated Shri S S Bhatt, Company Secretary & 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 31.03.2017, the Committee comprised of four (4) Members viz. Shri Anil Mukim, IAS as the Chairman of the Committee, Dr. Rajiv I Modi, Shri Rajiv Lochan Jain and Shri P K Gera, IAS.

(iii) **MEETINGS AND ATTENDANCE**

During the Financial Year 2016-17, four (4) Meetings of the Committee were held i.e. on 26.05.2016, 28.07.2016, 10.11.2016 and 27.01.2017. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Dr. J N Singh, IAS (up to 10.11.2016)	3
Dr. Rajiv I Modi	NIL
Shri Rajiv Lochan Jain	4
Shri P K Gera, IAS	4
Shri Anil Mukim, IAS (from 10.11.2016)	1

(iv) **Details of Shareholders' Complaints received and resolved or pending during the Financial Year 2016-17:**

Nature of complaints	Received	Satisfactorily Resolved
Non receipt of Share Certificates / Demat	1	1
Letters/Complaints from SEBI / Stock Exchanges	4	4
Non receipt of Dividend	59	59
Non receipt of Annual Reports	10	10
Others	Nil	Nil
<b>Total .....</b>	<b>74</b>	<b>74</b>

Number of pending Share Transfer as on 31.03.2017 – NIL

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

Pursuant to the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 and Corporate Social Responsibility 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 31.03.2017, the Committee comprised of four (4) Members viz. Dr. J N Singh, IAS as the Chairman of the Committee, Shri Anil Mukim, IAS, Shri J N Godbole and Shri P K Gera, IAS.

(iii) **MEETINGS AND ATTENDANCE**

During the Financial Year 2016-17, two (2) Meetings of the Committee were held i.e. on 28.07.2016 and 27.01.2017. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri Arvind Agarwal, IAS (up to 29.08.2016)	1
Dr. J N Singh, IAS (from 10.11.2016)	NIL
Shri J N Godbole	2
Shri Anil Mukim, IAS (from 10.11.2016)	NIL
Shri P K Gera, IAS	2

**(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 recommend the same to the Board for approval and reviews the progress of various projects on hand for timely implementation.

**(ii) COMPOSITION**

As at 31.03.2017, the Committee comprised of seven (7) Members viz. Dr. J N Singh, IAS as the Chairman of the Committee, Shri Anil Mukim, IAS, Shri J N Godbole, Dr. Rajiv I Modi, Mrs. Pallavi S Shroff, Shri Rajiv Lochan Jain and Shri P K Gera, IAS.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2016-17, four (4) Meetings of the Committee were held, i.e. on 26.05.2016, 28.07.2016, 09.11.2016 and 27.01.2017. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Dr. J N Singh, IAS	4
Shri Arvind Agarwal, IAS (up to 29.08.2016)	NIL
Shri J N Godbole	4
Dr. Rajiv I Modi	NIL
Mrs. Pallavi S Shroff	1
Shri Rajiv Lochan Jain	4
Shri P K Gera, IAS	4
Shri Anil Mukim, IAS (from 10.11.2016)	1

**(F) PERSONNEL COMMITTEE:**

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

The Agenda & Minutes of Personnel Committee and HR related matters are handled by General Manager (HR). He acts as Secretary of Personnel Committee and Board also for HR / Personnel matters.

**(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 and promotions of Senior Executives of the Company & also external candidates. 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 31.03.2017, the Committee comprised of three (3) Members viz. Shri J N Godbole as the Chairman of the Committee, Shri Rajiv Lochan Jain and Shri P K Gera, IAS.

**(iii) MEETINGS AND ATTENDANCE**

During the Financial Year 2016-17, five (5) Meetings of the Committee were held, i.e. on 26.05.2016, 29.08.2016, 30.08.2016, 25.01.2017 and 07.03.2017. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole	5
Shri Rajiv Lochan Jain	5
Shri P K Gera, IAS	5



**(G) 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 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. 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 the SEBI Circular CIR/CFD/POLICYCELL/2/2014 dated 17<sup>th</sup> April, 2014 and Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not covered under top 100 listed entities, determined on the basis of market capitalization and therefore, it is not 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 has 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.

**(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 31.03.2017, 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.

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 2016-17, three (3) Meetings of the Committee were held, i.e. on 26.05.2016, 09.11.2016 and 25.01.2017. The number of Meetings attended by Directors are as under:

Name	No. of Meetings attended
Shri J N Godbole	3
Shri Rajiv Lochan Jain	3
Shri P K Gera, IAS	3

**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	2015-16	2014-15	2013-14
<b>AGM No.</b>	43 <sup>rd</sup> AGM	42 <sup>nd</sup> AGM	41 <sup>st</sup> AGM
<b>Date</b>	29.09.2016	18.09.2015	22.08.2014
<b>Time</b>	at 03:00 p.m.	at 03:00 p.m.	at 12:30 p.m.
<b>Venue</b>	In the premises of the Company at P.O. : Petrochemicals : 391 346, Dist. : Vadodara		
<b>Special Resolutions passed</b>	<p>In 41<sup>st</sup> AGM, the Company has passed Special Resolutions for :</p> <ol style="list-style-type: none"> <li>1) Borrowing limits up to Rs.2,500 crores pursuant to Section 180(1)(c) of the Companies Act, 2013;</li> <li>2) Creating charge etc. on Company's properties up to Rs.2,500 crores pursuant to Section 180(1)(a) of the Companies Act, 2013; and</li> <li>3) Adoption of new Articles of Association of the Company pursuant to the provisions of the Companies Act, 2013.</li> </ol> <p>In 42<sup>nd</sup> AGM, the Company has passed Special Resolution for reappointment of Shri J N Godbole as Independent Director of the Company for a term of five years.</p> <p>In 43<sup>rd</sup> AGM, there was no Special Resolution passed by the Shareholders.</p>		

## POSTAL BALLOT

During the Financial Year 2016-17, 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. OTHER DISCLOSURES:

- 5.1 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 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.

The Board has approved a Policy on Related Party Transactions which is available on the Company's Website. weblink : [http://www.gacl.com/public\\_html/new/policy/related\\_party\\_tran\\_policy-1.pdf](http://www.gacl.com/public_html/new/policy/related_party_tran_policy-1.pdf)

- 5.2 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.

- 5.3 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 Clause 49 of the Listing Agreement / Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy is applicable to all Directors and employees of the Company.

As per the Policy, protected disclosures can be made by whistle blower to the Chairman of the Audit Committee. It is hereby affirmed that no personnel has been denied access to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action.

- 5.4 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" and hence, the Company is not required to formulate policy for determining "material subsidiary".

## 6. 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.

The Company has complied with the provisions contained under Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of Unclaimed Shares lying in the said Suspense Account with SHCIL (in demat mode) as on 31.03.2017 is as under:

(F.Y. 2016-17)

Particulars	Shareholders (Nos.)	Outstanding Shares (Nos.)
At the beginning of the year	260	7,786
No. of Shareholders who approached during the year	-	-
No. of Shareholders to whom Shares are dispatched	-	-
No. of Shareholders and unclaimed Shares at the end of the year	260	7,786





The voting rights on the said 7,786 Shares shall remain frozen till the rightful owner of such shares claims the shares.

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

#### 7. QUARTERLY COMPLIANCE REPORT:

The Company has submitted Corporate Governance Compliance Report in the prescribed format for each quarter during the Financial Year 2016-17 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.

#### 8. FINANCIAL RESULTS – 2016-17:

[Rs. in Lakhs]

PARTICULARS	QUARTER				Total
	I	II	III	IV	F.Y. 2016-17
Total Income	59,076	60,967	55,280	60,521	2,35,844
Total Expenses	(44,909)	(46,520)	(45,736)	(48,125)	(1,85,290)
<b>Profit Before Interest, Depreciation And Tax</b>	<b>14,167</b>	<b>14,447</b>	<b>9,544</b>	<b>12,396</b>	<b>50,554</b>
Interest	(243)	(243)	(462)	(336)	(1,284)
Depreciation	(2,726)	(2,770)	(2,749)	(2,847)	(11,092)
<b>Profit Before Tax</b>	<b>11,198</b>	<b>11,434</b>	<b>6,333</b>	<b>9,213</b>	<b>38,178</b>
Less :- Provision For Tax	(2,572)	(2,692)	(1,601)	(503)	(7,368)
<b>Profit After Tax</b>	<b>8,626</b>	<b>8,742</b>	<b>4,732</b>	<b>8,710</b>	<b>30,810</b>
Other Comprehensive Income	2,667	291	1,594	11,483	16,035
Total Comprehensive Income	11,293	9,033	6,326	20,193	46,845
<b>Earning Per Share (Not Annualized)</b>	<b>11.75</b>	<b>11.90</b>	<b>6.44</b>	<b>11.86</b>	<b>41.95</b>

#### 9. 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.

#### 10. INSIDER TRADING:

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors at its Meeting held on 26<sup>th</sup> 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. As per the provisions of the Regulations, the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on the Website of the Company. Trading window closure shall start 15 days prior to the Board Meeting date and ends after 48 hours (Forty Eight Hours) of the Board Meeting Date.

The earlier Code of Conduct for prevention of Insider Trading based on SEBI (Prohibition of Insider Trading) Regulations, 1992 was superseded by the above new Code of Conduct.

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

#### 11. 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 2016-17.

## 12. 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 <sup>st</sup> Quarter ended on 30.06.2016.	28.07.2016	29.07.2016	Loksatta - Vadodara in Gujarati Business Standards - All editions in English
Unaudited Financial Results for 2 <sup>nd</sup> Quarter ended on 30.09.2016.	10.11.2016	11.11.2016	Loksatta – Vadodara in Gujarati Business Standards- All editions in English
Unaudited Financial Results for 3 <sup>rd</sup> Quarter ended on 31.12.2016.	27.01.2017	28.01.2017	Loksatta – Vadodara in Gujarati Business Standards- All editions in English
Standalone & Consolidated Audited Financial Results for 4 <sup>th</sup> Quarter and for the financial year ended on 31.03.2017.	26.05.2017	27.05.2017	Financial Express - All Gujarat editions in Gujarati Financial Express - All India editions in English

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

## 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.

15. The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 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 Statement for F.Y. 2016-17. The Statutory Auditors have given unmodified opinion on the Financial Statement of the Company for F.Y.2016-17.

### (3) SEPARATE POST OF CHAIRPERSON AND CEO:

The Company has separate persons for the posts of Chairperson and Chief Executive Officer / Managing Director, pursuant to Articles of Association of the Company.



## ANNEXURE 'I'

### Declaration by CEO regarding compliance of 'Code of Conduct' by Directors and Senior Management Personnel of the Company

The Company 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 Code of Conduct of the Company for the Financial Year 2016-17.

For **GUJARAT ALKALIES AND CHEMICALS LIMITED**

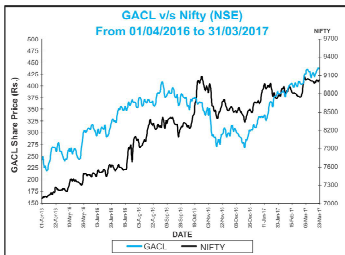
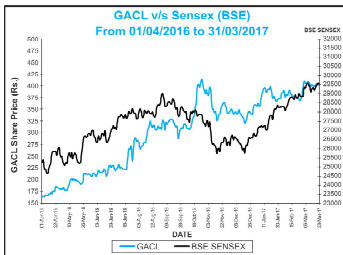
Place : VADODARA  
Date : 5<sup>th</sup> May, 2017

Sd/-  
**P K Gera, IAS**  
Managing Director & CEO

## GENERAL INFORMATION FOR MEMBERS

- Financial Year of the Company** : 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017
- Day, Date and Time of 44<sup>th</sup> AGM** : Saturday, the 16<sup>th</sup> September, 2017 at 11.30 a.m.
- Venue of AGM** : In the premises of the Company at  
P.O.: Petrochemicals-391 346 Dist.Vadodara
- Dates of Book Closure** : From 02.09.2017 to 16.09.2017 (Both days inclusive).
- Dividend payment date** : On or after 22.09.2017
- 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)
- Annual Listing Fees** : The Company has paid Annual Listing Fees for the Financial Years 2016-17 and 2017-18 to BSE Ltd. and National Stock Exchange of India Ltd.
- Company's ISIN No. with NSDL & CDSL** : INE 186A01019
- No. of Employees** : 1384
- 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, 2016	187.80	162.80	2,00,298	188.00	162.50	6,83,011
May, 2016	226.00	177.00	6,49,048	225.90	177.15	21,52,070
June, 2016	236.10	199.40	6,35,756	237.00	199.85	18,79,610
July, 2016	287.00	220.35	14,82,293	287.00	219.75	63,20,487
August, 2016	333.45	262.20	17,49,191	333.40	263.30	61,89,389
September, 2016	339.90	281.10	8,20,077	340.00	281.00	31,55,607
October, 2016	423.75	301.00	21,32,488	424.70	301.95	84,82,278
November, 2016	434.00	314.65	13,90,340	433.60	315.00	49,85,531
December, 2016	367.05	321.35	3,76,628	368.85	320.50	14,67,760
January, 2017	408.00	340.05	9,31,294	408.00	340.25	43,78,889
February, 2017	399.65	368.95	5,74,532	400.25	355.70	26,73,857
March, 2017	423.00	370.00	4,21,786	425.00	371.00	23,52,378
<b>Total</b>			<b>1,13,63,731</b>			<b>4,47,20,867</b>
<b>Average 2016-17</b>	<b>338.81</b>	<b>276.57</b>		<b>339.31</b>	<b>275.66</b>	
Average 2015-16	183.86	156.28		184.26	157.28	



### 11. APPOINTMENT OF NEW REGISTRAR & SHARE TRANSFER AGENT:

The Company has appointed new Registrar & Share Transfer Agent (R & T Agent) viz. Link Intime India Pvt. Ltd., Vadodara in place of MCS Share Transfer Agent Ltd., Vadodara w.e.f. 1<sup>st</sup> April, 2017.

In this respect, the advertisement in Newspapers was published on 1<sup>st</sup> April, 2017 in Business Standard, all editions (in English) and in Loksatta, Vadodara edition (in Gujarati). The contact details of new 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, 2356794, E-mail : [vadodara@linkintime.co.in](mailto:vadodara@linkintime.co.in) Website : [www.linkintime.co.in](http://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:

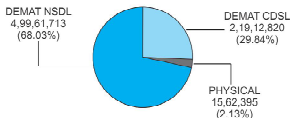
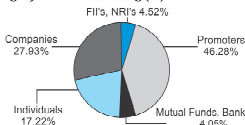
With a view to expedite the Share Transfer Procedure, the Board of Directors has delegated the powers to the Company Secretary and other Officers to consider and approve the requests received in respect of Securities related transactions upto One Thousand (1000) shares and accordingly, Delegated Authorities are attending the share transfer formalities at least four times in a month, whereas such 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 2016-17, the total 93,059 equity shares were transferred & dematerialized and 500 equity shares were rematerialized.

### 13. (A) Distribution of Shareholding as on 31<sup>st</sup> March, 2017.

No. of Equity Shares held	No. of Shares	% of Shareholding	No. of Shareholders	% of Shareholders
Upto 500	53,38,193	7.27	52,593	92.04
501 to 1,000	20,51,377	2.79	2758	4.83
1,001 to 2,000	15,30,815	2.09	1,080	1.89
2,001 to 3,000	6,53,468	0.89	261	0.46
3,001 to 4,000	4,71,266	0.64	133	0.23
4,001 to 5,000	3,70,757	0.51	79	0.14
5,001 to 10,000	7,22,275	0.98	103	0.18
10,001 to 50,000	18,60,731	2.53	99	0.17
50,001 to 1,00,000	6,74,558	0.92	9	0.01
1,00,001 and above	5,97,63,488	81.38	27	0.05
<b>TOTAL as on 31-03-2017</b>	<b>7,34,36,928</b>	<b>100.00</b>	<b>57,142</b>	<b>100.00</b>
<b>TOTAL as on 31-03-2016</b>	<b>7,34,36,928</b>	<b>100.00</b>	<b>50,726</b>	<b>100.00</b>


**(B) Summary of Shareholders & Shares held in Physical and Demat mode as on 31<sup>st</sup> March, 2017 :**

PARTICULARS	PHYSICAL	DEMAT		TOTAL
		NSDL	CDSL	
Total Shareholders (No.)	15,537	28,447	13,158	57,142
Percentage (%)	27.19	49.78	23.03	100.00
Total Shares (No.)	15,62,395	4,99,61,713	2,19,12,820	7,34,36,928
Percentage (%)	2.13	68.03	29.84	100.00
		<b>7,18,74,533 Shares - 97.87%</b>		

**Shares held in Demat / Physical form as on 31.03.2017**

**Categorywise Shareholding (%) as on 31.03.2017**

**14. Category of Shareholders as on 31<sup>st</sup> March, 2017 :**

Category	Share-holders	Percentage (%)	Physical Holding	Electronic Holding	Total Shares	Percentage (%)
Promoters	7	0.01	00	3,39,86,310	3,39,86,310	46.28
Directors & their relatives	00	0.00	00	00	00	0.00
Mutual Funds, Banks, FI's	62	0.11	4,390	29,72,072	29,76,462	4.05
Individuals	55,697	97.47	15,47,984	1,11,00,496	1,26,48,480	17.22
Companies	706	1.24	6,104	2,05,03,840	2,05,09,944	27.93
FIIL's, NRI's	670	1.17	3,917	33,11,815	33,15,732	4.52
<b>Total</b>	<b>57,142</b>	<b>100.00</b>	<b>15,62,395</b>	<b>7,18,74,533</b>	<b>7,34,36,928</b>	<b>100.00</b>

**15. Outstanding Global Depository Receipts (GDR) of American Depository Receipts (ADR) or warrants or any convertible instruments, conversion date and likely impact on equity: NIL / NOT APPLICABLE.**
**16. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

During the year ended March 31, 2017, 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.

Details of foreign currency transactions are disclosed in Notes No. 2(6), 17, 36.5 and 41 to the Financial Statements.

**17. List of shareholders holding more than 1% of the total Share Capital of the Company as on 31<sup>st</sup> March, 2017.**

Sr. No.	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.	Gujarat Narmada Valley Fertilizers & Chemicals Ltd.	17,59,996	2.40
8.	Gujarat State Fertilizers & Chemicals Ltd.	16,55,040	2.25
9.	Shri Shreyans Shantilal Shah	12,70,407	1.73
10.	Gujarat Industries Power Company Ltd.	11,03,360	1.50
11.	HSBC Global Investment Funds- Asia Ex Japan Equity	8,20,349	1.12
12.	General Insurance Corporation of India	8,01,186	1.09

**PLANT LOCATIONS :**

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

(2) Village : Dahej-392 130  
Taluka : Vagra, Dist. : Bharuch, GUJARAT (INDIA)



## 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, 2017 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 : 03<sup>rd</sup> August, 2017

Sd/-  
**Niraj Trivedi**  
Company Secretary  
CP. 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 31<sup>st</sup> March, 2017 and certify that to the best of our knowledge and belief :
- these statements do not contain any materially untrue statement or omit any material fact nor contain statement that might be misleading;
  - 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:
- significant changes in internal controls over financial reporting during the year;
  - significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - 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.

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017

Sd/-  
**(P K GERA, IAS)**  
MANAGING DIRECTOR

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



## INDEPENDENT AUDITORS' REPORT

**To The Members of  
Gujarat Alkalies and Chemicals Limited**

### **Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of Gujarat Alkalies and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about

whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Other Matters**

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April 2015 included in these standalone Ind AS financial statements, are based on the previously issued standalone financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 which were audited by us, on which we expressed an unmodified opinion dated May 26, 2016 and May 26, 2015 respectively and have been restated to comply with Ind AS. Adjustments made to the said standalone financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, referred to in the Other Matters paragraph 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.
  - 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 Cash Flow Statement 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017 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, 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our

information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 42 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained 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  
(Firm's Registration No. 117364W)

**Gaurav J. Shah**

Partner

(Membership No.35701)

Place : Gandhinagar

Date : May 26, 2017

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 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 (j) 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, 2017 in conjunction with our audit of the standalone Ind AS 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 Company's policies, the safeguarding of its assets, the prevention and





detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Gaurav J. Shah**  
Partner  
(Membership No.35701)

Place : Gandhinagar  
Date : May 26, 2017

## ANNEXURE "B" TO THE INDEPENDENT AUDITORS' 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. 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, 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 lenders. 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. 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 lacs is pending for execution.
- (ii) As explained to us, the inventories 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 CARO 2016 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the Amount relates	Amount involved (Excluding Interest and Penalty) (Rs. in lacs)	Amount Unpaid (Excluding Interest and Penalty) (Rs. in lacs)
Gujarat Sales Tax Act, 1969	Purchase Tax	Joint Commissioner of Appeals	2000-01 to 2005-06	20,431	20,431
Gujarat Sales Tax Act, 1969	Central Sales Tax	Gujarat Sales Tax Tribunal	2002-03 to 2005-06	50	47
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2009-10 and 2012-13	1,156	1,084
Income Tax Act, 1961	Income Tax	High Court, Gujarat	2003-04 2004-05, 2005-06 and 2006-07	6,862	6,862



Name of the statute	Nature of the dues	Forum where dispute is pending	Period to which the Amount relates	Amount Involved (Excluding Interest and Penalty) (Rs. in lacs)	Amount Unpaid (Excluding Interest and Penalty) (Rs. in lacs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2003-04, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12	7,032	6,482
Income Tax Act, 1961	Income Tax	Supreme Court	1998-99 1999-00, 2008-09	1,486	1,486
Finance Act, 1994	Service Tax	Central Excise and Service Tax Appellate Tribunal	July 2005 to March 2015	345	338
Finance Act, 1994	Service Tax	Commissioner (Appeals)	April 2010 to February 2016	93	93
Central Excise Act, 1944	Central Excise	Central Excise and Service Tax Appellate Tribunal	2009-10	96	96
Central Excise Act, 1944	Central Excise	High Court, Gujarat	1996-97 to 2001-02	462	462

- (viii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 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.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys 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 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 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 CARO 2016 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 188 and 177 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 CARO 2016 is not applicable to the Company.
- (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 him 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-I of the Reserve Bank of India Act, 1934.

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

**Gaurav J. Shah**

Partner

(Membership No.35701)

Place : Gandhinagar

Date : May 26, 2017

## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

[ Rs. in Lakhs ]

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>I ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	3	2,07,318.58	1,82,076.93	1,66,095.94
(b) Capital work-in-progress	3	14,337.37	7,950.62	6,679.16
(c) Other Intangible assets	4	26.93	30.38	-
(d) Intangible assets under development	4	737.52	332.31	-
(e) Financial Assets				
(i) Investments				
(a) Investment in Joint Venture	5	300.00	6.00	-
(b) Other Investments	6	1,00,294.80	84,590.90	83,426.94
(ii) Loans	7	75.09	14.55	17.39
(iii) Other Financial assets	8	1,974.09	1,974.09	1,931.24
(f) Non-Current Tax Assets (Net)	9	9,273.44	9,082.35	9,067.84
(g) Other non-current assets	10	8,045.91	13,800.91	10,208.85
<b>Total Non - current assets</b>		<b>3,42,383.73</b>	<b>2,99,859.04</b>	<b>2,77,427.36</b>
<b>(2) Current assets</b>				
(a) Inventories	11	16,990.10	18,463.69	18,099.89
(b) Financial Assets				
(i) Other Investments	6	1,121.35	870.44	998.66
(ii) Trade receivables	12	32,874.76	32,644.44	29,975.41
(iii) Cash and cash equivalents	13	6,788.28	1,903.92	8,597.51
(iv) Bank balance other than (iii) above	14	6,319.78	3,113.63	10,103.80
(v) Loans	7	29,212.74	25,656.19	8,164.32
(vi) Other Financial assets	8	2,610.97	2,435.82	2,166.38
(c) Other current assets	10	5,359.63	4,503.52	3,995.47
<b>Total Current assets</b>		<b>1,01,277.61</b>	<b>89,591.65</b>	<b>82,101.44</b>
<b>TOTAL ASSETS</b>		<b>4,43,661.34</b>	<b>3,89,450.69</b>	<b>3,59,528.80</b>
General Information	1			
Significant Accounting Policies	2			

See accompanying notes forming part of financial statements.  
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 : 26<sup>th</sup> May, 2017

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

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

For and on behalf of the Board

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017



## STANDALONE BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

(contd.)

[ Rs. in Lakhs ]

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>II EQUITY AND LIABILITIES</b>				
<b>(1) EQUITY</b>				
(a) Equity Share capital	15	7,343.84	7,343.84	7,343.84
(b) Other Equity	16	3,28,334.41	2,85,466.55	2,67,531.03
<b>Total Equity</b>		<b>3,35,678.25</b>	<b>2,92,810.39</b>	<b>2,74,874.87</b>
<b>(2) LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	28,434.87	22,247.32	8,914.63
(b) Provisions	18	8,050.24	7,029.88	6,464.16
(c) Deferred tax liabilities (Net)	19	30,641.93	32,536.63	33,348.35
<b>Total Non-current liabilities</b>		<b>67,127.04</b>	<b>61,813.83</b>	<b>48,727.14</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	683.28	275.26	323.29
(ii) Trade payables	20	22,577.03	18,483.38	23,054.96
(iii) Other financial liabilities	21	14,283.49	12,419.50	9,476.75
(b) Provisions	18	579.24	614.80	489.24
(c) Current Tax Liabilities (Net)	9	819.19	1,302.19	819.19
(d) Other current liabilities	22	1,913.82	1,731.34	1,763.36
<b>Total Current Liabilities</b>		<b>40,856.05</b>	<b>34,826.47</b>	<b>35,926.79</b>
<b>Total Liabilities</b>		<b>1,07,983.09</b>	<b>96,640.30</b>	<b>84,653.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,43,661.34</b>	<b>3,89,450.69</b>	<b>3,59,528.80</b>
General Information	1			
Significant Accounting Policies	2			

See accompanying notes forming part of financial statements.

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 : 26<sup>th</sup> May, 2017

For and on behalf of the Board

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

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

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017

## STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[ Rs. in Lakhs ]

Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
<b>I. Revenue from operations</b>	23	2,30,251.23	2,21,839.82
<b>II. Other Income</b>	24	5,592.40	4,622.54
<b>III. Total Revenue (I + II)</b>		<b>2,35,843.63</b>	<b>2,26,462.36</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	25	64,754.91	66,890.42
Purchase of Stock-in-Trade		427.64	1,297.73
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	567.54	(194.74)
Excise Duty		23,230.20	22,294.81
Employee benefits expense	27	16,976.22	16,210.13
Finance costs	28	1,283.30	992.65
Depreciation and amortisation expense	29	11,092.23	10,743.78
Power, Fuel & Other Utilities	30	48,465.91	55,075.14
Other expenses	31	30,867.25	26,882.30
<b>Total Expenses</b>		<b>1,97,665.20</b>	<b>2,00,192.22</b>
<b>V. Profit before Tax (III - IV)</b>		<b>38,178.43</b>	<b>26,270.14</b>
<b>VI. Tax expense</b>	32		
(a) Current tax		8,140.07	5,424.75
(b) Deferred tax		4,424.10	4,002.85
(c) MAT Credit Entitlement		(5,195.49)	(5,146.58)
		<b>7,368.68</b>	<b>4,281.02</b>
<b>VII. Profit for the year ( V - VI )</b>		<b>30,809.75</b>	<b>21,989.12</b>
<b>VIII. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial Gain / (Loss) on Gratuity		(469.68)	(24.34)
Deferred Tax Assets / (Liabilities) on defined benefit obligation - Gratuity		162.55	8.42
Investment adjustment - FVTOCI		15,381.90	280.16
Deferred Tax Assets / (Liabilities) on net fair value gain on investment in equity instruments at FVTOCI		960.75	(340.43)
<b>Total Other Comprehensive Income (VIII)</b>		<b>16,035.52</b>	<b>(76.19)</b>
<b>IX. Total Comprehensive Income ( VIII + IX )</b>		<b>46,845.27</b>	<b>21,912.93</b>
<b>X. Earning per equity share (face value Rs.10/-each):</b>	33		
(1) Basic (Rs.)		41.95	29.94
(2) Diluted (Rs.)		41.95	29.94
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.

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 : 26<sup>th</sup> May, 2017

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

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

For and on behalf of the Board

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017

## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[ Rs. in Lakhs ]

PARTICULARS	2016-17	2015-16
<b>A Cash Flow from Operating Activities</b>	<b>50,330.97</b>	20,100.77
<b>B Cash Flow from Investing Activities</b>	<b>(46,795.21)</b>	(35,217.86)
<b>C Cash Flow from Financing Activities</b>	<b>1,348.60</b>	8,423.50
<b>D Cash and Cash Equivalents at the beginning of the year</b>	<b>1,903.92</b>	8,597.51
<b>E Cash and Cash Equivalents at the end of the year</b>	<b>6,788.28</b>	1,903.92
<b>F Total Cash Flow During the year (A+B+C) or (E-D)</b>	<b>4,884.36</b>	(6,693.59)
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit / (Loss) Before Tax and Extraordinary Items</b>	<b>38,178.43</b>	<b>26,270.14</b>
<b>Adjustments For :</b>		
<b>Addition / (Deduction)</b>		
Depreciation and Amortisation Expenses	11,092.23	10,743.78
Interest Income	(3,253.62)	(3,249.73)
Dividend Received	(1,314.51)	(1,343.55)
Interest Expense	1,283.30	992.65
Net (Profit) / Loss on Sale of Assets	(93.77)	125.44
Net (Gain) / Loss arising from Financial Assets designated as FVTPL	(250.92)	128.43
Loss on Impairment of Fixed Assets	869.70	-
Provision for Expected credit loss allowances	(225.37)	123.34
<b>Sub Total</b>	<b>8,107.04</b>	<b>7,520.36</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>46,285.47</b>	<b>33,790.50</b>
<b>Decrease or (Increase) in Assets :</b>		
Trade Receivables	(4.94)	(2,792.38)
Loans	(117.09)	10.97
Other Assets	4,923.23	(4,124.45)
Other Financial Assets	(26.13)	(375.50)
Inventories	1,473.59	(363.80)
<b>Increase / (Decrease) in Liabilities :</b>		
Trade Payables and Other Current Liabilities	4,276.13	(4,603.60)
Provisions	490.78	691.28
Other Financial Liabilities	1,844.10	2,824.02
<b>Cash Generated from Operations Before Tax</b>	<b>59,145.14</b>	<b>25,057.04</b>
Direct Taxes Paid	(8,814.17)	(4,956.27)
<b>Net Cash Flow generated from Operating Activities - (Total - A)</b>	<b>50,330.97</b>	<b>20,100.77</b>

## STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (contd.)

[ Rs. in Lakhs ]

P A R T I C U L A R S	2016-17	2015-16
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(37,220.94)	(26,742.40)
Intangible Assets under development	(409.24)	(366.02)
Sale or Adjustment of Fixed Assets	118.61	(104.47)
Increase in Capital Work-in-progress	(6,386.75)	(1,271.46)
Investment in Joint Venture	(294.00)	(6.00)
Purchase of Investments	(322.00)	(884.00)
<b>Bank Balances not considered as Cash Equivalents</b>		
- Deposit placed during the year	(13,540.00)	(44,400.00)
- Deposit matured during the year	10,340.00	51,400.00
Interest Received	3,104.60	3,312.94
Net (increase) / decrease in Short Term Deposits	(3,500.00)	(17,500.00)
Dividend Received	1,314.51	1,343.55
<b>Net Cash used in Investment Activities - (Total - B)</b>	<b>(46,795.21)</b>	<b>(35,217.86)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest and Finance charges paid	(1,263.41)	(873.92)
Dividend paid	(3,983.56)	(3,987.24)
Net Proceeds from Long Term Borrowings	6,187.55	13,332.69
Net Proceeds from Short Term Borrowings	408.02	(48.03)
<b>Net Cash generated from Financing Activities - (Total - C)</b>	<b>1,348.60</b>	<b>8,423.50</b>
<b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</b>		
Cash and Cheques on Hand	452.63	219.00
Balances with Banks	1,451.29	8,378.51
<b>Net Cash and Cash Equivalents at the beginning of the year - (Total - D)</b>	<b>1,903.92</b>	<b>8,597.51</b>
<b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</b>		
Cash and Cheques on Hand	3.09	452.63
Balances with Banks	6,785.19	1,451.29
<b>Net Cash and Cash Equivalents at the end of the year - (Total - E)</b>	<b>6,788.28</b>	<b>1,903.92</b>
<b>F TOTAL CASH FLOW DURING THE YEAR (A+B+C) OR (E-D)</b>	<b>4,884.36</b>	<b>(6,693.59)</b>

**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.

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 : 26<sup>th</sup> May, 2017

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

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

**For and on behalf of the Board**

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017



## STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[ Rs. in Lakhs ]

ATTRIBUTABLE TO THE EQUITY HOLDERS								
Particulars	Equity Share Capital	Retained Earnings					Other Comprehensive Income - Fair value of equity instrument	Total Equity
		Capital Reserve	General Reserve	Security Premium	Acturial Gain / Loss on Gratuity	Retained Earnings		
Balance as at April 1, 2015	7,343.84	0.24	1,17,511.91	23,423.18	-	68,853.57	57,742.13	2,74,874.87
Profit for the year	-	-	-	-	-	21,989.12	-	21,989.12
Transfer to General Reserve	-	-	11,083.30	-	-	(11,083.30)	-	-
Other comprehensive income for the year	-	-	-	-	(15.92)	-	(60.27)	(76.19)
<b>Total Comprehensive income for the year</b>	-	-	<b>11,083.30</b>	-	<b>(15.92)</b>	<b>10,905.82</b>	<b>(60.27)</b>	<b>21,912.93</b>
Dividend	-	-	-	-	-	(3,304.66)	-	(3,304.66)
Dividend distribution tax	-	-	-	-	-	(672.75)	-	(672.75)
Balance as at March 31, 2016	7,343.84	0.24	1,28,595.21	23,423.18	(15.92)	75,781.98	57,681.86	2,92,810.39
Profit for the year	-	-	-	-	-	30,809.75	-	30,809.75
Transfer to General Reserve	-	-	15,404.87	-	-	(15,404.87)	-	-
Other comprehensive income for the year	-	-	-	-	(307.13)	-	16,342.65	16,035.52
<b>Total Comprehensive income for the year</b>	-	-	<b>15,404.87</b>	-	<b>(307.13)</b>	<b>15,404.88</b>	<b>16,342.65</b>	<b>46,845.27</b>
Dividend	-	-	-	-	-	(3,304.66)	-	(3,304.66)
Dividend distribution tax	-	-	-	-	-	(672.75)	-	(672.75)
Balance as at March 31, 2017	7,343.84	0.24	1,44,000.08	23,423.18	(323.05)	87,209.45	74,024.51	3,35,678.25

## 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 36 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 – 391 346, District Vadodara, Gujarat, India. The equity shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

The financial statements are approved for issue by the Company's Board of Directors on 26<sup>th</sup> May, 2017.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### (1) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015.

Up to the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of the Standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Company's first Ind AS adopted financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2(19) for the details of first-time adoption exemptions availed by the Company. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016 and April 1, 2015.

##### (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.

##### (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.

##### (4) Revenue Recognition

###### (a) Sale of Goods :

Revenue from the sale of Goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- (i) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) the amount of revenue can be measured reliably;
- (iv) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are net of discounts, sales tax and value added tax but includes handling charges and packing charges. The Sales figure is grossed up to include Excise duty collected on sales.

###### (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.

###### (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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### (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 net profit in the Statement of Profit and Loss over the lease term.

### (6) Foreign Currencies

#### (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).

#### (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. 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.

### (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.

### (8) Employee Benefits

#### (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.

#### (b) Post-Employment Benefits :

##### (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.

##### (ii) Defined Benefit Plans :

The Gratuity Scheme managed by Life Insurance Corporation of India through a Trust is considered as defined benefit plan. The present value of the obligation is determined based on actuarial valuation 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.

##### (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.

### (9) Income Taxes

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

#### (a) Current Tax :

The tax currently payable is based on taxable profit for the year. Taxable profit differs from Profit Before

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

### (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.

### (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.

### (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
Furniture and Fixtures	5-10 years
Vehicles	8-10 years

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life as prescribed under Schedule II of the Companies Act 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.:

- (i) Remembraning of Membrane cell elements-4 years
- (ii) Recoating of Anode and Cathode membrane cell elements-8 years
- (iii) 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 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.

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

date) measured as per the previous GAAP and considered that carrying value as its deemed cost as of the transition date.

### (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:

Intangible Asset	Useful Life
Capitalised Development	5 Years

### (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.

### (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 bringing them to their respective present location and condition.

### (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.

### (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 :

##### (a) Non-derivative financial instruments :

###### (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 consists of balances with banks which are unrestricted for withdrawal and usage.

###### (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.

###### (iii) Financial assets at fair value through Other Comprehensive Income (FVTOCI) :

A financial asset is subsequently measured at fair value through Other Comprehensive

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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.

(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.

(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.

(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.

(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 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.

(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 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.

(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.

(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.

(19) **First-time adoption-mandatory exceptions and optional exemptions**

**Overall Principle :**

The Company has prepared the opening Balance Sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

**Classification of Debt Instruments :**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

**Impairment of financial assets :**

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### Deemed cost for property, plant and equipment and intangible assets :

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### Equity investments at FVTOCI :

The Company has designated investment in equity instruments as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

## (20) Recent accounting pronouncements

### (i) Standards issued but not yet effective :

In March, 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of Cashflows' and IFRS 2. This amendment is applicable to the Company from April 1, 2017.

### (ii) Amendment of Ind AS 7 :

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

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

## (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 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-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 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 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 Company 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 STANDALONE FINANCIAL STATEMENTS**
**3 - PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Carrying Amounts of :</b>			
Land Freehold	102.75	102.75	102.75
Land Leasehold	6,327.51	1,332.35	1,324.85
Buildings	12,817.08	12,966.28	13,464.29
Plant and equipment	1,87,086.48	1,66,668.96	1,50,147.84
Plant and equipment under Finance Lease	444.37	460.44	477.84
Furniture and Fixture	423.09	410.08	401.58
Vehicles	117.30	136.07	176.79
	<b>2,07,318.58</b>	<b>1,82,076.93</b>	<b>1,66,095.94</b>
Capital Work-In-Progress	14,337.37	7,950.62	6,679.16
	<b>14,337.37</b>	<b>7,950.62</b>	<b>6,679.16</b>
<b>Total :</b>	<b>2,21,655.95</b>	<b>1,90,027.55</b>	<b>1,72,775.10</b>

[ Rs. in Lakhs ]

Fixed Assets	Land Freehold	Land Leasehold*	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Furniture & Fixture	Vehicles	Recoating/ Rememb- rancing**	Power, Water & Services**	Total
<b>Cost</b>										
<b>As at April 1, 2015</b>	102.75	1,324.85	13,464.29	1,46,476.13	477.84	401.58	176.79	3,538.73	132.98	1,66,095.94
Additions	-	523.85	80.26	21,184.86	-	103.78	0.31	3,167.41	-	25,060.47
Adjustment	-	(469.84)	-	773.42	-	-	-	-	-	303.58
Deductions	-	(28.57)	-	(446.24)	(86.76)	-	-	-	-	(561.57)
Foreign currency exchange difference	-	-	-	1,681.93	-	-	-	-	-	1,681.93
<b>As at March 31, 2016</b>	102.75	1,350.29	13,544.55	1,69,670.10	391.08	505.36	177.10	6,706.14	132.98	1,92,580.35
Additions	-	5,010.78	428.46	31,844.77	-	99.29	20.89	303.93	-	37,708.12
Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	(267.02)	(59.83)	(0.82)	(14.95)	-	-	(342.62)
Effect of Exchange difference	-	-	-	(487.18)	-	-	-	-	-	(487.18)
<b>As at March 31, 2017</b>	102.75	6,361.07	13,973.01	2,00,760.67	331.25	603.83	183.04	7,010.07	132.98	2,29,456.67





## 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*	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Furniture & Fixture	Vehicles	Recoating/ Remembraning**	Power, Water & Services**	Total
<b>Depreciation &amp; Impairment</b>										
As at April 1, 2015	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	47.75	578.27	8,593.21	13.07	95.28	41.03	1,241.60	96.88	10,707.09
Recoupment / Adjustment	-	(27.85)	-	61.20	-	-	-	-	-	33.35
Deductions	-	(1.96)	-	(152.63)	(82.43)	-	-	-	-	(237.02)
Effect of Foreign currency exchange difference	-	-	-	-	-	-	-	-	-	-
As at March 31, 2016	-	17.94	578.27	8,501.78	(69.36)	95.28	41.03	1,241.60	96.88	10,503.42
Depreciation for the year	-	15.62	577.66	9,142.13	13.07	86.00	37.54	1,176.63	36.10	11,084.75
Impairment for the year	-	-	-	869.70	-	-	-	-	-	869.70
Deductions	-	-	-	(247.58)	(56.83)	(0.54)	(12.83)	-	-	(317.78)
As at March 31, 2017	-	33.56	1,155.93	18,266.03	(113.12)	180.74	65.74	2,418.23	132.98	22,140.09
<b>Net Block</b>										
As at March 31, 2017	102.75	6,327.51	12,817.08	1,82,494.64	444.37	423.09	117.30	4,591.84	-	2,07,318.58
As at March 31, 2016	102.75	1,332.35	12,966.28	1,61,168.32	460.44	410.08	136.07	5,464.54	36.10	1,82,076.93
As at April 1, 2015	102.75	1,324.85	13,464.29	1,46,476.13	477.84	401.58	176.79	3,538.73	132.98	1,66,095.94

\* Lease hold land amortised during Financial Year 2016-17 of Rs.15.62 lakhs (Ref. Sr. No. 10 of Note No. 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.

\*\* The Company's contribution or expenditure towards Power, Water and Services not owned by the Company has been capitalised and is amortised over a period of eighteen years starting from 15.08.1998 being the date of start of operations.

\*\*\* The Gross value and depreciation / amortisation amounting to Rs.1,283.00 lakhs of Recoating / Remembraning is eliminated from Gross Block and Depreciation / amortisation for those assets which are fully written off till 31.03.2016. Recoating and Remembraning expenditure are amortised over a useful life of 8 years and 4 years respectively as decided by management.

Borrowing Cost capitalised during the year Rs.267.41 Lakhs (Previous Year: Rs.424.15 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 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Carrying Amounts of :</b>			
Computer Software	26.93	30.38	-
	<b>26.93</b>	<b>30.38</b>	-
Intangible assets under development	737.52	332.31	-
	<b>737.52</b>	<b>332.31</b>	-
	<b>764.45</b>	<b>362.69</b>	-

Other Intangible Assets	Computer Software
<b>Cost</b>	
<b>As at April 1, 2015</b>	-
Additions	33.71
Disposals or classified as held for sale	-
Foreign currency exchange difference	-
<b>As at March 31, 2016</b>	<b>33.71</b>
Additions	4.03
Additions from internal developments	-
Acquisitions through business combinations	-
Disposals or classified as held for sale	-
Foreign currency exchange difference	-
<b>As at March 31, 2017</b>	<b>37.74</b>
<b>Accumulated amortisation and impairment</b>	
<b>As at April 1, 2015</b>	-
Amortisation expense	3.33
<b>As at March 31, 2016</b>	<b>3.33</b>
Amortisation expense	7.48
<b>As at March 31, 2017</b>	<b>10.81</b>
<b>Net Block</b>	
<b>As at March 31, 2017</b>	<b>26.93</b>
As at March 31, 2016	30.38
As at April 1, 2015	-

Particulars	Intangibles under Development
<b>As at April 1, 2015</b>	-
Additions from Internal Developments	332.31
<b>As at March 31, 2016</b>	<b>332.31</b>
Additions from Internal Developments	405.21
<b>As at March 31, 2017</b>	<b>737.52</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 5 - INVESTMENT IN JOINT VENTURE

[ Rs. in Lakhs ]

Particulars	Nos.	Face Value Rs.	As at 31.03.2017	Nos.	As at 31.03.2016	As at 01.04.2015
<b>Unquoted Investments (all fully paid) :</b> Investment in fully paid Equity Shares of GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	30,00,000	10	300.00	60,000	6.00	-
<b>GRAND TOTAL :</b>			<b>300.00</b>		<b>6.00</b>	-

#### Details and financial information of Joint Venture

Name of Joint Venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group		
			As at 31/03/17	As at 31/03/16	As at 01/04/15
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Manufacture and Sale of Chlor-Alkali Products	India	60%	60%	0%

The Company and National Aluminium Company Ltd. (NALCO), a Government of India Enterprise have jointly incorporated a new company GACL-NALCO Alkalies & Chemicals Pvt. Ltd. on 4<sup>th</sup> December, 2015 for setting up of 800 TPD Caustic Soda Plant and 100 MW Coal based Power Plant at Dahej, Gujarat with a total cost of Rs.1,800.00 crores. 60% shares of the company is owned by GACL.

#### Summarised financial information in respect of Joint Venture :

[ Rs. in Lakhs ]

Particulars	For the year ended		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non-Current Liabilities	-	-	-
Current Liabilities	119.47	73.49	-
Non-Current Assets	55.07	25.69	-
Current Assets	2,594.18	10.00	-
<b>The above amounts of Assets and Liabilities include the following :</b>			
Cash and Cash equivalents	2,315.69	10.00	-
Current Financial Liabilities (excluding Trade Payables and Provisions)	2.36	-	-

[ Rs. in Lakhs ]

Particulars	For the year ended		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Revenue	10.88	-	-
Profit or Loss from continuing operations	(198.53)	(47.80)	-
Profit (Loss) for the year	(201.93)	(47.80)	-
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	(201.93)	(47.80)	-
<b>The above profit (Loss) for the year include the following :</b>			
Depreciation and Amortisation	0.38	0.11	-
Interest Income	10.88	-	-
Income Tax Expense (Income)	3.40	-	-

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**6 - OTHER INVESTMENTS**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
<b>Non - Current :</b>						
<b>1 Investment in Equity Instruments (Quoted) :</b>						
a Gujarat Industries Power Company Limited	2,30,88,980	23,793.19	2,30,88,980	18,390.37	2,30,88,980	19,614.09
b Gujarat State Fertilizers and Chemicals Limited	75,00,000	9,825.00	75,00,000	4,818.75	75,00,000	6,243.75
c Gujarat Lease Financing Limited	2,50,000	11.25	2,50,000	6.13	2,50,000	5.32
d Gujarat Gas Limited *	42,63,157	32,773.02	42,63,157	23,556.07	-	-
<b>Total - 1 (Quoted)</b>		<b>66,402.46</b>		<b>46,771.32</b>		<b>25,863.16</b>
<b>2 Investment in Equity Instruments (Unquoted) :</b>						
a Gujarat Data Electronics Limited	40,000	4.00	40,000	4.00	40,000	4.00
Less :- Provision for Diminution in the value of Investment		(4.00)		(4.00)		(4.00)
		-		-		-
b Gujarat Venture Finance Limited	1,80,000	199.89	1,80,000	167.40	1,80,000	133.20
c Gujarat Guardian Limited	74,25,000	11,521.37	74,25,000	9,355.50	74,25,000	9,726.75
d Gujarat State Petroleum Corporation Limited	2,15,43,200	7,352.69	2,15,43,200	13,313.70	2,15,43,200	12,516.60
e Gujarat Chemical Port Terminal Company Limited	6,13,90,000	9,969.74	6,13,90,000	10,374.91	6,13,90,000	9,147.11
f Vadodara Enviro Channel Limited	7,151	478.21	7,151	452.87	7,151	427.20
g Bhavnagar Energy Company Limited **	5,92,20,000	4,370.44	5,60,00,000	4,155.20	4,71,60,000	3,503.99
h GSPC Gas Company Limited *		-		-	40,00,000	22,108.73
<b>Total - 2 (Unquoted)</b>		<b>33,892.34</b>		<b>37,819.58</b>		<b>57,563.58</b>
<b>3 Investment in Government Securities (Unquoted) :</b>						
a Six Year National Saving Certificate (Pledged for renewal of licence)		-		-		0.20
<b>GRAND TOTAL :</b>		<b>1,00,294.80</b>		<b>84,590.90</b>		<b>83,426.94</b>
<b>Current :</b>						
<b>(A) Investment in Equity Instruments (Quoted) :</b>						
1 IDBI Bank Ltd.	3,18,800	239.42	3,18,800	221.25	3,18,800	226.35
2 Housing Development Finance Corporation Ltd.	58,700	881.73	58,700	648.99	58,700	772.31
		<b>1,121.15</b>		<b>870.24</b>		<b>998.66</b>
<b>(B) Investment in Government Securities (Unquoted) :</b>						
Six Year National Saving Certificate (Pledged for renewal of licence)		0.20		0.20		-
		<b>0.20</b>		<b>0.20</b>		<b>-</b>
<b>GRAND TOTAL :</b>		<b>1,121.35</b>		<b>870.44</b>		<b>998.66</b>
<b>Aggregate Book Value of quoted investments</b>		<b>67,523.61</b>		<b>47,641.56</b>		<b>26,861.82</b>
<b>Aggregate Market Value of quoted investments</b>		<b>67,523.61</b>		<b>47,641.56</b>		<b>26,861.82</b>
<b>Aggregate Carrying Value of unquoted investments</b>		<b>33,892.34</b>		<b>37,819.58</b>		<b>57,563.78</b>
<b>Aggregate amount of impairment in value of Investments</b>		<b>4.00</b>		<b>4.00</b>		<b>4.00</b>
<b>Category-wise other Investments - as per Ind AS 109 classification :-</b>						
Financial assets carried at Fair Value Through Profit or Loss (FVTPL) (Equity Instruments)		1,121.15		870.24		998.66
Financial assets carried at amortised cost (Govt. Securities)		0.20		0.20		0.20
Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) (Equity Instruments)		1,00,294.80		84,590.90		83,426.74

\* During the Financial Year 2015-16 in pursuance of Amalgamation and arrangement scheme Company has received Equity Shares of Gujarat Gas Limited in lieu of shares held in GSPC Gas Company Ltd.

\*\* Restriction to transfer the shares till successful commercial operation by the Company.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 7 - LOANS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current :</b>			
<b>Unsecured - Considered Good :</b>			
Loans to Employees	67.30	14.55	17.39
Loans to Officers	7.79	-	-
<b>Total :</b>	<b>75.09</b>	<b>14.55</b>	<b>17.39</b>
<b>Current :</b>			
<b>Unsecured - Considered Good :</b>			
Loan to Gujarat Chemical Port Terminal Company Limited	-	-	53.00
Inter Corporate Deposit with Gujarat State Financial Services Ltd. (Related party - Refer Note-37)	29,000.00	25,500.00	8,000.00
Loans to Employees	192.09	156.19	111.32
Loans to Officers	20.65	-	-
<b>Total :</b>	<b>29,212.74</b>	<b>25,656.19</b>	<b>8,164.32</b>

### 8 - OTHER FINANCIAL ASSETS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current :</b>			
<b>Unsecured - Considered Good :</b>			
Security Deposits	1,974.09	1,974.09	1,931.24
<b>Total :</b>	<b>1,974.09</b>	<b>1,974.09</b>	<b>1,931.24</b>
<b>Current :</b>			
<b>Unsecured - Considered Good :</b>			
Security Deposits	151.57	137.07	107.22
Amount receivable from DGVCL for Wind Farm Credit	701.16	707.09	453.68
Receivable from GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (Related party - Refer Note - 37)	66.95	49.39	-
Interest receivable	1,691.29	1,542.27	1,605.48
<b>Total :</b>	<b>2,610.97</b>	<b>2,435.82</b>	<b>2,166.38</b>

### 9 - NON-CURRENT TAX ASSETS (NET)

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Tax Assets (Net)	9,273.44	9,082.35	9,067.84
<b>Total:</b>	<b>9,273.44</b>	<b>9,082.35</b>	<b>9,067.84</b>

### CURRENT TAX LIABILITIES (NET)

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Tax Liabilities (Net)	819.19	1,302.19	819.19
<b>Total:</b>	<b>819.19</b>	<b>1,302.19</b>	<b>819.19</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

## 10 - OTHER ASSETS

[Rs. in Lakhs]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non - Current :</b>			
<b>Unsecured - Considered Good :</b>			
Capital Advances*	5,549.37	11,043.04	7,724.15
Balance with Excise & Customs **	1,257.55	1,274.92	1,274.92
Prepaid Long Term Employee Benefits (Gratuity)	-	277.14	270.25
Duty Drawback receivable	2.53	2.53	2.53
Prepaid Expenses	7.43	4.65	6.75
Prepayment for leasehold land	1,229.03	1,198.63	930.25
<b>Total :</b>	<b>8,045.91</b>	<b>13,800.91</b>	<b>10,208.85</b>
<b>Current :</b>			
<b>Unsecured - Considered Good :</b>			
Prepaid Long Term Employee Benefits (Gratuity)	-	49.27	40.58
Advance to suppliers	1,144.77	821.51	934.72
Duty Drawback Receivable	69.27	77.01	61.81
Balance with Excise & Customs	220.55	87.48	205.11
Prepaid Expenses	111.05	99.33	55.58
Prepayment for leasehold land	80.90	79.50	61.40
CENVAT & VAT Credit receivable	3,425.05	2,856.19	2,582.07
Other Loans and Advances	308.04	433.23	54.20
<b>Total :</b>	<b>5,359.63</b>	<b>4,503.52</b>	<b>3,995.47</b>

\* Capital Advances includes advance payment made for lease hold lands allotted pending execution of lease deeds :

- (i) Rs.1,732.59 lakhs (F.Y. 2015-16 Rs.1,591.36 lakhs, F.Y. 2014-15 Rs.1,555.87 lakhs) towards plot No. D-III/3 in exchange of Plot No. 42/1 at Dahej measuring 5,16,548 sq. mtrs.
- (ii) Rs. Nil lakhs (F.Y. 2015-16 Rs.4,411.70 lakhs, F.Y. 2014-15 Rs.4,304.18 lakhs) towards Plot No. D-II/9 at Dahej admeasuring 7,68,709.48 sq. mtrs.
- (iii) Rs.923.08 lakhs (F.Y. 2015-16 Rs.923.08 lakhs, F.Y. 2014-15 Rs.924.02 lakhs) towards plot No. B-37 to B-44 at village Atali admeasuring 50,714.48 sq. mtrs.

\*\* 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 custom 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 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Raw Materials and Components	3,137.80	3,485.28	4,209.77
Goods-in-Transit	3,071.57	2,676.08	2,469.26
	6,209.37	6,161.36	6,679.03
(b) Work-in-Progress	576.38	626.43	592.24
(c) Finished Goods	3,356.49	4,178.59	4,018.82
Goods-in-Transit	324.60	19.99	19.21
	3,681.09	4,198.58	4,038.03
(d) Stores and Spares	6,082.93	7,055.17	6,449.38
Goods-in-Transit	-	7.84	4.06
	6,082.93	7,063.01	6,453.44
(e) Others :			
Packing Materials	318.06	311.33	271.43
Furnace Oil	17.16	17.16	17.16
Building Materials	105.11	85.82	48.56
	440.33	414.31	337.15
<b>Total :</b>	<b>16,990.10</b>	<b>18,463.69</b>	<b>18,099.89</b>

### 12 - TRADE RECEIVABLES

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Current :</b>			
(a) Trade Receivable from related parties : (Refer Note-37)			
Secured, considered good	2,080.89	1,801.30	1,352.53
(b) Others :			
Secured, considered good	3,652.54	4,076.95	3,579.52
Unsecured, considered good	26,985.90	27,038.55	25,244.08
Unsecured, considered Doubtful *	2,033.46	1,831.05	1,779.34
	34,752.79	34,747.85	31,955.47
Less : Allowance for expected credit losses	1,878.03	2,103.41	1,980.06
<b>Total :</b>	<b>32,874.76</b>	<b>32,644.44</b>	<b>29,975.41</b>

\* The Trade Receivables include overdue outstanding from various parties aggregating to Rs. 1,206.92 lakhs, (Previous Year Rs.1,301.67 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. 1,206.92 lakhs (Previous Year Rs.1,230.30 lakhs) exists for such doubtful debts as on 31.03.2017.

The average credit period on sale of goods is 51 days. However, no interest is charged on Trade Receivables for delay in payment beyond 51 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 :

Particulars	Expected Credit Loss	
	As at 31.03.2017	
Within the Credit Period	0.20%	
1-60 days past due	5.36%	
61-180 days past due	33.60%	
181-2 years past due	43.58%	
2-5 years past due	83.33%	
Above 5 years past due	100%	

### Age of Receivables :

Particulars	[ Rs. in Lakhs ]		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Within the Credit Period	30,649.13	28,411.21	27,200.69
1-60 days past due	1,743.24	3,958.59	2,640.63
61-180 days past due	654.84	474.86	238.34
181-2 years past due	344.96	196.33	103.43
2-5 years past due	36.45	289.85	184.45
Above 5 years past due	1,324.16	1,417.01	1,587.94
	<b>34,752.79</b>	<b>34,747.85</b>	<b>31,955.47</b>

### Movement in Expected Credit Loss Allowance :

Particulars	[ Rs. in Lakhs ]	
	As at 31.03.2017	As at 31.03.2016
Balance at beginning of the year	2,103.41	1,980.07
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	(225.37)	123.34
<b>Balance at end of the year</b>	<b>1,878.04</b>	<b>2,103.41</b>

At March 31, 2017; March 31, 2016 and April 01, 2015, the major customers accounted for the following amounts of the Company's Trade Receivables :

Sr. No.	Dealer Name	[ Rs. in Lakhs ]					
		Balance as at 31.03.2017		Balance as at 31.03.2016		Balance as at 01.04.2015	
		Amount (Rs.)	% to Total Debtors	Amount (Rs.)	% to Total Debtors	Amount (Rs.)	% to Total Debtors
1	Dealer-A	4,853.63	13.97	5,205.47	14.98	4,315.19	13.50
2	Dealer-B	2,279.53	6.56	1,981.97	5.70	2,520.49	7.89
3	Dealer-C	3,030.50	8.72	2,457.88	7.07	2,551.23	7.98
4	Dealer-D	2,329.78	6.70	2,375.25	6.84	2,661.04	8.33
5	Dealer-E	1,889.63	5.44	1,454.43	4.19	1,441.67	4.51
	<b>Total ( 1 To 5 )</b>	<b>14,383.07</b>	<b>41.39</b>	<b>13,475.00</b>	<b>38.78</b>	<b>13,489.62</b>	<b>42.21</b>
	<b>Total Trade Receivable-GAACL</b>	<b>34,752.79</b>	<b>100.00</b>	<b>34,747.85</b>	<b>100.00</b>	<b>31,955.47</b>	<b>100.00</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 13 - CASH AND CASH EQUIVALENTS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Cash and Cash Equivalents :</b>			
Balances with Banks :			
Current Account	2,785.19	1,281.29	378.51
Cheques, Drafts on hand	-	450.52	215.23
Cash on hand	2.83	2.06	3.70
Others :			
Stamps on hand	0.26	0.05	0.07
Fixed Deposits with Banks	-	170.00	8,000.00
Deposit with Gujarat State Financial Services Ltd. (Related Party - Refer Note-37)	4,000.00	-	-
<b>Total :</b>	<b>6,788.28</b>	<b>1,903.92</b>	<b>8,597.51</b>

### 14 - OTHER BALANCES WITH BANKS

[ Rs. in Lakhs ]

Particulars	As per Ind AS 31.03.2017	As per Ind AS 31.03.2016	As per Ind AS 01.04.2015
<b>Other Bank Balances consist of the following:</b>			
Fixed Deposits with Banks	6,200.00	3,000.00	10,000.00
Unpaid Dividend*	119.78	113.63	103.80
<b>Total :</b>	<b>6,319.78</b>	<b>3,113.63</b>	<b>10,103.80</b>

\* During the year, the Company has transferred Rs.12.33 lakhs to Investor Education & Protection Fund for FY 2008-09.

### Disclosure on Specified Bank Notes (SBNs)

[ Rs. in Lakhs ]

Particulars	Specified Bank Notes	Other Denomination Notes	Total
SBNs Other denomination notes Total			
<b>Closing cash in hand as on 08.11.2016</b>	1.45	1.75	3.20
<b>Transaction : From 08-11-2016 to 30-12-2016 :</b>			
(+) Permitted receipts	0.44	11.64	12.08
(-) Permitted payments	-	(8.44)	(8.44)
(-) Amount deposited in Banks	(1.89)	-	(1.89)
<b>Closing cash in hand as on 30.12.2016</b>	-	4.95	4.95

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**15 - SHARE CAPITAL**

[Rs. in Lakhs]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Equity Share Capital</b>			
<b>(a) Authorised Share Capital :</b>			
10,00,00,000 Equity Shares of Rs. 10/- each	10,000.00	10,000.00	10,000.00
50,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each	5,000.00	5,000.00	5,000.00
	<b>15,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>
<b>(b) Issued :</b>			
7,34,39,875 Equity Shares of Rs.10/- each (As at March 31, 2016 :7,34,39,875; As at April 1, 2015 : 7,34,39,875)	7,343.99	7,343.99	7,343.99
<b>(c) Less : Subscribed &amp; Not Fully Paid-up (forefeited) :</b>			
2,947 Equity Shares of Rs.10/- each (As at March 31, 2016 : 2,947 ; As at April 1, 2015 : 2,947)	0.15	0.15	0.15
<b>(d) Subscribed &amp; Fully Paid-up :</b>			
7,34,36,928 Equity Shares of Rs.10/- each (As at March 31, 2016 :7,34,36,928; As at April 1, 2015 : 7,34,36,928)	7,343.84	7,343.84	7,343.84
<b>Total :</b>	<b>7,343.84</b>	<b>7,343.84</b>	<b>7,343.84</b>

**(i) Reconciliation of the number of equity shares :**

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number	[Rs. in Lakhs]	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	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	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 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
		No. of shares held	% of shares held	No. of shares held	% of shares held	No. of shares held	% of shares held
1	Lok Prakashan Ltd.	1,62,15,732	22.08	1,60,75,325	21.89	1,60,75,325	21.89
2	Gujarat State Investment Ltd.	1,53,29,373	20.87	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	71,19,028	9.69
4	Gujarat Mineral Development Corporation Ltd.	41,45,433	5.64	41,45,433	5.64	41,45,433	5.64

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 16 - OTHER EQUITY

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
a. General Reserve	1,44,000.08	1,28,595.21	1,17,511.91
b. Securities Premium Reserve	23,423.18	23,423.18	23,423.18
c. Capital Reserve	0.24	0.24	0.24
d. Reserve for equity instruments through other comprehensive income	73,701.46	57,665.94	57,742.13
e. Retained Earnings	87,209.45	75,781.98	68,853.57
	<b>3,28,334.41</b>	<b>2,85,466.55</b>	<b>2,67,531.03</b>
<b>a. General Reserve :</b>			
Balance at beginning of year	1,28,595.21	1,17,511.91	
Transferred from Surplus Balance in the Statement of Profit and Loss	15,404.87	11,083.30	
<b>Balance at end of year</b>	<b>1,44,000.08</b>	<b>1,28,595.21</b>	
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>b. Securities Premium Reserve :</b>			
Balance at beginning of year	23,423.18	23,423.18	
Movements	-	-	
<b>Balance at end of year</b>	<b>23,423.18</b>	<b>23,423.18</b>	
<b>c. Capital Reserve :</b>			
Balance at beginning of year	0.24	0.24	
Movements	-	-	
<b>Balance at end of year</b>	<b>0.24</b>	<b>0.24</b>	
<b>d. Reserve for equity instruments through other comprehensive income :</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Balance at beginning of year	57,665.94	57,742.13	
Net fair value gain on investments in equity instruments at FVTOCI	15,381.90	280.16	
Other Comprehensive Income arising from Actuarial Gain / Loss on defined benefit obligation - Gratuity	(469.68)	(24.34)	
Deferred tax on defined benefit obligation - Gratuity	162.55	8.42	
Income tax on net fair value gain on investment in equity instruments at FVTOCI	960.75	(340.43)	
<b>Balance at end of year</b>	<b>73,701.46</b>	<b>57,665.94</b>	
<b>e. Retained Earnings :</b>			
Balance at beginning of year (P&L)	75,781.98	68,853.57	
Profit attributable to owners of the Company (Profit for the year)	30,809.75	21,989.12	
Payment of Dividend on Equity Shares	(3,304.66)	(3,304.66)	
Payment of Dividend distribution tax	(672.75)	(672.75)	
Transfer to General Reserve	(15,404.87)	(11,083.30)	
<b>Balance at end of year</b>	<b>87,209.45</b>	<b>75,781.98</b>	

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**17 - BORROWINGS**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current :</b>			
<b>Secured - at amortised cost :</b>			
<b>Term Loans from Banks :</b>			
External Commercial Borrowing from ICICI Bank*	11,078.11	-	4,064.95
External Commercial Borrowing from HDFC Bank**	-	2,549.98	4,849.68
External Commercial Borrowing from HSBC Bank***	17,356.76	19,697.34	-
<b>Total :</b>	<b>28,434.87</b>	<b>22,247.32</b>	<b>8,914.63</b>

The terms of repayment of borrowings are stated below:

- \* The Loan is secured by plant and machinery of 14.7 MW Wind Farm Project at Kuchhdi, 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.
- \*\* The Loan is secured by plant and machinery of 20,000 MTA Sodium Chlorate Project at Dahej, Dist. Bharuch, Gujarat. It has to be repaid in 10 equal half yearly installments from 14.08.2013 and carries interest rate of LIBOR plus 3.50% p.a.
- \*\*\* The Loan is secured by plant and machinery of 31 MW Wind Farm Project at in Dist. Rajkot & Kachchh, Gujarat and Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat. It has to be repaid in 10 equal half yearly installments from 07.01.2018 and carries interest rate of LIBOR plus 1.80% p.a.

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Current :</b>			
<b>Secured</b>			
Loans repayable on demand from Banks*	683.28	275.26	323.29
<b>Total :</b>	<b>683.28</b>	<b>275.26</b>	<b>323.29</b>

- \* The Company has working capital facilities with various Banks carrying interest rate ranging from 9.65% to 14.75%. These facilities are secured by first charge by hypothecation of stocks and book debts and second charge over the immovable assets of the Company.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 18 - PROVISIONS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current :</b>			
<b>(A) Provision for Employees' Benefits</b>			
(i) Gratuity	170.43	-	-
(ii) Compensated Absences	4,773.33	4,028.98	3,773.23
(iii) Long Service Award	50.90	48.24	40.93
<b>(B) Provision for Other Liabilities *</b>	1,719.66	1,719.66	1,719.66
<b>(C) Asset Retirement Obligations (Windmills)</b>	1,335.92	1,233.00	930.34
<b>Total :</b>	<b>8,050.24</b>	<b>7,029.88</b>	<b>6,464.16</b>
<b>Current :</b>			
<b>(A) Provision for Employees' Benefits</b>			
(i) Gratuity	22.48	-	-
(ii) Compensated Absences	513.40	575.53	454.92
(iii) Long Service Award	43.36	39.27	34.32
<b>Total :</b>	<b>579.24</b>	<b>614.80</b>	<b>489.24</b>

\* 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.

### 19 - DEFERRED TAX LIABILITIES (NET)

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Tax assets	(17,480.54)	(11,616.70)	(6,188.26)
Deferred Tax liabilities	48,122.47	44,153.33	39,536.61
<b>Deferred Tax Liabilities (Net)</b>	<b>30,641.93</b>	<b>32,536.63</b>	<b>33,348.35</b>

2016-2017 :

[Rs. in Lakhs]

Deferred tax liabilities / (assets) in relation to:	Opening balance as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Acquisitions/ disposals	Liabilities associated with assets classified as held for sale	Closing Balance
Property, Plant and Equipment	37,313.18	4,929.89	-	-	-	-	-	42,243.07
Employee Benefits	(8.42)	-	(162.55)	-	-	-	-	(170.97)
Investments	6,840.15	-	(960.75)	-	-	-	-	5,879.40
Disallowances / Allowances	(2,128.51)	(505.79)	-	-	-	-	-	(2,634.30)
MAT Credit Entitlement	(9,479.77)	(5,195.50)	-	-	-	-	-	(14,675.27)
<b>Total :</b>	<b>32,536.63</b>	<b>(771.40)</b>	<b>(1,123.30)</b>	-	-	-	-	<b>30,641.93</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

2015-2016 :

[Rs. in Lakhs]

Deferred tax liabilities / (assets) in relation to:	Opening balance as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Acquisitions/ disposals	Liabilities associated with assets classified as held for sale	Closing Balance
Property, Plant and Equipment	33,036.89	4,276.29	-	-	-	-	-	37,313.18
Employee Benefits	-	-	(8.42)	-	-	-	-	(8.42)
Investments	6,499.72	-	340.43	-	-	-	-	6,840.15
Disallowances / Allowances	(1,855.07)	(273.44)	-	-	-	-	-	(2,128.51)
MAT Credit Entitlement	(4,333.19)	(5,146.58)	-	-	-	-	-	(9,479.77)
<b>Total :</b>	<b>33,348.35</b>	<b>(1,143.73)</b>	<b>332.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,536.63</b>

**20 - TRADE PAYABLES**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Current :</b>			
Trade Payable to related parties (Refer Note-37) :	74.69	74.20	62.97
Trade Payables (Refer note below for details of dues to Micro, Small and Medium Enterprises)	22,502.34	18,409.18	22,991.99
<b>Total :</b>	<b>22,577.03</b>	<b>18,483.38</b>	<b>23,054.96</b>
<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")</b>			
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,117.50	1,041.15	886.45
(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 38 days for current year (previous year 41 days). 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 21 - OTHER FINANCIAL LIABILITIES

[ Rs. in Lakhs ]

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
<b>Current :</b>			
Current maturities of long term secured debts *	6,218.73	7,016.34	6,666.67
Interest accrued but not due on borrowings	174.13	154.24	35.51
Unpaid dividends	119.78	113.64	103.80
Payables for capital goods	6,899.32	4,250.15	1,705.28
Security Deposits / Earnest Money Deposits	871.03	884.63	964.99
Current maturities of finance lease obligations (from a financial institution)	0.50	0.50	0.50
<b>Total :</b>	<b>14,283.49</b>	<b>12,419.50</b>	<b>9,476.75</b>

\* Represents repayment falling due in next twelve months :

- (i) Rs. 2,543.89 lakhs to HDFC Bank towards ECB loan secured against plant and machinery of 20,000 MTA Sodium Chlorate Project at Dahej, Dist. Bharuch, Gujarat carrying interest rate of LIBOR plus 3.50% p.a.
- (ii) Rs. 1,945.50 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 Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat including future expansion carrying interest rate of LIBOR plus 1.80% p.a.
- (iii) Rs. 1,729.34 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	As at	As at
	31.03.2017	31.03.2016	01.04.2015
<b>Other payables :</b>			
Other Statutory Liabilities	830.03	1,355.81	1,026.07
Advance received from customers	1,083.79	375.53	737.29
<b>Total :</b>	<b>1,913.82</b>	<b>1,731.34</b>	<b>1,763.36</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**23 - REVENUE FROM OPERATIONS**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
<b>(i) SALE OF PRODUCTS :</b>				
<b>[a] MANUFACTURING OPERATIONS</b>				
Caustic Soda Lye	68,347.55		58,462.32	
Caustic Soda Flakes	38,550.78		35,669.95	
Caustic Soda Prills	2,081.55		2,816.92	
Chloromethanes	10,971.14		13,569.86	
Sodium Cyanide	-		362.19	
Caustic Potash Lye	2,495.15		2,638.57	
Caustic Potash Flakes	6,917.12		8,786.76	
Potassium Carbonate	5,766.21		5,437.58	
Hydrogen Peroxide (100%)	21,919.66		18,741.37	
Phosphoric Acid (85%)	16,848.53		17,076.31	
Poly Aluminium Chloride	3,978.74		3,664.80	
Aluminium Chloride	11,744.28		11,057.33	
Chlorinated Paraffin Wax	995.40		1,402.00	
Benzyl Alcohol	3,375.11		3,443.93	
Sodium Chlorate	6,451.31		4,111.51	
Others	1,081.24		6,970.48	
		<b>2,01,523.77</b>		1,94,211.88
<b>[b] TRADING ACTIVITY</b>		<b>501.06</b>		1,385.39
<b>[c] EXCISE DUTY</b>		<b>23,509.34</b>		22,264.28
<b>Total (i) :</b>		<b>2,25,534.17</b>		2,17,861.55
<b>(ii) OTHER OPERATING REVENUE :</b>				
Sale of Scrap	661.85		435.50	
Insurance claims received	14.26		-	
Export Incentives	456.81		113.51	
Credit balances written back (Net)	679.35		175.15	
Freight Outward Recovered (Gross)	2,765.35		2,395.34	
Other Receipts	139.44		858.77	
<b>Total (ii) :</b>		<b>4,717.06</b>		3,978.27
<b>Total ( i + ii ) :</b>		<b>2,30,251.23</b>		<b>2,21,839.82</b>





## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 24 - OTHER INCOME

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>Interest Income</b>		
a) Deposit with Banks	464.62	1,013.24
b) Short Term Deposit / Inter Corporate Deposit	2,614.60	2,066.60
c) Others		
- From Non-Current Assets	174.38	168.06
- From Current Assets	0.02	1.83
<b>Dividend Income</b>		
a) From Non-Current Investments	1,302.77	1,332.35
b) From Current Investments	11.74	11.20
All Dividends from Equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period.		
<b>Other Non-operating Income</b>		
a) Net Exchange rate variation	660.09	20.41
b) Rent received from assets given on operating lease	2.20	2.20
c) Profit on sale of Fixed Assets (Net)	93.77	-
d) Net gain arising from Financial Assets designated FVTPL	250.92	-
e) Miscellaneous Income	17.29	6.65
<b>Total :</b>	<b>5,592.40</b>	<b>4,622.54</b>

### 25 - COST OF MATERIALS CONSUMED

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Natural Gas	19,902.78	21,174.15
Potassium Chloride	8,549.80	9,747.95
Salt	6,932.39	7,235.42
Rock Phosphate	5,657.85	6,396.42
Aluminium Ingots	9,017.47	8,212.97
Alumina Trihydrate Powder	2,031.86	1,836.13
Heavy Normal Paraffin	829.42	1,202.83
Toluene	3,867.21	3,865.68
Caustic Soda Lye	1,871.34	1,241.97
Others	6,094.79	5,976.90
<b>Total :</b>	<b>64,754.91</b>	<b>66,890.42</b>

#### NOTE :

	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
<b>VALUE OF RAW MATERIALS CONSUMED</b>				
IMPORTED	19,889.03	30.71	22,318.93	33.37
INDIGENOUS	44,865.88	69.29	44,571.49	66.63
<b>Total :</b>	<b>64,754.91</b>	<b>100.00</b>	<b>66,890.42</b>	<b>100.00</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**26 - CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016
	<b>Closing Stock :</b>		
Finished Goods	3,681.09	4,257.47	4,198.58
Process Stock	576.38		626.43
			4,825.01
<b>Less :- Opening Stock :</b>			
Finished Goods	4,198.58		4,038.03
Process Stock	626.43		592.24
		4,825.01	4,630.27
<b>(Increase) / Decrease :</b>		<b>567.54</b>	<b>(194.74)</b>

**27 - EMPLOYEE BENEFITS EXPENSE**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	a) Salaries and Wages	13,740.29
b) <b>Contributions to :</b>		
(i) Provident Fund	648.84	623.19
(ii) Superannuation Scheme	564.66	543.08
(iii) Gratuity Fund	250.00	209.58
c) Staff Welfare Expenses	1,772.43	1,671.82
<b>Total :</b>	<b>16,976.22</b>	<b>16,210.13</b>

**28 - FINANCE COSTS**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	<b>(a) Interest Expense :</b>	
On Term Loans	1,005.19	764.21
On Cash Credit	0.29	1.57
Others	31.17	9.99
<b>(b) Other Borrowing Costs :</b>		
Bank Charges	246.65	216.88
<b>Total :</b>	<b>1,283.30</b>	<b>992.65</b>

**29 - DEPRECIATION AND AMORTISATION EXPENSE**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	Depreciation of Property, Plant and Equipment (Note 3)	11,084.75
Amortisation of Intangible Assets (Note 4)	7.48	3.33
<b>Total :</b>	<b>11,092.23</b>	<b>10,743.78</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 30 - POWER, FUEL & OTHER UTILITIES

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Power	41,343.70	46,628.76
Fuel, Natural Gas and Water Charges	7,122.21	8,446.38
<b>Total :</b>	<b>48,465.91</b>	<b>55,075.14</b>

### 31 - OTHER EXPENSES

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Stores and Spare-parts consumed	3,777.44	3,117.61
Repairs, Maintenance and Replacement		
Building	19.42	-
Plant and Machinery	3,564.46	2,964.18
Others	2,950.29	2,970.56
Job Work / Processing Charges	6,534.17	5,934.74
Safety & Environment Expenses	4,249.99	3,733.25
Insurance	314.25	332.00
Packing Materials Consumption	251.75	306.88
Rent (includes Lease Rent and charges Rs. 114.99 lakhs Previous year Rs.523.16 lakhs)	4,602.26	4,987.04
Rates and Taxes	115.13	523.37
Printing and Stationery	22.68	22.60
Postage and Telephone	45.59	77.65
Vehicle Running and Maintenance including Hire Charges	85.32	87.39
Directors' Fees	427.22	401.42
Auditors' Remuneration and Expenses	8.40	7.80
Membership and Subscription Fees	16.05	15.40
Travelling and Conveyance	27.71	28.15
Legal and Professional Charges	167.69	99.52
Research and Development Expenses	339.69	331.52
Loss on Sale of Fixed Assets (Net)	112.37	111.93
Loss on Impairment of Fixed Assets	-	125.44
Donations & Other CSR Cost	869.70	-
Bad Debts Written Off	565.33	534.63
Provision for expected credit loss allowances	75.25	5.32
Stores & Spare Written Off	(225.37)	123.34
General Expenses	487.89	-
Commission on Sales	2,449.81	1,419.36
Other Marketing Expenses	316.72	298.30
Freight Outward Paid (Gross)	2,190.02	1,871.95
Net loss arising from Financial Assets designated FVTPL	3,040.19	2,257.26
<b>Total :</b>	<b>30,867.25</b>	<b>26,882.30</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
<b>Consumption value of Stores and Spare-parts :</b>				
- Imported	361.76	9.58	255.28	8.19
- Indigenous	3,415.68	90.42	2,862.33	91.81
<b>Total :</b>	<b>3,777.44</b>	<b>100.00</b>	<b>3,117.61</b>	<b>100.00</b>

**32 - Tax Expense**

During the Current Year, the Tax Liability under normal Provisions of the Income Tax Act, 1961 comes to Rs. 2,992.34 Lakhs (Previous Year Rs. 278.17 Lakhs) and Tax Liability under MAT Provisions of Income Tax Act, 1961 is Rs. 8,140.07 Lakhs ( Previous Year Rs. 5,424.75 Lakhs). Hence, the Company is required to pay the tax under MAT Provisions of Income Tax Act, 1961. Accordingly, MAT credit Entitlement reflects the difference between the normal tax and tax under MAT Provisions.

**Income Taxes relating to continuing operations**
**Income Tax Recognised in Profit or Loss**
**[Rs. in Lakhs]**

Particulars	As on 31.03.2017	As on 31.03.2016
<b>Current Tax</b>		
In respect of current year (Net of MAT credit entitlement of Rs 5,147.73 Lakhs, Previous Year Rs. 5,146.58 Lakhs)	2,992.34	278.17
In Respect of Prior Year	(47.76)	-
<b>Total :</b>	<b>2,944.58</b>	<b>278.17</b>
<b>Deferred Tax</b>		
In respect of current year	4,424.10	4,002.85
<b>Total :</b>	<b>4,424.10</b>	<b>4,002.85</b>
<b>Total tax expense recognised in the current year relating to continuing operation</b>	<b>7,368.68</b>	<b>4,281.02</b>

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

**[Rs. in Lakhs]**

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Profit before tax from continuing operation</b>	<b>38,178.43</b>	<b>26,270.14</b>
Income Tax expense calculated @ 34.608%	13,212.79	9,091.57
Effect of income that is exempt from taxation	(454.93)	(464.98)
Effect of expenses that are not deductible in determining taxable profits	1,036.75	192.00
Effect of concession (allowances)	(6,378.17)	(4,537.57)
Adjustments recognised in current year in relation to the current tax of prior years	(47.76)	-
<b>Income tax expense recognised in profit or loss (relating to continuing operation)</b>	<b>7,368.68</b>	<b>4,281.02</b>

The tax rate used for the F.Y. 2016-17 in reconciliation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### Income Tax Recognised in Other Comprehensive Income

[Rs. in Lakhs]

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Deferred Tax Assets / (Liabilities)</b>		
<b>Arising on income and expenses recognised in other comprehensive income :</b>		
Net fair value gain on investment in equity shares at FVTOCI	960.75	(340.43)
Remeasurement of defined benefit obligation	162.55	8.42
	<b>1,123.30</b>	<b>(332.01)</b>
Arising on income and expenses reclassified from equity to profit or loss :	-	-
<b>Total income tax recognised on other comprehensive income</b>	<b>1,123.30</b>	<b>(332.01)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	1,123.30	(332.01)
Items that may be reclassified to profit or loss	-	-
	<b>1,123.30</b>	<b>(332.01)</b>

### 33 - Earning Per Share - from continuing operations

[Rs. in Lakhs]

Particulars	Units	Year ended 31.03.2017	Year ended 31.03.2016
Net Profit After Tax available for Equity Shareholders	Rs. In Lakhs	30,809.75	21,989.12
Weighted Average Number of Equity Shares of Rs.10/- each	Number	7,34,36,928	7,34,36,928
Basic Earning per Share	Rs.	41.95	29.94
Diluted Earning per share	Rs.	41.95	29.94

### 34 - Obligation under Finance Leases

[Rs. in Lakhs]

Particulars	Minimum Lease Payments			Present Value of Minimum Lease Payments		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Not later than one Year	0.54	0.54	0.54	0.50	0.50	0.50
Later than one year and not later than five years	-	-	-	-	-	-
Later than five years	-	-	-	-	-	-
	<b>0.54</b>	<b>0.54</b>	<b>0.54</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
Less: Future Finance Charges	-	-	-	-	-	-
Present Value of Minimum Lease Payments	<b>0.54</b>	<b>0.54</b>	<b>0.54</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

[Rs. in Lakhs]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Included in the Financial Statements (Note 21) :			
Current Maturities of Finance Lease Obligations	0.50	0.50	0.50
Non Current Borrowings	-	-	-
	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**35 - Employee Benefit Plans**
**Defined Contribution Plan**

An amount of Rs.648.84 lakhs (F.Y. 2015-16 Rs.623.19 lakhs, F.Y. 2014-15 Rs.603.09 lakhs) contributed to Provident Fund Trust and amount of Rs.564.66 lakhs (F.Y. 2015-16 Rs.543.08 lakhs, F.Y. 2014-15 Rs.574.31 lakhs) contributed to Employees Superannuation Trust is recognised as an expense and included in "Employee Benefits Expenses" (Note 27) of Statement of Profit & Loss.

**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, 2017

[Rs. in Lakhs]

Particulars	Gratuity	
	31.03.2017	31.03.2016
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Current Service Cost	250.46	224.96
b. Net Interest on net Defined Liability/ Asset	(8.86)	(15.79)
c. Total Expenses	241.60	209.17
<b>II Amount recognised in Other Comprehensive Income</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Actuarial (Gains)/Losses on Liability	555.77	87.46
b. Return on Plan Assets excluding amount included in Net interest on Defined Liability / (Asset) above	(86.09)	(63.12)
c. Total	469.68	24.34
<b>III Net Assets / (Liability) recognised in the Balance Sheet as on</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Present Value of Defined Benefit Obligation	7,475.81	6,790.16
b. Fair Value of Plan Assets	7,282.90	7,116.57
c. Funded Status [ Surplus / (Deficit) ]	192.91	(326.41)
Net (Asset) / Liability	192.91	(326.41)
<b>IV Change in Present value of Obligation during the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Present Value of Defined Benefit Obligation at the beginning of the year	6,790.16	6,441.15
b. Current Service Cost	250.46	224.96
c. Interest Cost	465.13	502.41
d. Past Service Cost (Non Vested Benefit)	-	-
e. Past Service Cost (Vested Benefit)	-	-
f. Benefit paid	(585.71)	(465.82)
g. Actuarial (Gain) / Loss on obligation	555.77	87.46
h. Present Value of Defined Benefit Obligation at the end of the year	7,475.81	6,790.16
<b>V Change in Fair value of Plan Assets during the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Fair Value of Plan Assets at the beginning of the year	7,116.57	6,751.99
b. Expected Return on Plan Assets	473.99	518.20
c. Contribution by Employer	191.96	249.08
d. Actual Benefit Paid	(585.71)	(465.82)
e. Actuarial Gain / (Loss) on Plan Assets	86.09	63.12
f. Fair Value of Plan Assets at the end of the year	7,282.90	7,116.57
g. Actuarial Gain / (Loss) to be recognised	86.09	63.12

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

Particulars	[Rs. in Lakhs]	
	Gratuity	
<b>VI Actual Return on Plan Assets</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Expected Return on Plan Assets	473.99	518.20
Actuarial Gain / (Loss) on Plan Assets	86.09	63.12
Actual Return on Plan Assets	560.08	581.32
<b>VII Balance Sheet Reconciliation</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Opening Net Liability	(326.41)	(310.84)
Expenses Recognised in Profit & Loss Account	241.60	209.17
Amount recognised in Other Comprehensive Income	469.68	24.34
Employer's Contribution	(191.96)	(249.08)
Amount Recognised in Balance Sheet (Asset) / Liability	192.91	(326.41)

Particulars	[Rs. in Lakhs]	
	Leave Salary	
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Current Service Cost	206.23	46.40
b. Net Interest on net Defined Liability/ Asset	315.41	329.80
c. Actuarial (Gains)/Losses on Liability	536.26	415.60
d. Total Expenses	1,057.90	791.80
<b>II Net Assets / (Liability) recognised in the Balance Sheet as on</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Present Value of Unfunded Obligations	5,286.73	4,604.52
b. Unrecognised Past Service Cost	-	-
c. Fair Value of Plan Assets	-	-
Net Liability	5,286.73	4,604.52
<b>III Change in Present value of Obligation during the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Present Value of Unfunded Obligation at the beginning of the year	4,604.52	4,228.15
b. Current Service Cost	206.23	46.40
c. Interest Cost	315.41	329.80
d. Actuarial Gain/Loss	536.26	415.60
e. Benefit paid	(375.69)	(415.43)
f. Present Value of Unfunded Obligation at the end of the year	5,286.73	4,604.52

The major categories of Plan Assets as a percentage of Total Plan Qualifying Insurance Policy : 100%

### Experience Adjustments

Gratuity	[Rs. in Lakhs]				
	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of Unfunded Obligations	7,475.81	6,790.16	6,441.15	5,637.18	5,151.50
Fair Value of Plan Assets	7,282.90	7,116.57	6,751.99	6,547.60	5,654.32
Funded Status [(Surplus)/Deficit]	192.91	(326.41)	(310.84)	(910.42)	(502.82)
Experience adjustments on Plan Liabilities	42.20	(9.55)	488.56	383.02	(99.63)
Experience adjustments on Plan Assets	86.09	-	(21.69)	(16.92)	(6.48)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

The expected contributions for Defined Benefit Plan for the next Financial Year will be in line with 2016-17.

	[Rs. in Lakhs]				
Leave Salary	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of Unfunded Obligations	5,276.73	4,604.52	4,228.15	3,588.27	3,283.62
Fair Value of Plan Assets	-	-	-	-	-
Funded Status [(Surplus)/Deficit]	5,276.73	4,604.52	4,228.15	3,588.27	3,283.62
Experience adjustments on Plan Liabilities	116.22	338.54	541.61	336.24	83.86
Experience adjustments on Plan Assets	-	-	-	-	-

Actuarial Assumptions		As at 31.03.2017	As at 31.03.2016
1. Discount Rate		6.85 % p.a.	7.80 % p.a.
2. Expected Return on Plan Assets		6.85% p.a.	7.80 % 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.

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.

## 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, a Debt Service Coverage ratio of 2 times and a Total Debt to Tangible Net Worth ratio of 1 time.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital by computing the above ratios on an annual basis and ensuring that the same is in Compliance with the requirements of the Financial Covenants.

The Total Debt to EBDITA ratio at the end of the reporting period was as follows :

	[Rs. in Lakhs]	
Particulars	As at 31.03.2017	As at 31.03.2016
Total Debt	35,337.38	29,539.42
EBDITA	50,307.31	37,789.69
<b>Total debt / EBDITA</b>	<b>0.70</b>	<b>0.78</b>

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

	[Rs. in Lakhs]	
Particulars	As at 31.03.2017	As at 31.03.2016
EBDITA	50,307.31	37,789.69
Interest and Installment on loans	7,255.38	7,792.11
<b>Debt Service Coverage</b>	<b>6.93</b>	<b>4.85</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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

Particulars	[Rs. in Lakhs]		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Total Debt	35,337.38	29,539.42	15,904.59
Tangible Net Worth	3,35,678.25	2,92,810.39	2,74,874.87
<b>Total Debt / Tangible Net Worth</b>	<b>0.11</b>	<b>0.10</b>	<b>0.06</b>

### 36.2 Categories of financial instruments

The carrying value of financial instruments by categories as of March 31, 2017 is as follows :

Particulars	[Rs. in Lakhs]				
	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	6,788.28	6,788.28	6,788.28
Other Balances with Banks	-	-	6,319.78	6,319.78	6,319.78
Quoted investments (Level 1)	66,402.46	1,121.15	-	67,523.61	67,523.61
Unquoted investments (Level 3)	33,892.34	-	0.20	33,892.54	33,892.54
Investment in Joint Venture	-	-	300.00	300.00	300.00
Trade receivables	-	-	32,874.76	32,874.76	32,874.76
Loans	-	-	29,287.83	29,287.83	29,287.83
Other financial asset	-	-	4,585.06	4,585.06	4,585.06
<b>Total :</b>	<b>1,00,294.80</b>	<b>1,121.15</b>	<b>80,155.91</b>	<b>1,81,571.86</b>	<b>1,81,571.86</b>
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	683.28	683.28	683.28
Long Term borrowings	-	-	28,434.87	28,434.87	27,857.26
Trade Payables	-	-	22,577.03	22,577.03	22,577.03
Other financial liabilities	-	-	14,283.49	14,283.49	14,283.49
<b>Total :</b>	<b>-</b>	<b>-</b>	<b>65,978.67</b>	<b>65,978.67</b>	<b>65,401.06</b>

The carrying value of financial instruments by categories as of March 31, 2016 is as follows :

Particulars	[Rs. in Lakhs]				
	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	1,903.92	1,903.92	1,903.92
Other Balances with Banks	-	-	3,113.63	3,113.63	3,113.63
Quoted investments (Level 1)	46,771.32	870.24	-	47,641.56	47,641.56
Unquoted investments (Level 3)	37,819.58	-	0.20	37,819.78	37,819.78
Investment in Joint Venture	-	-	6.00	6.00	6.00
Trade receivables	-	-	32,644.44	32,644.44	32,644.44
Loans	-	-	25,670.74	25,670.74	25,670.74
Other financial asset	-	-	4,409.91	4,409.91	4,409.91
<b>Total :</b>	<b>84,590.90</b>	<b>870.24</b>	<b>67,748.84</b>	<b>1,53,209.98</b>	<b>1,53,209.98</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

[Rs. in Lakhs]

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	275.26	275.26	275.26
Long Term borrowings	-	-	22,247.32	22,247.32	21,816.51
Trade Payables	-	-	18,483.38	18,483.38	18,483.38
Other financial liabilities	-	-	12,419.50	12,419.50	12,419.50
<b>Total :</b>	-	-	<b>53,425.46</b>	<b>53,425.46</b>	<b>52,994.65</b>

The carrying value of financial instruments by categories as of April 01, 2015 is as follows :

[Rs. in Lakhs]

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	8,597.51	8,597.51	8,597.51
Other Balances with Banks	-	-	10,103.80	10,103.80	10,103.80
Quoted investments (Level 1)	25,863.16	998.66	-	26,861.82	26,861.82
Unquoted investments (Level 3)	57,563.58	-	0.20	57,563.78	57,563.78
Trade receivables	-	-	29,975.41	29,975.41	29,975.41
Loans	-	-	8,181.71	8,181.71	8,181.71
Other financial asset	-	-	4,097.62	4,097.62	4,097.62
<b>Total :</b>	<b>83,426.74</b>	<b>998.66</b>	<b>60,956.25</b>	<b>1,45,381.65</b>	<b>1,45,381.65</b>
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	323.29	323.29	323.29
Long Term borrowings	-	-	8,914.63	8,914.63	8,868.49
Trade Payables	-	-	23,054.96	23,054.96	23,054.96
Other financial liabilities	-	-	9,476.75	9,476.75	9,476.75
<b>Total :</b>	-	-	<b>41,769.63</b>	<b>41,769.63</b>	<b>41,723.49</b>

**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 unquoted 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

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 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 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Currency	Amount in FC	Currency	Amount in FC	Currency	Amount in FC
Receivables for export	US\$	6.69	US\$	9.96	US\$	0.78
	EURO	0.22	-	-	-	-
	GBP	1.73	GBP	0.78	GBP	0.10
Advance to suppliers	CHF	-	CHF	0.03	CHF	-
	JPY	61.51	JPY	-	JPY	55.75
	US\$	4.22	US\$	0.21	US\$	0.26
	EURO	3.20	EURO	25.05	EURO	0.02
Payables for imports			US\$	0.13	US\$	-
			EURO	-	EURO	0.39
Commission payable on exports	US \$	0.19	US\$	0.04	US\$	0.08
Other payables	EURO	0.03	US\$	0.16	-	-
	GBP	0.01	GBP	0.05	-	-
			EURO	0.06	-	-
ECB Borrowings	US\$	542.60	US\$	448.51	US\$	253.90

### 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 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]

Particulars	Currency USD impact		
	2016-17	2015-16	As at 01.04.2015
Impact on profit or loss for the year	1,738.28	1,453.43	791.24
Impact on total equity as at the end of the reporting period	1,136.70	950.71	517.41

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

[Rs. in Lakhs]

Particulars	Currency POUND impact		
	2016-17	2015-16	As at 01.04.2015
Impact on profit or loss for the year	(6.91)	(3.48)	(0.48)
Impact on total equity as at the end of the reporting period	(4.55)	(2.27)	(0.31)

[Rs. in Lakhs]

Particulars	Currency EURO impact		
	2016-17	2015-16	As at 01.04.2015
Impact on profit or loss for the year	(0.66)	0.21	1.30
Impact on total equity as at the end of the reporting period	(0.43)	0.14	0.85

**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 based 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.169 Lakhs (Rs. 127 lakhs for the year 2015-16).

**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 existing ERP 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 trade receivables are secured to the extent of interest free security deposits and bank guarantees received from the customers amounting to Rs.4,520.08 lakhs, Rs.4,159.64 lakhs and Rs.4,064.64 lakhs as at 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015 respectively. Export sales are fully secured through letters of credit or against advance receipts. (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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 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 (%)		Upto six months	6 Months- 1 year	1-5 years	5+ years	Total
<b>March 31, 2017</b>	5.30%	US \$ in Million	3.33	6.33	29.34	15.00	54.00
Variable Interest rate Instruments		Rs. In Lakhs	2,159.51	4,105.00	19,026.99	9,727.50	35,019.00
<b>March 31, 2016</b>	5.15%	US \$ in Million	5.33	5.33	25.00	9.00	44.66
Variable Interest rate Instruments		Rs. In Lakhs	3,531.39	3,531.39	16,563.75	5,962.95	29,589.48
<b>April 1, 2015</b>	5.44%	US \$ in Million	5.33	5.33	14.67	-	25.33
Variable Interest rate Instruments		Rs. In Lakhs	3,331.25	3,331.25	9,168.75	-	15,831.25

### Financing facilities

[Rs. in Lakhs]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Secured Bank Loan facilities			
- amount used	683.28	275.26	323.90
- amount unused	12,316.72	12,724.74	12,676.10
Cash and cash equivalents	6,788.28	1,903.92	8,597.51
Other Bank Balances	6,319.78	3,113.63	10,103.80

### 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)
	31.03.2017	31.03.2016	01.04.2015		
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. 67,523.61	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs. 47,641.56	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs. 26,861.82	Level 1	Quoted bid prices in an active market

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

[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
	31.03.2017	31.03.2016	01.04.2015				
2) Investments in equity instruments at FVTOCI (unquoted) (see note 6)	a) 1) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 11,521.37	a) 1) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 9,365.50	a) 1) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 9,726.55	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 1 below).	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.
	a. 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs.9,969.74	a. 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs. 10,374.91	a. 2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs. 9,147.11	Level 3	(Refer note below).	Discount factor, Sales Volume and Trading margin.	Decreasing the Gas trading margin by 25% would change the FV by INR 2,19,400 lakhs as at 31.03.2017. No sensitivity analysis has been carried out as at 31.03.2016 and 01.04.2015 on account of non-availability of data.
	Note : Discounted Free Cash flow method has been used to arrive at the enterprise value of the gas marketing business of the investee. Under this technique, the projected free cash flows from gas marketing business of the company are discounted at the weighted average cost of capital to the provision of some to the business of the company and the sum of the present value of such free cash flows would represent the value of business. The investee has various investments in subsidiaries and joint venture companies. Each of these subsidiary and joint venture companies 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 in these subsidiaries / joint venture companies. 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 the NAV method, the valuation is derived by calculating the net assets value of the investee as at the valuation date.						
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
	31.03.2017	31.03.2016	01.04.2015				
b) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 12,401.23	b) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 18,089.17	b) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 38,689.92	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 note 1 and 2 below).	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.	

**Note 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. Since the future projections are not available, discounted cashflow approach for fair value determination has not been followed.

**Note 2:** In case of some companies, there are no comparable companies valuations available and some are recent start up companies. 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

### 36.9.2 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 31.03.2017

[Rs. in Lakhs]

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Quoted equity instruments	67,523.61	-	-	67,523.61
Investments in Unquoted equity instruments	-	-	33,892.34	33,892.34
Others	-	-	0.20	0.20

#### Fair Value Hierarchy as at 31.03.2016

[Rs. in Lakhs]

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Quoted equity instruments	47,641.56	-	-	47,641.56
Investments in Unquoted equity instruments	-	-	37,819.58	37,819.58
Others	-	-	0.20	0.20

#### Fair Value Hierarchy as at 01.04.2015

[Rs. in Lakhs]

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Quoted equity instruments	26,861.82	-	-	26,861.82
Investments in Unquoted equity instruments	-	-	57,563.58	57,563.58
Others	-	-	0.20	0.20

### 36.9.3 Reconciliation of Level 3 fair value measurements

#### For the year ended March 31, 2017

[Rs. in Lakhs]

Particulars	Investment in unquoted shares irrevocably designated as FVTOCI
Opening Balance	37,819.58
Purchases	322.00
Total gains/losses in other comprehensive income	(4,249.24)
Closing balance	<b>33,892.34</b>
<b>For the year ended March 31, 2016</b>	
Opening Balance	57,563.58
Purchases	884.00
Total gains in other comprehensive income	1,480.73
Disposals / settlements (refer note below)	(22,108.73)
<b>Closing balance</b>	<b>37,819.58</b>

Note : During 2015-16, the Company received 42,63,157 shares of Gujarat Gas Limited (quoted) in lieu of shares held in GSPC Gas Company Limited (unquoted) and converted to Level - 1.

**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 2016-17	Amount Outstanding as on 31.03.2017	Volume of Transaction in 2015-16	Amount Outstanding as on 31.03.2016	Amount Outstanding as on 01.04.2015
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Joint Venture	Expenses incurred on behalf of Joint Venture	66.95	66.95	49.39	49.39	-
		Investment in Equity Shares	294.00	300.00	6.00	6.00	-
National Aluminium Company Ltd.	Joint Venturer	Sale of Goods	8,209.98	822.57	3,453.75	716.25	659.61
		Purchase of Goods	6,519.68	(388.28)	422.42	(6.25)	-
Delhi Jal Board	Government related Entity	Sale of Goods	503.30	241.16	711.82	251.69	178.92
Gujarat Water Supply & Sewage Board	Government related Entity	Sale of Goods	29.51	31.59	48.57	27.71	1.12
Public Health Engineering Department	Government related Entity	Sale of Goods	820.36	673.90	449.79	247.87	112.87
Gujarat State Petroleum Corporation Ltd.	Government related Entity	Investment in Equity Shares	-	1,349.99	-	1,349.99	1,349.99
Gujarat State Financial Services Limited	Government related Entity	Inter Corporate Deposits	68,500.00	29,000.00	53,500.00	25,500.00	8,000.00
		Interest Received	2,614.59	1,325.10	1,305.57	1,232.83	365.74
Gujarat State Investment Ltd.	Government related Entity	Share Capital	-	1,532.93	-	1,532.93	1,532.93
Gujarat Industrial Investment Corporation Ltd.	Government related Entity	Share Capital	-	711.90	-	711.90	711.90
Bhavnagar Energy Company Limited	Government related Entity	Investment in Equity Shares	322.00	5,322.00	884.00	5,600.00	4,716.00
		Sale of Goods	8.55	7.38	-	-	-
Gujarat State Fertilizers & Chemicals Ltd.	Government related Entity	Investment in Equity Shares	-	1,500.00	-	1,500.00	1,500.00
		Purchase of Goods	732.19	65.02	726.71	66.19	54.96
		Sale of Goods	1,483.34	133.56	1,299.07	142.42	100.33
		Dividend Received	165.00	-	165.00	-	-
Gujarat Narmada Valley Fertilizers & Chemicals Limited	Government related Entity	Purchase of Goods	101.73	9.67	88.91	8.01	8.41
		Sale of Goods	967.89	167.86	1,200.54	402.69	293.26
Gujarat Industries Power Company Limited.	Government related Entity	Investment in Equity Shares	-	8,139.82	-	8,139.82	8,139.82
		Sale of Goods	52.37	2.87	71.98	12.67	6.42
		Dividend Received	623.40	-	577.22	-	-
Lok Prakashan Ltd.	Shareholder more than 20%	Share Capital	-	1,621.57	-	1,607.53	1,607.53
GACL Education Society	Government related Entity	Contribution towards CSR Activities	341.69	-	136.08	-	-
M/s Shardul Amarchand Magaldas & Co.	Others	Legal & Professional Fees	28.13	-	30.71	3.63	-
Shri A M Taneer, IAS, Managing Director (From 29 <sup>th</sup> August, 2014 upto 18 <sup>th</sup> February, 2015)	Key Management Personnel	Remuneration	-	-	23.60	-	-
Shri P K Gera, IAS, Managing Director (From 19 <sup>th</sup> February, 2016)	Key Management Personnel	Remuneration	25.53	-	2.51	-	-
Dr. H. B Patel - Executive Director (Finance) & Chief Financial Officer	Key Management Personnel	Remuneration	34.27	-	31.27	-	-
		Loans	10.00	9.08	-	-	-
Shri S S Bhatt, Company Secretary and GM (Legal)	Key Management Personnel	Remuneration	23.95	-	22.89	-	-
		Loans	11.12	10.24	-	-	-



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 38 - The break-up of payment to Auditors (net of taxes) is as under

Particulars	[Rs. in Lakhs]	
	2016-17	2015-16
Audit Fees	13.65	13.00
Quarterly/Half Yearly Review Audit	3.10	3.00
Out of Pocket Expenses	0.31	0.36
Other services	15.00	-
<b>Total :</b>	<b>32.06</b>	<b>16.36</b>

### 39 - Income and Expenditure in Foreign Currency

Sr. No.	Particulars	[Rs. in Lakhs]	
		2016-17	2015-16
(a)	Earnings in Foreign Exchange - Export of Goods on F.O.B. basis	24,138.86	21,994.90
(b)	Expenditure in Foreign Currency (on accrual basis) on account of :		
	(i) Interest	1,158.46	907.64
	(ii) Foreign Tour Expenses	25.81	22.74
	(iii) Bank charges and Commission	9.95	8.84
	(iv) Subscription	8.72	2.58
	(v) Commission and Export Sales	12.48	2.32
	(vi) Lease Rent (For ISO Tank)	48.20	39.11
	(vii) Other Export Expenses	104.48	93.33

### 40 - Value of Imports on CIF Basis

Particulars	[Rs. in Lakhs]	
	2016-17	2015-16
Raw Materials	16,033.95	18,272.96
Membranes	-	149.05
Stores and Spare Parts	278.05	1,069.97
Capital Goods	14,242.55	32.80

### 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 31.03.2017		As on 31.03.2016	
		Rs. In Lakhs	Amount in FC	Rs. In Lakhs	Amount in FC
Receivable for Exports	US\$	434.13	6,69,444.00	660.11	9,96,331.24
	EURO	15.31	22,092.00	-	-
	GBP	140.24	1,73,342.00	74.00	77,510.40
Advance to Suppliers	CHF	-	-	1.95	2,784.00
	JPY	36.28	61,51,200.00	-	-
	US\$	277.80	4,22,032.38	14.23	21,336.00
	EURO	228.68	3,20,315.70	1,788.24	25,04,964.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

Amount payable on account of import of goods, services and others :

Particulars	Currency	As on 31.03.2017		As on 31.03.2016	
		Rs. In Lakhs	Amount in FC	Rs. In Lakhs	Amount in FC
Payables for Imports	US\$	-	-	8.85	13,351.00
Commission payable on exports	US\$	12.48	19,252.00	2.32	3,500.00
Other Payables	US\$	-	-	10.58	15,972.00
	GBP	0.97	1,200.00	4.43	4,640.00
	EURO	2.04	2,948.72	4.16	5,520.00

Amount payable on account of ECB Borrowings :

Particulars	Currency	As on 31.03.2017		As on 31.03.2016	
		Rs. In Lakhs	Amount in FC	Rs. In Lakhs	Amount in FC
ECB	US\$	35,193.13	5,42,68,518.00	29,715.76	4,48,50,598.00

[Rs. in Lakhs]

**42 - Contingent Liabilities and Commitments (to the extent not provided for)**

	As at 31.03.2017	As at 31.03.2016
<b>(i) Contingent Liabilities</b>		
(a) Claims against the Company not acknowledged as debt	28,924.59	31,416.63
(b) Various pending cases before Labour court and Industrial Tribunal	Not ascertainable	Not ascertainable
(c) Disputed Purchase Tax liability (1998-99 to 2005-06)	20,481.74	20,481.74
(d) Disputed Income Tax liability (excluding interest) :		
(i) Pending Before Appellate Authorities in respect of which the Company is in appeal	6,813.00	7,054.00
(ii) Decided in Company's favour by Appellate Authorities and Department is in further appeal	9,723.00	10,123.00
	<b>65,942.33</b>	<b>69,075.37</b>
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums / authorities.		
(e) Guarantees :		
(i) Total loans outstanding under corporate guarantees aggregating to Rs. 424.65 lakhs (Previous Year Rs. 424.65 lakhs) to Housing Development Finance Corporation Limited (HDFC) for housing loans extended to employees.	-	0.31
(ii) Guarantees given by the Company's Bankers for various purposes are	10,796.48	6,197.32
<b>Total (i) :</b>	<b>76,738.81</b>	<b>75,273.00</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	20,136.35	8,218.87
(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.	Not ascertainable	Not ascertainable
<b>Total (ii) :</b>	<b>20,136.35</b>	<b>8,218.87</b>
<b>Total :</b>	<b>96,875.16</b>	<b>83,491.87</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

43 - 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'.

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

### 45 - Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on 26<sup>th</sup> May, 2017.

### 46 - First Time Ind AS adoption reconciliations

All amounts are in Rs. Lakhs unless otherwise stated

#### 46.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015.

[Rs. In Lakhs]

Particulars	Notes	As at 31.03.2016 (Date of Transition)			As at 01.04.2015 (Date of Transition)		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
<b>I. ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, Plant and equipment	c	1,81,349.69	727.24	1,82,076.93	1,65,638.93	457.01	1,66,095.94
(b) Capital work-in-progress	c	8,307.92	(357.30)	7,950.62	6,679.16	-	6,679.16
(c) Other Intangible Asset		30.38	-	30.38	-	-	-
(d) Intangible assets under development		-	332.31	332.31	-	-	-
(e) Financial Assets							
(i) Investments :-							
a) Investment in Joint Venture		-	6.00	6.00	-	-	-
b) Other Investments	a	19,975.53	64,615.37	84,590.90	19,085.73	64,341.21	83,426.94
(ii) Loans		-	14.55	14.55	-	17.39	17.39
(iii) Other Financial assets		32,067.66	(30,093.57)	1,974.09	23,887.64	(21,956.40)	1,931.24
(f) Non-Current Tax Assets (net)		-	9,082.35	9,082.35	-	9,067.84	9,067.84
(g) Other non-current assets		1,482.95	12,317.96	13,800.91	1,209.78	8,999.07	10,208.85
<b>Total Non - Current Assets</b>		<b>2,43,214.13</b>	<b>56,644.91</b>	<b>2,99,859.04</b>	<b>2,16,501.24</b>	<b>60,926.12</b>	<b>2,77,427.36</b>
<b>(2) Current assets</b>							
(a) Inventories	c	18,994.30	(530.61)	18,463.69	18,630.50	(530.61)	18,099.89
(b) Financial Assets							
(i) Other Investments	a	223.01	647.43	870.44	227.91	770.75	998.66
(ii) Trade receivables	d	33,267.86	(623.42)	32,644.44	30,581.18	(605.77)	29,975.41
(iii) Cash and cash equivalents		4,742.29	(2,838.37)	1,903.92	18,378.02	(9,780.51)	8,597.51
(iv) Bank Balance other than (iii) above		-	3,113.63	3,113.63	-	10,103.80	10,103.80
(v) Loans		156.19	25,500.00	25,656.19	164.32	8,000.00	8,164.32
(vi) Other Financial Assets		30,903.63	(28,467.81)	2,435.82	12,453.98	(10,287.60)	2,166.38
(c) Other Current Assets		1,679.01	2,824.51	4,503.52	1,851.18	2,144.29	3,995.47
<b>Total Current Assets</b>		<b>89,966.29</b>	<b>(374.64)</b>	<b>89,591.65</b>	<b>82,287.09</b>	<b>(185.65)</b>	<b>82,101.44</b>
<b>Total Assets</b>		<b>3,33,180.42</b>	<b>56,270.27</b>	<b>3,89,450.69</b>	<b>2,98,788.33</b>	<b>60,740.47</b>	<b>3,59,528.80</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

[Rs. in Lakhs]

II. EQUITY AND LIABILITIES							
<b>Equity</b>							
(a) Equity Share Capital		7,343.84	-	7,343.84	7,343.84	-	7,343.84
(b) Other equity	a,b,c,eg	2,24,514.08	60,952.47	2,85,466.55	2,06,324.83	61,206.20	2,67,531.03
<b>Total Equity</b>		<b>2,31,857.92</b>	<b>60,952.47</b>	<b>2,92,810.39</b>	<b>2,13,668.67</b>	<b>61,206.20</b>	<b>2,74,874.87</b>
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	c	22,526.70	(279.38)	22,247.32	9,166.67	(252.04)	8,914.63
(b) Provisions	c	5,796.88	1,233.00	7,029.88	5,533.82	930.34	6,464.16
(c) Deferred tax liabilities (Net)	f	35,721.63	(3,185.00)	32,536.63	31,657.45	1,690.90	33,348.35
		<b>64,045.21</b>	<b>(2,231.38)</b>	<b>61,813.83</b>	<b>46,357.94</b>	<b>2,369.20</b>	<b>48,727.14</b>
<b>Current Liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings	c	-	275.26	275.26	-	323.29	323.29
(ii) Trade payables		18,483.38	-	18,483.38	23,054.96	-	23,054.96
(iii) Other financial liabilities		7,067.70	5,351.80	12,419.50	6,667.17	2,809.58	9,476.75
(b) Provisions	b	4,592.21	(3,977.41)	614.80	4,466.65	(3,977.41)	489.24
(c) Current Tax Liabilities (net)		-	1,302.19	1,302.19	-	819.19	819.19
(d) Other current liabilities		7,134.00	(5,402.66)	1,731.34	4,572.94	(2,809.58)	1,763.36
<b>Total Current Liabilities</b>		<b>37,277.29</b>	<b>(2,450.82)</b>	<b>34,826.47</b>	<b>38,761.72</b>	<b>(2,834.93)</b>	<b>35,926.79</b>
<b>Total Liabilities</b>		<b>1,01,322.50</b>	<b>(4,682.20)</b>	<b>96,640.30</b>	<b>85,119.66</b>	<b>(465.73)</b>	<b>84,653.93</b>
<b>Total Equity and Liabilities</b>		<b>3,33,180.42</b>	<b>56,270.27</b>	<b>3,89,450.69</b>	<b>2,98,788.33</b>	<b>60,740.47</b>	<b>3,59,528.80</b>

**46.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015.**

[Rs. in Lakhs]

Particulars	Notes	As at 31.03.2016 (End of last period presented under previous GAAP)	As at 01.04.2015 (Date of Transition)
<b>Total equity (Shareholders' funds) under previous GAAP</b>		<b>2,31,857.92</b>	<b>2,13,668.67</b>
Fair valuation of current and non-current investments	a	65,268.80	65,111.96
Proposed dividend and distribution tax	b	3,977.41	3,977.41
Property, plant and equipment	c	(1,375.55)	(1,253.30)
Expected credit loss on Trade Receivables	d	(623.42)	(605.78)
Tax effect	f	(6,294.77)	(6,024.09)
<b>Total adjustments to Equity</b>		<b>60,952.47</b>	<b>61,206.20</b>
<b>Total Equity under Ind AS</b>		<b>2,92,810.39</b>	<b>2,74,874.87</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

### 46.3 Effect of Ind AS adoption on Statement of Profit and Loss for the year ended March 31, 2016

[Rs. in Lakhs]

Particulars	Notes	Year ended 31.03.2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations	c	1,96,609.95	25,229.87	2,21,839.82
Other Income		4,622.54	-	4,622.54
<b>Total Income (A)</b>		<b>2,01,232.49</b>	<b>25,229.87</b>	<b>2,26,462.36</b>
<b>Expenses :</b>				
Cost of materials consumed		66,890.42	-	66,890.42
Purchase of Stock-in-Trade		1,297.73	-	1,297.73
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(194.74)	-	(194.74)
Excise duty on sale of Goods		-	22,294.81	22,294.81
Employee benefit expense	e	16,234.47	(24.34)	16,210.13
Finance costs	c	808.29	184.36	992.65
Depreciation and amortization expense	c	10,710.42	33.36	10,743.78
Power, Fuel & Other Utilities		-	55,075.14	55,075.14
Other expenses	a,c,d	78,976.89	(52,094.59)	26,882.30
<b>Total Expenses (B)</b>		<b>1,74,723.48</b>	<b>25,468.74</b>	<b>2,00,192.22</b>
<b>Profit before tax (A – B)</b>		<b>26,509.01</b>	<b>(238.87)</b>	<b>26,270.14</b>
<b>Tax expense:</b>				
(a) Current tax		5,424.75	-	5,424.75
(b) Deferred tax	f	4,064.18	(61.33)	4,002.85
(c) MAT Credit Entitlement		(5,146.58)	-	(5,146.58)
(d) Provision for Income Tax for Earlier years written back		-	-	-
		<b>4,342.35</b>	<b>(61.33)</b>	<b>4,281.02</b>
<b>Profit for the period</b>		<b>22,166.66</b>	<b>(177.54)</b>	<b>21,989.12</b>
<b>Other Comprehensive Income :</b>				
Actuarial Gain / Loss on Gratuity	g	-	(24.34)	(24.34)
Deferred tax on defined benefit obligation - Gratuity	g	-	8.42	8.42
Investment adjustment - FVTOCI	g	-	280.16	280.16
Deferred tax on net fair value gain on investment in equity instruments at FVTOCI	g	-	(340.43)	(340.43)
<b>Total other comprehensive Income</b>		<b>-</b>	<b>(76.19)</b>	<b>(76.19)</b>
<b>Total comprehensive income for the period</b>		<b>22,166.66</b>	<b>(253.73)</b>	<b>21,912.93</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**
**46.4 Reconciliation of total comprehensive income for the year ended March 31, 2016**

[ Rs. in Lakhs ]

Particulars	Notes	Year ended 31.03.2016 (Latest period presented under previous GAAP)
<b>Profit as per previous GAAP</b>		<b>22,166.66</b>
<b>Adjustments:</b>		
Fair valuation of current investments	a	(123.33)
Property, plant and equipment	c	(122.24)
Expected credit loss on trade receivables	d	(17.64)
Actuarial Gain / Loss on defined benefit obligation - Gratuity	e	24.34
Tax effect	f	61.33
<b>Total effect of Transition to Ind AS</b>		<b>(177.54)</b>
<b>Profit for the year as per Ind AS</b>		<b>21,989.12</b>
Other Comprehensive income (net of tax)	g	(76.19)
<b>Total Comprehensive Income under Ind AS</b>		<b>21,912.93</b>

**Notes to the reconciliations :**

- Under previous GAAP, current investments were measured at lower of cost or Fair Value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss.  
Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value and the restatement gain / (loss) has been taken to Other Comprehensive Income (OCI).
- Under previous GAAP, dividends on Equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends together with dividend distribution tax are recognised when approved by the members in the General Meeting.
- Under Ind AS, the initial estimates of the costs of dismantling and of removing the item of Property, Plant and Equipment and restoring the site on which it is located is required to be included in the cost of the respective item of property, plant and equipment. Under previous GAAP, there was no such requirement and cost incurred as and when was charged to Statement of profit and loss.  
Further adjustments include recognition of spare parts in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. Under previous GAAP, these items were carried as inventory. The adjustment is on account of depreciation on classifying the same as property, plant and equipment from the date they are available for use. It also include impact on account of effective interest on borrowings and certain pre-operative expenses viz. liquidated damages / penalty, etc. capitalized under previous GAAP, taken to the Statement of profit and loss under Ind AS.
- Under Ind AS, expected life time credit provision is made on trade receivables. Under previous GAAP, the provision for doubtful debts was made using ageing analysis and an individual assessment of recoverability.
- Under Ind AS, re-measurements, i.e. actuarial gains and losses included in the net gratuity expense on the net defined liability are recognised in other comprehensive income instead of profit or loss.
- Deferred tax adjustments are on account of above Ind AS adjustments.
- Under Ind AS, other comprehensive income adjustments are on account of fair valuation of non-current investments and actuarial gain / loss on defined benefit plan – gratuity, net of tax effect.

**46.5** There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

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

**Gaurav J. Shah**  
Partner  
Membership No. 35701

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017

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

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

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF GUJARAT ALKALIES AND CHEMICALS LIMITED

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Gujarat Alkalies and Chemicals Limited (hereinafter referred to as "the Parent") and its Joint Venture company, comprising the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Joint Venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The Board of Directors of the joint venture is 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 and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of the other auditor on separate financial statement of joint venture referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its Joint Venture as at 31<sup>st</sup> March, 2017, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Other Matters

- (a) The consolidated Ind AS financial statements include the Group's share of net loss of Rs. 121 lacs for the year ended 31<sup>st</sup> March, 2017, as considered in the consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of one joint venture company and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid one joint venture company is based solely on the reports of the other auditor.
- (b) The comparative financial information for the year ended 31<sup>st</sup> March, 2016 in respect of one Joint Venture included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.



(c) The comparative financial information of the Group and Joint Venture for the year ended 31<sup>st</sup> March, 2016 and the transition date opening balance sheet as at 1<sup>st</sup> April, 2015 included in these consolidated Ind AS financial statements have been prepared to comply with Ind AS. Adjustments made to the consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

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

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor of joint venture company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- 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 Ind AS financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Parent as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its joint venture company incorporated in India, none of the directors of the Group company, its joint venture company incorporated in India is disqualified as on 31<sup>st</sup> March, 2017 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 Holding company and jointly controlled company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's and Joint Venture company's incorporated in India internal financial controls over financial reporting.

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

- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint venture. Refer note 42 to the consolidated financial statements.
- The Parent and joint venture company did not have any material foreseeable losses on long-term contracts including derivative contracts.
- There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and joint venture company incorporated in India.
- The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by the Parent.

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

**Gaurav J. Shah**  
Partner

(Membership No.35701)

Place : Gandhinagar  
Date : May 26, 2017

## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March

31, 2017, we have audited the internal financial controls over financial reporting of Gujarat Alkalies and Chemicals Limited (hereinafter referred to as "Parent") and its one Joint Venture company, which are companies 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 are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the 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 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 one 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 One 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 the other auditor referred to in the Other Matters paragraph below, the Parent, its one Joint Venture company, which are companies 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 March 31, 2017, 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.

### 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 insofar as it relates to one joint venture company, which is company incorporated in India, is based solely on the corresponding reports of the auditor of such company incorporated in India.

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

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

**Gaurav J. Shah**

Partner

(Membership No.35701)

Place : Gandhinagar

Date : May 26, 2017

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017

[ Rs. in Lakhs ]

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>I ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	3	2,07,318.58	1,82,076.93	1,66,095.94
(b) Capital work-in-progress	3	14,337.37	7,950.62	6,679.16
(c) Other Intangible assets	4	26.93	30.38	-
(d) Intangible assets under development	4	737.52	332.31	-
(e) Financial Assets				
(i) Investments				
(a) Investment in Joint Venture	5	150.16	(22.68)	-
(b) Other Investments	6	1,00,294.80	84,590.90	83,426.94
(ii) Loans	7	75.09	14.55	17.39
(iii) Other Financial assets	8	1,974.09	1,974.09	1,931.24
(f) Non-Current Tax Assets (Net)	9	9,298.86	9,082.35	9,067.84
(g) Other non-current assets	10	8,045.91	13,800.91	10,208.85
<b>Total Non - current assets</b>		<b>3,42,259.31</b>	<b>2,99,830.36</b>	<b>2,77,427.36</b>
<b>(2) Current assets</b>				
(a) Inventories	11	16,990.10	18,463.69	18,099.89
(b) Financial Assets				
(i) Other Investments	6	1,121.35	870.44	998.66
(ii) Trade receivables	12	32,874.76	32,644.44	29,975.41
(iii) Cash and cash equivalents	13	6,788.28	1,903.92	8,597.51
(iv) Bank balance other than (iii) above	14	6,319.78	3,113.63	10,103.80
(v) Loans	7	29,212.74	25,656.19	8,164.32
(vi) Other Financial assets	8	2,610.97	2,435.82	2,166.38
(c) Other current assets	10	5,359.63	4,503.52	3,995.47
<b>Total Current assets</b>		<b>1,01,277.61</b>	<b>89,591.65</b>	<b>82,101.44</b>
<b>TOTAL ASSETS</b>		<b>4,43,536.92</b>	<b>3,89,422.01</b>	<b>3,59,528.80</b>
General Information	1			
Significant Accounting Policies	2			

See accompanying notes forming part of financial statements.  
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 : 26<sup>th</sup> May, 2017

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

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

For and on behalf of the Board

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017



## CONSOLIDATED BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2017 (Contd.)

[ Rs. in Lakhs ]

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>II EQUITY AND LIABILITIES</b>				
<b>(1) EQUITY</b>				
(a) Equity Share capital	15	7,343.84	7,343.84	7,343.84
(b) Other Equity	16	3,28,225.79	2,85,437.87	2,67,531.03
<b>Total Equity</b>		<b>3,35,569.63</b>	<b>2,92,781.71</b>	<b>2,74,874.87</b>
<b>(2) LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	28,434.87	22,247.32	8,914.63
(b) Provisions	18	8,050.24	7,029.88	6,464.16
(c) Deferred tax liabilities (Net)	19	30,626.13	32,536.63	33,348.35
<b>Total Non-current liabilities</b>		<b>67,111.24</b>	<b>61,813.83</b>	<b>48,727.14</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	17	683.28	275.26	323.29
(ii) Trade payables	20	22,577.03	18,483.38	23,054.96
(iii) Other financial liabilities	21	14,283.49	12,419.50	9,476.75
(b) Provisions	18	579.24	614.80	489.24
(c) Current Tax Liabilities (Net)	9	819.19	1,302.19	819.19
(d) Other current liabilities	22	1,913.82	1,731.34	1,763.36
<b>Total Current Liabilities</b>		<b>40,856.05</b>	<b>34,826.47</b>	<b>35,926.79</b>
<b>Total Liabilities</b>		<b>1,07,967.29</b>	<b>96,640.30</b>	<b>84,653.93</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,43,536.92</b>	<b>3,89,422.01</b>	<b>3,59,528.80</b>
General Information	1			
Significant Accounting Policies	2			

See accompanying notes forming part of financial statements.

As per our attached Report of even date.

For **Deloitte Haskins & Sells**Chartered Accountants  
Firm Reg. No. : 117364WGaurav J. Shah  
Partner  
Membership No. 35701Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017

For and on behalf of the Board

P. K. Gera, IAS  
Managing DirectorDr. J. N. Singh, IAS  
ChairmanCA. (Dr.) H. B. Patel  
Executive Director (F) &  
Chief Financial OfficerS. S. Bhatt  
Company Secretary  
& General Manager  
(Legal & CC)Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[ Rs. in Lakhs ]

Particulars	Note No.	Year ended 31.03.2017	Year ended 31.03.2016
<b>I. Revenue from operations</b>	23	2,30,251.23	2,21,839.82
<b>II. Other Income</b>	24	5,592.40	4,622.54
<b>III. Total Revenue (I + II)</b>		<b>2,35,843.63</b>	<b>2,26,462.36</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	25	64,754.91	66,890.42
Purchase of Stock-in-Trade		427.64	1,297.73
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	567.54	(194.74)
Excise Duty		23,230.20	22,294.81
Employee benefits expense	27	16,976.22	16,210.13
Finance costs	28	1,283.30	992.65
Depreciation and amortisation expense	29	11,092.23	10,743.78
Power, Fuel & Other Utilities	30	48,465.91	55,075.14
Other expenses	31	30,867.25	26,882.30
<b>Total Expenses</b>		<b>1,97,665.20</b>	<b>2,00,192.22</b>
<b>V. Share of Profit / (Loss) of Joint Venture</b>		(121.16)	(28.68)
<b>VI. Profit before Tax (III - IV + V)</b>		<b>38,057.27</b>	<b>26,241.46</b>
<b>VII. Tax expense</b>	32		
(a) Current tax		8,114.65	5,424.75
(b) Deferred tax		4,424.10	4,002.85
(c) MAT Credit Entitlement		(5,211.29)	(5,146.58)
		<b>7,327.46</b>	<b>4,281.02</b>
<b>VIII. Profit for the year ( VI - VII )</b>		<b>30,729.81</b>	<b>21,960.44</b>
<b>IX. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial Gain / (Loss) on Gratuity		(469.68)	(24.34)
Deferred Tax Assets / (Liabilities) on defined benefit obligation - Gratuity		162.55	8.42
Investment adjustment - FVTOCI		15,381.90	280.16
Deferred Tax Assets / (Liabilities) on net fair value gain on investment in equity instruments at FVTOCI		960.75	(340.43)
<b>Total Other Comprehensive Income (IX)</b>		<b>16,035.52</b>	<b>(76.19)</b>
<b>X. Total Comprehensive Income ( VIII + IX )</b>		<b>46,765.33</b>	<b>21,884.25</b>
<b>XI. Earning per equity share (face value Rs.10/-each):</b>	33		
(1) Basic (Rs.)		41.85	29.90
(2) Diluted (Rs.)		41.85	29.90
General Information	1		
Significant Accounting Policies	2		

See accompanying notes forming part of financial statements.  
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 : 26<sup>th</sup> May, 2017

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

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

For and on behalf of the Board

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017



## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[ Rs. in Lakhs ]

PARTICULARS	2016-17	2015-16
<b>A Cash Flow from Operating Activities</b>	<b>50,209.81</b>	<b>20,072.09</b>
<b>B Cash Flow from Investing Activities</b>	<b>(46,674.05)</b>	<b>(35,189.18)</b>
<b>C Cash Flow from Financing Activities</b>	<b>1,348.60</b>	<b>8,423.50</b>
<b>D Cash and Cash Equivalents at the beginning of the year</b>	<b>1,903.92</b>	<b>8,597.51</b>
<b>E Cash and Cash Equivalents at the end of the year</b>	<b>6,788.28</b>	<b>1,903.92</b>
<b>F Total Cash Flow During the year (A+B+C) or (E-D)</b>	<b>4,884.36</b>	<b>(6,693.59)</b>
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit / (Loss) Before Tax and Extraordinary Items	38,057.27	26,241.46
Adjustments For :		
<b>Addition / (Deduction)</b>		
Depreciation and Amortisation Expenses	11,092.23	10,743.78
Interest Income	(3,253.62)	(3,249.73)
Dividend Received	(1,314.51)	(1,343.55)
Interest Expense	1,283.30	992.65
Net (Profit) / Loss on Sale of Assets	(93.77)	125.44
Net (Gain) / Loss arising from Financial Assets designated as FVTPL	(250.92)	128.43
Loss on Impairment of Fixed Assets	869.70	-
Provision for Expected credit loss allowances	(225.37)	123.34
<b>Sub Total</b>	<b>8,107.04</b>	<b>7,520.36</b>
<b>Operating Profit Before Working Capital Changes</b>	<b>46,164.31</b>	<b>33,761.82</b>
<b>Decrease or (Increase) in Assets :</b>		
Trade Receivables	(4.94)	(2,792.38)
Loans	(117.09)	10.97
Other Assets	4,923.23	(4,124.45)
Other Financial Assets	(26.13)	(375.50)
Inventories	1,473.59	(363.80)
<b>Increase / (Decrease) in Liabilities :</b>		
Trade Payables and Other Current Liabilities	4,276.13	(4,603.60)
Provisions	490.78	691.28
Other Financial Liabilities	1,844.10	2,824.02
<b>Cash Generated from Operations Before Tax</b>	<b>59,023.98</b>	<b>25,028.36</b>
Direct Taxes Paid	(8,814.17)	(4,956.27)
<b>Net Cash Flow generated from Operating Activities - (Total - A)</b>	<b>50,209.81</b>	<b>20,072.09</b>

## CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017 (contd.)

[ Rs. in Lakhs ]

P A R T I C U L A R S	2016-17	2015-16
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets	(37,220.94)	(26,742.40)
Intangible Assets under development	(409.24)	(366.02)
Sale or Adjustment of Fixed Assets	118.61	(104.47)
Increase in Capital Work-in-progress	(6,386.75)	(1,271.46)
Investment in Joint Venture	(172.84)	22.68
Purchase of Investments	(322.00)	(884.00)
<b>Bank Balances not considered as Cash Equivalents</b>		
- Deposit placed during the year	(13,540.00)	(44,400.00)
- Deposit matured during the year	10,340.00	51,400.00
Interest Received	3,104.60	3,312.94
Net (increase) / decrease in Short Term Deposits	(3,500.00)	(17,500.00)
Dividend Received	1,314.51	1,343.55
<b>Net Cash used in Investment Activities - (Total - B)</b>	<b>(46,674.05)</b>	<b>(35,189.18)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES :</b>		
Interest and Finance charges paid	(1,263.41)	(873.92)
Dividend paid	(3,983.56)	(3,987.24)
Net Proceeds from Long Term Borrowings	6,187.55	13,332.69
Net Proceeds from Short Term Borrowings	408.02	(48.03)
<b>Net Cash generated from Financing Activities - (Total - C)</b>	<b>1,348.60</b>	<b>8,423.50</b>
<b>D CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR :</b>		
Cash and Cheques on Hand	452.63	219.00
Balances with Banks	1,451.29	8,378.51
<b>Net Cash and Cash Equivalents at the beginning of the year - (Total - D)</b>	<b>1,903.92</b>	<b>8,597.51</b>
<b>E CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR :</b>		
Cash and Cheques on Hand	3.09	452.63
Balances with Banks	6,785.19	1,451.29
<b>Net Cash and Cash Equivalents at the end of the year - (Total - E)</b>	<b>6,788.28</b>	<b>1,903.92</b>
<b>F TOTAL CASH FLOW DURING THE YEAR (A+B+C) OR (E-D)</b>	<b>4,884.36</b>	<b>(6,693.59)</b>

**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.

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 : 26<sup>th</sup> May, 2017

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

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

**For and on behalf of the Board**

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2017

[ Rs. in Lakhs ]

ATTRIBUTABLE TO THE EQUITY HOLDERS									
Particulars	Equity Share Capital	Retained Earnings					Retained Earnings	Other Comprehensive Income - Fair value of equity instrument	Total Equity
		Capital Reserve	General Reserve	Security Premium	Acturial Gain / Loss on Gratuity				
Balance as at April 1, 2015	7,343.84	0.24	1,17,511.91	23,423.18	-	68,853.57	57,742.13	2,74,874.87	
Profit for the year	-	-	-	-	-	21,960.44	-	21,960.44	
Transfer to General Reserve	-	-	11,083.30	-	-	-	(11,083.30)	-	
Other comprehensive income for the year	-	-	-	-	(15.92)	-	(60.27)	(76.19)	
<b>Total Comprehensive income for the year</b>	-	-	<b>11,083.30</b>	-	<b>(15.92)</b>	<b>10,877.14</b>	<b>(60.27)</b>	<b>21,884.25</b>	
Dividend	-	-	-	-	-	(3,304.66)	-	(3,304.66)	
Dividend distribution tax	-	-	-	-	-	(672.75)	-	(672.75)	
Balance as at March 31, 2016	7,343.84	0.24	1,28,595.21	23,423.18	(15.92)	75,753.30	57,681.86	2,92,781.71	
Profit for the year	-	-	-	-	-	30,729.81	-	30,729.81	
Transfer to General Reserve	-	-	15,404.87	-	-	(15,404.87)	-	-	
Other comprehensive income for the year	-	-	-	-	(307.13)	-	16,342.65	16,035.52	
<b>Total Comprehensive income for the year</b>	-	-	<b>15,404.87</b>	-	<b>(307.13)</b>	<b>15,324.94</b>	<b>16,342.65</b>	<b>46,765.33</b>	
Dividend	-	-	-	-	-	(3,304.66)	-	(3,304.66)	
Dividend distribution tax	-	-	-	-	-	(672.75)	-	(672.75)	
Balance as at March 31, 2017	7,343.84	0.24	1,44,000.08	23,423.18	(323.05)	87,100.83	74,024.51	3,35,569.63	

## 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 36 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 – 391 346, District Vadodara, Gujarat, India. The equity shares of the Group are listed on the BSE Limited and National Stock Exchange of India Limited.

The financial statements are approved for issue by the Group's Board of Directors on 26<sup>th</sup> May, 2017.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### (1) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the Group prepared its financial statements in accordance with the requirements of the Standards notified under the Companies (Accounting Standards) Rules, 2014. These are the Group's first Ind AS adopted financial statements. The date of transition to Ind AS is April 1, 2015. Refer Note 2(19) for the details of first-time adoption exemptions availed by the Group. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2014 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the comprehensive net income for the year ended March 31, 2016 and April 1, 2015.

##### (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.

##### (3) Principles of consolidation of Joint Venture

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

##### (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.

##### (5) Revenue Recognition

###### (a) Sale of Goods :

Revenue from the sale of Goods is recognised when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- (i) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) the amount of revenue can be measured reliably;
- (iv) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are net of discounts, sales tax and value added tax but includes handling charges and packing charges. The Sales figure is grossed up to include Excise duty collected on sales.

###### (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





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### (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.

### (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 net profit in the Statement of Profit and Loss over the lease term.

### (7) Foreign Currencies

#### (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).

#### (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. 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.

### (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.

### (9) Employee Benefits

#### (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.

#### (b) Post-Employment Benefits :

##### (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.

##### (ii) Defined Benefit Plans :

The Gratuity Scheme managed by Life Insurance Corporation of India through a Trust is considered as defined benefit plan. The present value of the obligation is determined based on actuarial valuation 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.

##### (iii) Long term Employee Benefits :

The obligation for long term employee benefits such as long term compensated absences,

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

### (10) Income Taxes

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

#### (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.

#### (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.

#### (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.

### (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
Furniture and Fixtures	5-10 years
Vehicles	8-10 years

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The useful life as prescribed under Schedule II of the Companies Act 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.:

- (i) Remembrancing of Membrane cell elements-4 years
- (ii) Recoating of Anode and Cathode membrane cell elements-8 years
- (iii) 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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

For transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and considered that carrying value as its deemed cost as of the transition date.

### (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

### (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.

### (14) 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 bringing them to their respective present location and condition.

### (15) Provisions

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

### (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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Subsequent Measurement :

#### (a) Non-derivative financial instruments :

##### (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.

##### (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.

##### (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 .

##### (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.

##### (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.

##### (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.

#### (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.

#### (17) Fair value of financial instruments

In determining the fair value of its financial instruments, 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.

#### (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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (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.

### (20) First-time adoption-mandatory exceptions and optional exemptions

#### Overall Principle :

The Group has prepared the opening Balance Sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Group as detailed below.

#### Classification of Debt Instruments :

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

#### Impairment of financial assets :

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

#### Deemed cost for property, plant and equipment and intangible assets :

The Group has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

#### Equity investments at FVTOCI :

The Group has designated investment in equity instruments as at FVTOCI on the basis of facts and circumstances that existed at the transition date.

### (21) Recent accounting pronouncements

#### (i) Standards issued but not yet effective :

In March, 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. This amendment is in accordance with the recent amendment made by International Accounting Standards Board (IASB) to IAS 7. 'Statement of Cashflows' and IFRS 2. This amendment is applicable to the Group from April 1, 2017.

#### (ii) Amendment of Ind AS 7 :

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

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

### (22) 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 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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.

### Classification of GACL-NALCO Alkalies & Chemicals Pvt. Ltd. as a Joint Venture :

GACL-NALCO Alkalies & 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 & Chemicals Pvt. Ltd. is classified as a Joint Venture of the Group.

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

[Rs. in Lakhs ]

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
<b>Carrying Amounts of :</b>			
Land Freehold	102.75	102.75	102.75
Land Leasehold	6,327.51	1,332.35	1,324.85
Buildings	12,817.08	12,966.28	13,464.29
Plant and equipment	1,87,086.48	1,66,668.96	1,50,147.84
Plant and equipment under Finance Lease	444.37	460.44	477.84
Furniture and Fixture	423.09	410.08	401.58
Vehicles	117.30	136.07	176.79
	<b>2,07,318.58</b>	<b>1,82,076.93</b>	<b>1,66,095.94</b>
Capital Work-In-Progress	14,337.37	7,950.62	6,679.16
	<b>14,337.37</b>	<b>7,950.62</b>	<b>6,679.16</b>
<b>Total :</b>	<b>2,21,655.95</b>	<b>1,90,027.55</b>	<b>1,72,775.10</b>



## 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*	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Furniture & Fixture	Vehicles	Recoating/ Remem-braning***	Power, Water & Services**	Total
<b>Cost</b>										
<b>As at April 1, 2015</b>	102.75	1,324.85	13,464.29	1,46,476.13	477.84	401.58	176.79	3,538.73	132.98	1,66,095.94
Additions	-	523.85	80.26	21,184.86	-	103.78	0.31	3,167.41	-	25,060.47
Adjustment	-	(469.84)	-	773.42	-	-	-	-	-	303.58
Deductions	-	(28.57)	-	(446.24)	(86.76)	-	-	-	-	(561.57)
Foreign currency exchange difference	-	-	-	1,681.93	-	-	-	-	-	1,681.93
<b>As at March 31, 2016</b>	102.75	1,350.29	13,544.55	1,69,670.10	391.08	505.36	177.10	6,706.14	132.98	1,92,580.35
Additions	-	5,010.78	428.46	31,844.77	-	99.29	20.89	303.93	-	37,708.12
Adjustment	-	-	-	-	-	-	-	-	-	-
Deductions	-	-	-	(267.02)	(59.83)	(0.82)	(14.95)	-	-	(342.62)
Effect of Exchange difference	-	-	-	(487.18)	-	-	-	-	-	(487.18)
<b>As at March 31, 2017</b>	102.75	6,361.07	13,973.01	2,00,760.67	331.25	603.83	183.04	7,010.07	132.98	2,29,458.67

Fixed Assets	Land Freehold	Land Leasehold*	Buildings	Plant & Equipment	Plant & Equipment Under Lease	Furniture & Fixture	Vehicles	Recoating/ Remem-braning***	Power, Water & Services**	Total
<b>Depreciation &amp; Impairment</b>										
<b>As at April 1, 2015</b>	-	-	-	-	-	-	-	-	-	-
Depreciation for the year	-	47.75	578.27	8,593.21	13.07	95.28	41.03	1,241.60	96.88	10,707.09
Recoupment / Adjustment	-	(27.85)	-	61.20	-	-	-	-	-	33.35
Deductions	-	(1.96)	-	(152.63)	(82.43)	-	-	-	-	(237.02)
Effect of Foreign currency exchange difference	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2016</b>	-	17.94	578.27	8,501.78	(69.36)	95.28	41.03	1,241.60	96.88	10,503.42
Depreciation for the year	-	15.62	577.66	9,142.13	13.07	86.00	37.54	1,176.63	36.10	11,084.75
Impairment for the year	-	-	-	869.70	-	-	-	-	-	869.70
Deductions	-	-	-	(247.58)	(56.83)	(0.54)	(12.83)	-	-	(317.78)
<b>As at March 31, 2017</b>	-	33.56	1,155.93	18,266.03	(113.12)	180.74	65.74	2,418.23	132.98	22,140.09
<b>Net Block</b>										
<b>As at March 31, 2017</b>	102.75	6,327.51	12,817.08	1,82,494.64	444.37	423.09	117.30	4,591.84	-	2,07,318.58
<b>As at March 31, 2016</b>	102.75	1,332.35	12,966.28	1,61,168.32	460.44	410.08	136.07	5,464.54	36.10	1,82,076.93
<b>As at April 1, 2015</b>	102.75	1,324.85	13,464.29	1,46,476.13	477.84	401.58	176.79	3,538.73	132.98	1,66,095.94

\* Lease hold land amortised during Financial Year 2016-17 of Rs.15.62 lakhs (Ref. Sr. No. 11 of Note No. 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.

\*\* The Company's contribution or expenditure towards Power, Water and Services not owned by the Company has been capitalised and is amortised over a period of eighteen years starting from 15.08.1998 being the date of start of operations.

\*\*\* The Gross value and depreciation / amortisation amounting to Rs.1,283.00 lakhs of Recoating / Remem-braning is eliminated from Gross Block and Depreciation / amortisation for those assets which are fully written off till 31.03.2016. Recoating and Remem-braning expenditure are amortised over a useful life of 8 years and 4 years respectively as decided by management.

Borrowing Cost capitalised during the year Rs.267.41 Lakhs ( Previous Year: Rs. 424.15 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 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Carrying Amounts of :</b>			
Computer Software	26.93	30.38	-
	<b>26.93</b>	<b>30.38</b>	-
Intangible assets under development	737.52	332.31	-
	<b>737.52</b>	<b>332.31</b>	-
	<b>764.45</b>	<b>362.69</b>	-

Other Intangible Assets	Computer Software
<b>Cost</b>	
<b>As at April 1, 2015</b>	-
Additions	33.71
Disposals or classified as held for sale	-
Foreign currency exchange difference	-
<b>As at March 31, 2016</b>	<b>33.71</b>
Additions	4.03
Additions from internal developments	-
Acquisitions through business combinations	-
Disposals or classified as held for sale	-
Foreign currency exchange difference	-
<b>As at March 31, 2017</b>	<b>37.74</b>
<b>Accumulated amortisation and impairment</b>	
<b>As at April 1, 2015</b>	-
Amortisation expense	3.33
<b>As at March 31, 2016</b>	<b>3.33</b>
Amortisation expense	7.48
<b>As at March 31, 2017</b>	<b>10.81</b>
<b>Net Block</b>	
<b>As at March 31, 2017</b>	<b>26.93</b>
As at March 31, 2016	30.38
As at April 1, 2015	-

Particulars	Intangibles under Development
<b>As at April 1, 2015</b>	-
Additions from Internal Developments	332.31
<b>As at March 31, 2016</b>	<b>332.31</b>
Additions from Internal Developments	405.21
<b>As at March 31, 2017</b>	<b>737.52</b>





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 5 - INVESTMENT IN JOINT VENTURE

[ Rs. in Lakhs ]

Particulars	Nos.	Face Value Rs.	As at	Nos.	As at	As at
			31.03.2017		31.03.2016	01.04.2015
<b>Unquoted Investments (all fully paid) :</b> Investment in fully paid Equity Shares of GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	30,00,000	10	150.16	60,000	(22.68)	-
<b>GRAND TOTAL :</b>			<b>150.16</b>		<b>(22.68)</b>	<b>-</b>

The above joint venture is accounted as per equity method in this consolidated financial statement.

#### Details and financial information of Joint Venture

Name of Joint Venture	Principal activity	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the Group		
			As at 31/03/17	As at 31/03/16	As at 01/04/15
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Manufacture and Sale of Chlor-Alkali Products	India	60%	60%	0%

The Company and National Aluminium Company Ltd. (NALCO), a Government of India Enterprise have jointly incorporated a new company GACL-NALCO Alkalies & Chemicals Pvt. Ltd. on 4<sup>th</sup> December, 2015 for setting up of 800 TPD Caustic Soda Plant and 100 MW Coal based Power Plant at Dahej, Gujarat with a total cost of Rs.1,800.00 crores. 60% shares of the company is owned by GACL.

#### Summarised financial information in respect of Joint Venture :

[ Rs. in Lakhs ]

Particulars	For the year ended		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Non-Current Liabilities	-	-	-
Current Liabilities	119.47	73.49	-
Non-Current Assets	55.07	25.69	-
Current Assets	2,594.18	10.00	-
<b>The above amounts of Assets and Liabilities include the following :</b>			
Cash and Cash equivalents	2,315.69	10.00	-
Current Financial Liabilities (excluding Trade Payables and Provisions)	2.36	-	-

[ Rs. in Lakhs ]

Particulars	For the year ended		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Revenue	10.88	-	-
Profit or Loss from continuing operations	(198.53)	(47.80)	-
Profit (Loss) for the year	(201.93)	(47.80)	-
Other Comprehensive Income for the year	-	-	-
Total Comprehensive Income for the year	(201.93)	(47.80)	-
<b>The above profit (Loss) for the year include the following :</b>			
Depreciation and Amortisation	0.38	0.11	-
Interest Income	10.88	-	-
Income Tax Expense (Income)	3.40	-	-

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**6 - OTHER INVESTMENTS**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
<b>Non - Current :</b>						
<b>1 Investment in Equity Instruments (Quoted) :</b>						
a Gujarat Industries Power Company Limited	2,30,88,980	23,793.19	2,30,88,980	18,390.37	2,30,88,980	19,614.09
b Gujarat State Fertilizers and Chemicals Limited	75,00,000	9,825.00	75,00,000	4,818.75	75,00,000	6,243.75
c Gujarat Lease Financing Limited	2,50,000	11.25	2,50,000	6.13	2,50,000	5.32
d Gujarat Gas Limited *	42,63,157	32,773.02	42,63,157	23,556.07	-	-
<b>Total - 1 (Quoted)</b>		<b>66,402.46</b>		<b>46,771.32</b>		<b>25,863.16</b>
<b>2 Investment in Equity Instruments (Unquoted) :</b>						
a Gujarat Data Electronics Limited	40,000	4.00	40,000	4.00	40,000	4.00
Less - Provision for Diminution in the value of Investment		(4.00)		(4.00)		(4.00)
		-		-		-
b Gujarat Venture Finance Limited	1,80,000	199.89	1,80,000	167.40	1,80,000	133.20
c Gujarat Guardian Limited	74,25,000	11,521.37	74,25,000	9,355.50	74,25,000	9,726.75
d Gujarat State Petroleum Corporation Limited	2,15,43,200	7,352.69	2,15,43,200	13,313.70	2,15,43,200	12,516.60
e Gujarat Chemical Port Terminal Company Limited	6,13,90,000	9,969.74	6,13,90,000	10,374.91	6,13,90,000	9,147.11
f Vadodara Enviro Channel Limited	7,151	478.21	7,151	452.87	7,151	427.20
g Bhavnagar Energy Company Limited **	5,92,20,000	4,370.44	5,60,00,000	4,155.20	4,71,60,000	3,503.99
h GSPC Gas Company Limited *		-		-	40,00,000	22,108.73
<b>Total - 2 (Unquoted)</b>		<b>33,892.34</b>		<b>37,819.58</b>		<b>57,563.58</b>
<b>3 Investment in Government Securities (Unquoted) :</b>						
a Six Year National Saving Certificate (Pledged for renewal of licence)		-		-		0.20
<b>GRAND TOTAL :</b>		<b>1,00,294.80</b>		<b>84,590.90</b>		<b>83,426.94</b>
<b>Current :</b>						
<b>(A) Investment in Equity Instruments (Quoted) :</b>						
1 IDBI Bank Ltd.	3,18,800	239.42	3,18,800	221.25	3,18,800	226.35
2 Housing Development Finance Corporation Ltd.	58,700	881.73	58,700	648.99	58,700	772.31
		<b>1,121.15</b>		<b>870.24</b>		<b>998.66</b>
<b>(B) Investment in Government Securities (Unquoted) :</b>						
Six Year National Saving Certificate (Pledged for renewal of licence)		0.20		0.20		-
		<b>0.20</b>		<b>0.20</b>		<b>-</b>
<b>GRAND TOTAL :</b>		<b>1,121.35</b>		<b>870.44</b>		<b>998.66</b>
<b>Aggregate Book Value of quoted investments</b>		<b>67,523.61</b>		<b>47,641.56</b>		<b>26,861.82</b>
<b>Aggregate Market Value of quoted investments</b>		<b>67,523.61</b>		<b>47,641.56</b>		<b>26,861.82</b>
<b>Aggregate Carrying Value of unquoted investments</b>		<b>33,892.34</b>		<b>37,819.58</b>		<b>57,563.78</b>
<b>Aggregate amount of impairment in value of Investments</b>		<b>4.00</b>		<b>4.00</b>		<b>4.00</b>
<b>Category-wise other Investments - as per Ind AS 109 classification :-</b>						
Financial assets carried at Fair Value Through Profit or Loss (FVTPL) (Equity Instruments)		1,121.15		870.24		998.66
Financial assets carried at amortised cost (Govt. Securities)		0.20		0.20		0.20
Financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) (Equity Instruments)		1,00,294.80		84,590.90		83,426.74

\* During the Financial Year 2015-16 in pursuance of Amalgamation and arrangement scheme Company has received Equity Shares of Gujarat Gas Limited in lieu of shares held in GSPC Gas Company Ltd.

\*\* Restriction to transfer the shares till successful commercial operation by the Company.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 7 - LOANS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current :</b>			
<b>Unsecured - Considered Good :</b>			
Loans to Employees	67.30	14.55	17.39
Loans to Officers	7.79	-	-
<b>Total :</b>	<b>75.09</b>	<b>14.55</b>	<b>17.39</b>
<b>Current :</b>			
<b>Unsecured - Considered Good :</b>			
Loan to Gujarat Chemical Port Terminal Company Limited	-	-	53.00
Inter Corporate Deposit with Gujarat State Financial Services Ltd. (Related party - Refer Note-37)	29,000.00	25,500.00	8,000.00
Loans to Employees	192.09	156.19	111.32
Loans to Officers	20.65	-	-
<b>Total :</b>	<b>29,212.74</b>	<b>25,656.19</b>	<b>8,164.32</b>

### 8 - OTHER FINANCIAL ASSETS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current :</b>			
<b>Unsecured - Considered Good :</b>			
Security Deposits	1,974.09	1,974.09	1,931.24
<b>Total :</b>	<b>1,974.09</b>	<b>1,974.09</b>	<b>1,931.24</b>
<b>Current :</b>			
<b>Unsecured - Considered Good :</b>			
Security Deposits	151.57	137.07	107.22
Amount receivable from DGVCL for Wind Farm Credit	701.16	707.09	453.68
Receivable from GACL-NALCO Alkalies & Chemicals Pvt. Ltd. (Related party - Refer Note - 37)	66.95	49.39	-
Interest receivable	1,691.29	1,542.27	1,605.48
<b>Total :</b>	<b>2,610.97</b>	<b>2,435.82</b>	<b>2,166.38</b>

### 9 - NON-CURRENT TAX ASSETS (NET)

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Tax Assets (Net)	9,298.86	9,082.35	9,067.84
<b>Total:</b>	<b>9,298.86</b>	<b>9,082.35</b>	<b>9,067.84</b>

### CURRENT TAX LIABILITIES (NET)

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Tax Liabilities (Net)	819.19	1,302.19	819.19
<b>Total:</b>	<b>819.19</b>	<b>1,302.19</b>	<b>819.19</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 10 - OTHER ASSETS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non - Current :</b>			
<b>Unsecured - Considered Good :</b>			
Capital Advances*	5,549.37	11,043.04	7,724.15
Balance with Excise & Customs **	1,257.55	1,274.92	1,274.92
Prepaid Long Term Employee Benefits (Gratuity)	-	277.14	270.25
Duty Drawback receivable	2.53	2.53	2.53
Prepaid Expenses	7.43	4.65	6.75
Prepayment for leasehold land	1,229.03	1,198.63	930.25
<b>Total :</b>	<b>8,045.91</b>	<b>13,800.91</b>	<b>10,208.85</b>
<b>Current :</b>			
<b>Unsecured - Considered Good :</b>			
Prepaid Long Term Employee Benefits (Gratuity)	-	49.27	40.58
Advance to suppliers	1,144.77	821.51	934.72
Duty Drawback Receivable	69.27	77.01	61.81
Balance with Excise & Customs	220.55	87.48	205.11
Prepaid Expenses	111.05	99.33	55.58
Prepayment for leasehold land	80.90	79.50	61.40
CENVAT & VAT Credit receivable	3,425.05	2,856.19	2,582.07
Other Loans and Advances	308.04	433.23	54.20
<b>Total :</b>	<b>5,359.63</b>	<b>4,503.52</b>	<b>3,995.47</b>

\* Capital Advances includes advance payment made for lease hold lands allotted pending execution of lease deeds :

- (i) Rs.1,732.59 lakhs (F.Y. 2015-16 Rs.1,591.36 lakhs, F.Y. 2014-15 Rs.1,555.87 lakhs) towards plot No. D-III/3 in exchange of Plot No. 42/1 at Dahej measuring 5,16,548 sq. mtrs.
- (ii) Rs.Nil lakhs (F.Y. 2015-16 Rs.4,411.70 lakhs, F.Y. 2014-15 Rs.4,304.18 lakhs) towards Plot No. D-II/9 at Dahej admeasuring 7,68,709.48 sq. mtrs.
- (iii) Rs.923.08 lakhs (F.Y. 2015-16 Rs.923.08 lakhs, F.Y. 2014-15 Rs.924.02 lakhs) towards plot No. B-37 to B-44 at village Atali admeasuring 50,714.48 sq. mtrs.

\*\* 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 Hight Court, the amount paid has been shown under balance with excise and custom 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 31.03.2017	As at 31.03.2016	As at 01.04.2015
(a) Raw Materials and Components	3,137.80	3,485.28	4,209.77
Goods-in-Transit	3,071.57	2,676.08	2,469.26
	6,209.37	6,161.36	6,679.03
(b) Work-in-Progress	576.38	626.43	592.24
(c) Finished Goods	3,356.49	4,178.59	4,018.82
Goods-in-Transit	324.60	19.99	19.21
	3,681.09	4,198.58	4,038.03
(d) Stores and Spares	6,082.93	7,055.17	6,449.38
Goods-in-Transit	-	7.84	4.06
	6,082.93	7,063.01	6,453.44
(e) Others :			
Packing Materials	318.06	311.33	271.43
Furnace Oil	17.16	17.16	17.16
Building Materials	105.11	85.82	48.56
	440.33	414.31	337.15
<b>Total :</b>	<b>16,990.10</b>	<b>18,463.69</b>	<b>18,099.89</b>

### 12 - TRADE RECEIVABLES

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Current :</b>			
(a) Trade Receivable from related parties : (Refer Note-37)			
Secured, considered good	2,080.89	1,801.30	1,352.53
(b) Others :			
Secured, considered good	3,652.54	4,076.95	3,579.52
Unsecured, considered good	26,985.90	27,038.55	25,244.08
Unsecured, considered Doubtful *	2,033.46	1,831.05	1,779.34
	34,752.79	34,747.85	31,955.47
Less : Allowance for expected credit losses	1,878.03	2,103.41	1,980.06
<b>Total :</b>	<b>32,874.76</b>	<b>32,644.44</b>	<b>29,975.41</b>

\* The Trade Receivables include overdue outstanding from various parties aggregating to **Rs. 1,206.92 lakhs**, (Previous Year Rs.1,301.67 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. 1,206.92 lakhs** (Previous Year Rs.1,230.30 lakhs) exists for such doubtful debts as on 31.03.2017.

The average credit period on sale of goods is 51 days. However, no interest is charged on Trade Receivables for delay in payment beyond 51 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 :

Particulars	Expected Credit Loss	
	As at 31.03.2017	
Within the Credit Period	0.20%	
1-60 days past due	5.36%	
61-180 days past due	33.60%	
181-2 years past due	43.58%	
2-5 years past due	83.33%	
Above 5 years past due	100%	

### Age of Receivables :

Particulars	[ Rs. in Lakhs ]		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Within the Credit Period	30,649.13	28,411.21	27,200.69
1-60 days past due	1,743.24	3,958.59	2,640.63
61-180 days past due	654.84	474.86	238.34
181-2 years past due	344.96	196.33	103.43
2-5 years past due	36.45	289.85	184.45
Above 5 years past due	1,324.16	1,417.01	1,587.94
	<b>34,752.79</b>	<b>34,747.85</b>	<b>31,955.47</b>

### Movement in Expected Credit Loss Allowance :

Particulars	[ Rs. in Lakhs ]	
	As at 31.03.2017	As at 31.03.2016
Balance at beginning of the year	2,103.41	1,980.07
Movement in Expected Credit Loss Allowance on trade receivables calculated at lifetime expected credit losses	(225.37)	123.34
<b>Balance at end of the year</b>	<b>1,878.04</b>	<b>2,103.41</b>

At March 31, 2017; March 31, 2016 and April 01, 2015, the major customers accounted for the following amounts of the Company's Trade Receivables :

Sr. No.	Dealer Name	[ Rs. in Lakhs ]					
		Balance as at 31.03.2017		Balance as at 31.03.2016		Balance as at 01.04.2015	
		Amount (Rs.)	% to Total Debtors	Amount (Rs.)	% to Total Debtors	Amount (Rs.)	% to Total Debtors
1	Dealer-A	4,853.63	13.97	5,205.47	14.98	4,315.19	13.50
2	Dealer-B	2,279.53	6.56	1,981.97	5.70	2,520.49	7.89
3	Dealer-C	3,030.50	8.72	2,457.88	7.07	2,551.23	7.98
4	Dealer-D	2,329.78	6.70	2,375.25	6.84	2,661.04	8.33
5	Dealer-E	1,889.63	5.44	1,454.43	4.19	1,441.67	4.51
	<b>Total ( 1 To 5 )</b>	<b>14,383.07</b>	<b>41.39</b>	<b>13,475.00</b>	<b>38.78</b>	<b>13,489.62</b>	<b>42.21</b>
	<b>Total Trade Receivable-GACL</b>	<b>34,752.79</b>	<b>100.00</b>	<b>34,747.85</b>	<b>100.00</b>	<b>31,955.47</b>	<b>100.00</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 13 - CASH AND CASH EQUIVALENTS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Cash and Cash Equivalents :</b>			
Balances with Banks :			
Current Account	2,785.19	1,281.29	378.51
Cheques, Drafts on hand	-	450.52	215.23
Cash on hand	2.83	2.06	3.70
Others :			
Stamps on hand	0.26	0.05	0.07
Fixed Deposits with Banks	-	170.00	8,000.00
Deposit with Gujarat State Financial Services Ltd. (Related Party - Refer Note-37)	4,000.00	-	-
<b>Total :</b>	<b>6,788.28</b>	<b>1,903.92</b>	<b>8,597.51</b>

### 14 - OTHER BALANCES WITH BANKS

[ Rs. in Lakhs ]

Particulars	As per Ind AS 31.03.2017	As per Ind AS 31.03.2016	As per Ind AS 01.04.2015
<b>Other Bank Balances consist of the following:</b>			
Fixed Deposits with Banks	6,200.00	3,000.00	10,000.00
Unpaid Dividend*	119.78	113.63	103.80
<b>Total :</b>	<b>6,319.78</b>	<b>3,113.63</b>	<b>10,103.80</b>

\* During the year, the Company has transferred Rs.12.33 lakhs to Investor Education & Protection Fund for FY 2008-09.

### Disclosure on Specified Bank Notes (SBNs)

[ Rs. in Lakhs ]

Particulars	Specified Bank Notes	Other Denomination Notes	Total
SBNs Other denomination notes Total			
<b>Closing cash in hand as on 08.11.2016</b>	1.45	1.75	3.20
<b>Transaction : From 08-11-2016 to 30-12-2016 :</b>			
(+) Permitted receipts	0.44	11.64	12.08
(-) Permitted payments	-	(8.44)	(8.44)
(-) Amount deposited in Banks	(1.89)	-	(1.89)
<b>Closing cash in hand as on 30.12.2016</b>	-	4.95	4.95

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**15 - SHARE CAPITAL**

[ Rs. in Lakhs ]

Particulars	[ Rs. in Lakhs ]		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Equity Share Capital</b>			
<b>(a) Authorised Share Capital :</b>			
10,00,00,000 Equity Shares of Rs. 10/- each	10,000.00	10,000.00	10,000.00
50,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each	5,000.00	5,000.00	5,000.00
	<b>15,000.00</b>	<b>15,000.00</b>	<b>15,000.00</b>
<b>(b) Issued :</b>			
7,34,39,875 Equity Shares of Rs.10/- each (As at March 31, 2016 :7,34,39,875; As at April 1, 2015 : 7,34,39,875)	7,343.99	7,343.99	7,343.99
<b>(c) Less : Subscribed &amp; Not Fully Paid-up (forefeited) :</b>			
2,947 Equity Shares of Rs.10/- each (As at March 31, 2016 : 2,947 ; As at April 1, 2015 : 2,947)	0.15	0.15	0.15
<b>(d) Subscribed &amp; Fully Paid-up :</b>			
7,34,36,928 Equity Shares of Rs.10/- each (As at March 31, 2016 :7,34,36,928; As at April 1, 2015 : 7,34,36,928)	7,343.84	7,343.84	7,343.84
<b>Total :</b>	<b>7,343.84</b>	<b>7,343.84</b>	<b>7,343.84</b>

**(i) Reconciliation of the number of equity shares :**

Particulars	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Number	[Rs. in Lakhs]	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	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	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 <sup>st</sup> March, 2017		As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
		No. of shares held	% of shares held	No. of shares held	% of shares held	No. of shares held	% of shares held
1	Lok Prakashan Ltd.	1,62,15,732	22.08	1,60,75,325	21.89	1,60,75,325	21.89
2	Gujarat State Investment Ltd.	1,53,29,373	20.87	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	71,19,028	9.69
4	Gujarat Mineral Development Corporation Ltd.	41,45,433	5.64	41,45,433	5.64	41,45,433	5.64



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 16 - OTHER EQUITY

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
a. General Reserve	1,44,000.08	1,28,595.21	1,17,511.91
b. Securities Premium Reserve	23,423.18	23,423.18	23,423.18
c. Capital Reserve	0.24	0.24	0.24
d. Reserve for equity instruments through other comprehensive income	73,701.46	57,665.94	57,742.13
e. Retained Earnings	87,100.83	75,753.30	68,853.57
	<b>3,28,225.79</b>	<b>2,85,437.87</b>	<b>2,67,531.03</b>
<b>a. General Reserve :</b>			
Balance at beginning of year	1,28,595.21	1,17,511.91	
Transferred from Surplus Balance in the Statement of Profit and Loss	15,404.87	11,083.30	
<b>Balance at end of year</b>	<b>1,44,000.08</b>	<b>1,28,595.21</b>	
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>b. Securities Premium Reserve :</b>			
Balance at beginning of year	23,423.18	23,423.18	
Movements	-	-	
<b>Balance at end of year</b>	<b>23,423.18</b>	<b>23,423.18</b>	
<b>c. Capital Reserve :</b>			
Balance at beginning of year	0.24	0.24	
Movements	-	-	
<b>Balance at end of year</b>	<b>0.24</b>	<b>0.24</b>	
<b>d. Reserve for equity instruments through other comprehensive income :</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Balance at beginning of year	57,665.94	57,742.13	
Net fair value gain on investments in equity instruments at FVTOCI	15,381.90	280.16	
Other Comprehensive Income arising from Actuarial Gain / Loss on defined benefit obligation - Gratuity	(469.68)	(24.34)	
Deferred tax on defined benefit obligation - Gratuity	162.55	8.42	
Income tax on net fair value gain on investment in equity instruments at FVTOCI	960.75	(340.43)	
<b>Balance at end of year</b>	<b>73,701.46</b>	<b>57,665.94</b>	
<b>e. Retained Earnings :</b>			
Balance at beginning of year (P&L)	75,753.30	68,853.57	
Profit attributable to owners of the Company (Profit for the year)	30,729.81	21,960.44	
Payment of Dividend on Equity Shares	(3,304.66)	(3,304.66)	
Payment of Dividend distribution tax	(672.75)	(672.75)	
Transfer to General Reserve	(15,404.87)	(11,083.30)	
<b>Balance at end of year</b>	<b>87,100.83</b>	<b>75,753.30</b>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**17 - BORROWINGS**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current :</b>			
<b>Secured - at amortised cost :</b>			
<b>Term Loans from Banks :</b>			
External Commercial Borrowing from ICICI Bank*	11,078.11	-	4,064.95
External Commercial Borrowing from HDFC Bank**	-	2,549.98	4,849.68
External Commercial Borrowing from HSBC Bank***	17,356.76	19,697.34	-
<b>Total :</b>	<b>28,434.87</b>	<b>22,247.32</b>	<b>8,914.63</b>

The terms of repayment of borrowings are stated below:

- \* The Loan is secured by plant and machinery of 14.7 MW Wind Farm Project at Kuchhdi, 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.
- \*\* The Loan is secured by plant and machinery of 20,000 MTA Sodium Chlorate Project at Dahej, Dist. Bharuch, Gujarat. It has to be repaid in 10 equal half yearly installments from 14.08.2013 and carries interest rate of LIBOR plus 3.50% p.a.
- \*\*\* The Loan is secured by plant and machinery of 31 MW Wind Farm Project at in Dist. Rajkot & Kachchh, Gujarat and Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat. It has to be repaid in 10 equal half yearly installments from 07.01.2018 and carries interest rate of LIBOR plus 1.80% p.a.

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Current :</b>			
<b>Secured</b>			
Loans repayable on demand from Banks*	683.28	275.26	323.29
<b>Total :</b>	<b>683.28</b>	<b>275.26</b>	<b>323.29</b>

- \* The Company has working capital facilities with various Banks carrying interest rate ranging from 9.65% to 14.75%. These facilities are secured by first charge by hypothecation of stocks and book debts and second charge over the immovable assets of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 18 - PROVISIONS

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Non-Current :</b>			
<b>(A) Provision for Employees' Benefits</b>			
(i) Gratuity	170.43	-	-
(ii) Compensated Absences	4,773.33	4,028.98	3,773.23
(iii) Long Service Award	50.90	48.24	40.93
<b>(B) Provision for Other Liabilities *</b>	1,719.66	1,719.66	1,719.66
<b>(C) Asset Retirement Obligations (Windmills)</b>	1,335.92	1,233.00	930.34
<b>Total :</b>	<b>8,050.24</b>	<b>7,029.88</b>	<b>6,464.16</b>
<b>Current :</b>			
<b>(A) Provision for Employees' Benefits</b>			
(i) Gratuity	22.48	-	-
(ii) Compensated Absences	513.40	575.53	454.92
(iii) Long Service Award	43.36	39.27	34.32
<b>Total :</b>	<b>579.24</b>	<b>614.80</b>	<b>489.24</b>

\* 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.

### 19 - DEFERRED TAX LIABILITIES (NET)

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Deferred Tax assets	(17,496.34)	(11,616.70)	(6,188.26)
Deferred Tax liabilities	48,122.47	44,153.33	39,536.61
<b>Deferred Tax Liabilities (Net)</b>	<b>30,626.13</b>	<b>32,536.63</b>	<b>33,348.35</b>

2016-2017 :

[Rs. in Lakhs]

Deferred tax liabilities / (assets) in relation to:	Opening balance as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Acquisitions/ disposals	Liabilities associated with assets classified as held for sale	Closing Balance
Property, Plant and Equipment	37,313.18	4,929.89	-	-	-	-	-	42,243.07
Employee Benefits	(8.42)	-	(162.55)	-	-	-	-	(170.97)
Investments	6,840.15	-	(960.75)	-	-	-	-	5,879.40
Disallowances / Allowances	(2,128.51)	(505.79)	-	-	-	-	-	(2,634.30)
MAT Credit Entitlement	(9,479.77)	(5,211.30)	-	-	-	-	-	(14,691.07)
<b>Total :</b>	<b>32,536.63</b>	<b>(787.20)</b>	<b>(1,123.30)</b>	-	-	-	-	<b>30,626.13</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

2015-2016 :

[Rs. in Lakhs]

Deferred tax liabilities / (assets) in relation to:	Opening balance as per Ind AS	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Reclassified from equity to profit or loss	Acquisitions/ disposals	Liabilities associated with assets classified as held for sale	Closing Balance
Property, Plant and Equipment	33,036.89	4,276.29	-	-	-	-	-	37,313.18
Employee Benefits	-	-	(8.42)	-	-	-	-	(8.42)
Investments	6,499.72	-	340.43	-	-	-	-	6,840.15
Disallowances / Allowances	(1,855.07)	(273.44)	-	-	-	-	-	(2,128.51)
MAT Credit Entitlement	(4,333.19)	(5,146.58)	-	-	-	-	-	(9,479.77)
<b>Total :</b>	<b>33,348.35</b>	<b>(1,143.73)</b>	<b>332.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,536.63</b>

**20 - TRADE PAYABLES**

[ Rs. in Lakhs ]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>Current :</b>			
Trade Payable to related parties (Refer Note-37) :	74.69	74.20	62.97
Trade Payables (Refer note below for details of dues to Micro, Small and Medium Enterprises)	22,502.34	18,409.18	22,991.99
<b>Total :</b>	<b>22,577.03</b>	<b>18,483.38</b>	<b>23,054.96</b>
<b>Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")</b>			
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,117.50	1,041.15	886.45
(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 38 days for current year (previous year 41 days). 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 21 - OTHER FINANCIAL LIABILITIES

[ Rs. in Lakhs ]

Particulars	As at	As at	As at
	31.03.2017	31.03.2016	01.04.2015
<b>Current :</b>			
Current maturities of long term secured debts *	6,218.73	7,016.34	6,666.67
Interest accrued but not due on borrowings	174.13	154.24	35.51
Unpaid dividends	119.78	113.64	103.80
Payables for capital goods	6,899.32	4,250.15	1,705.28
Security Deposits / Earnest Money Deposits	871.03	884.63	964.99
Current maturities of finance lease obligations (from a financial institution)	0.50	0.50	0.50
<b>Total :</b>	<b>14,283.49</b>	<b>12,419.50</b>	<b>9,476.75</b>

\* Represents repayment falling due in next twelve months :

- (i) Rs. 2,543.89 lakhs to HDFC Bank towards ECB loan secured against plant and machinery of 20,000 MTA Sodium Chlorate Project at Dahej, Dist. Bharuch, Gujarat carrying interest rate of LIBOR plus 3.50% p.a.
- (ii) Rs. 1,945.50 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 Potassium Hydroxide Plant at Ranoli, Dist. Vadodara, Gujarat including future expansion carrying interest rate of LIBOR plus 1.80% p.a.
- (iii) Rs. 1,729.34 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. Vaodara, 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	As at	As at
	31.03.2017	31.03.2016	01.04.2015
<b>Other payables :</b>			
Other Statutory Liabilities	830.03	1,355.81	1,026.07
Advance received from customers	1,083.79	375.53	737.29
<b>Total :</b>	<b>1,913.82</b>	<b>1,731.34</b>	<b>1,763.36</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**23 - REVENUE FROM OPERATIONS**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016	
<b>(i) SALE OF PRODUCTS :</b>				
<b>[a] MANUFACTURING OPERATIONS</b>				
Caustic Soda Lye	68,347.55		58,462.32	
Caustic Soda Flakes	38,550.78		35,669.95	
Caustic Soda Prills	2,081.55		2,816.92	
Chloromethanes	10,971.14		13,569.86	
Sodium Cyanide	-		362.19	
Caustic Potash Lye	2,495.15		2,638.57	
Caustic Potash Flakes	6,917.12		8,786.76	
Potassium Carbonate	5,766.21		5,437.58	
Hydrogen Peroxide (100%)	21,919.66		18,741.37	
Phosphoric Acid (85%)	16,848.53		17,076.31	
Poly Aluminium Chloride	3,978.74		3,664.80	
Aluminium Chloride	11,744.28		11,057.33	
Chlorinated Paraffin Wax	995.40		1,402.00	
Benzyl Alcohol	3,375.11		3,443.93	
Sodium Chlorate	6,451.31		4,111.51	
Others	1,081.24		6,970.48	
		<b>2,01,523.77</b>		1,94,211.88
<b>[b] TRADING ACTIVITY</b>		<b>501.06</b>		1,385.39
<b>[c] EXCISE DUTY</b>		<b>23,509.34</b>		22,264.28
<b>Total (i) :</b>		<b>2,25,534.17</b>		2,17,861.55
<b>(ii) OTHER OPERATING REVENUE :</b>				
Sale of Scrap	661.85		435.50	
Insurance claims received	14.26		-	
Export Incentives	456.81		113.51	
Credit balances written back (Net)	679.35		175.15	
Freight Outward Recovered (Gross)	2,765.35		2,395.34	
Other Receipts	139.44		858.77	
<b>Total (ii) :</b>		<b>4,717.06</b>		3,978.27
<b>Total ( i + ii ) :</b>		<b>2,30,251.23</b>		2,21,839.82



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 24 - OTHER INCOME

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
<b>Interest Income</b>		
a) Deposit with Banks	464.62	1,013.24
b) Short Term Deposit / Inter Corporate Deposit	2,614.60	2,066.60
c) Others		
- From Non-Current Assets	174.38	168.06
- From Current Assets	0.02	1.83
<b>Dividend Income</b>		
a) From Non-Current Investments	1,302.77	1,332.35
b) From Current Investments	11.74	11.20
All Dividends from Equity investments designated as at FVTOCI recognised for both the years relate to investments held at the end of each reporting period.		
<b>Other Non-operating Income</b>		
a) Net Exchange rate variation	660.09	20.41
b) Rent received from assets given on operating lease	2.20	2.20
c) Profit on sale of Fixed Assets (Net)	93.77	-
d) Net gain arising from Financial Assets designated FVTPL	250.92	-
e) Miscellaneous Income	17.29	6.65
<b>Total :</b>	<b>5,592.40</b>	<b>4,622.54</b>

### 25 - COST OF MATERIALS CONSUMED

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Natural Gas	19,902.78	21,174.15
Potassium Chloride	8,549.80	9,747.95
Salt	6,932.39	7,235.42
Rock Phosphate	5,657.85	6,396.42
Aluminium Ingots	9,017.47	8,212.97
Alumina Trihydrate Powder	2,031.86	1,836.13
Heavy Normal Paraffin	829.42	1,202.83
Toluene	3,867.21	3,865.68
Caustic Soda Lye	1,871.34	1,241.97
Others	6,094.79	5,976.90
<b>Total :</b>	<b>64,754.91</b>	<b>66,890.42</b>

#### NOTE :

	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
<b>VALUE OF RAW MATERIALS CONSUMED</b>				
IMPORTED	19,889.03	30.71	22,318.93	33.37
INDIGENOUS	44,865.88	69.29	44,571.49	66.63
<b>Total :</b>	<b>64,754.91</b>	<b>100.00</b>	<b>66,890.42</b>	<b>100.00</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**26 - CHANGES IN INVENTORIES OF FINISHED GOODS,  
WORK-IN-PROGRESS AND STOCK-IN-TRADE**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017		Year Ended 31.03.2016
	<b>Closing Stock :</b>		
Finished Goods	3,681.09	4,257.47	4,198.58
Process Stock	576.38		626.43
			4,825.01
<b>Less :- Opening Stock :</b>			
Finished Goods	4,198.58	4,825.01	4,038.03
Process Stock	626.43		592.24
			4,630.27
<b>(Increase) / Decrease :</b>		<b>567.54</b>	<b>(194.74)</b>

**27 - EMPLOYEE BENEFITS EXPENSE**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	a) Salaries and Wages	13,740.29
b) <b>Contributions to :</b>		
(i) Provident Fund	648.84	623.19
(ii) Superannuation Scheme	564.66	543.08
(iii) Gratuity Fund	250.00	209.58
c) Staff Welfare Expenses	1,772.43	1,671.82
<b>Total :</b>	<b>16,976.22</b>	<b>16,210.13</b>

**28 - FINANCE COSTS**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	<b>(a) Interest Expense :</b>	
On Term Loans	1,005.19	764.21
On Cash Credit	0.29	1.57
Others	31.17	9.99
<b>(b) Other Borrowing Costs :</b>		
Bank Charges	246.65	216.88
<b>Total :</b>	<b>1,283.30</b>	<b>992.65</b>

**29 - DEPRECIATION AND AMORTISATION EXPENSE**

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
	Depreciation of Property, Plant and Equipment (Note 3)	11,084.75
Amortisation of Intangible Assets (Note 4)	7.48	3.33
<b>Total :</b>	<b>11,092.23</b>	<b>10,743.78</b>





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30 - POWER, FUEL & OTHER UTILITIES

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Power	41,343.70	46,628.76
Fuel, Natural Gas and Water Charges	7,122.21	8,446.38
<b>Total :</b>	<b>48,465.91</b>	<b>55,075.14</b>

### 31 - OTHER EXPENSES

[ Rs. in Lakhs ]

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Stores and Spare-parts consumed	3,777.44	3,117.61
Repairs, Maintenance and Replacement		
Building	19.42	-
Plant and Machinery	3,564.46	2,964.18
Others	2,950.29	2,970.56
Job Work / Processing Charges	6,534.17	5,934.74
Safety & Environment Expenses	4,249.99	3,733.25
Insurance	314.25	332.00
Packing Materials Consumption	251.75	306.88
Rent (includes Lease Rent and charges Rs. 114.99 lakhs Previous year Rs.523.16 lakhs)	4,602.26	4,987.04
Rates and Taxes	115.13	523.37
Printing and Stationery	22.68	22.60
Postage and Telephone	45.59	77.65
Vehicle Running and Maintenance including Hire Charges	85.32	87.39
Directors' Fees	427.22	401.42
Auditors' Remuneration and Expenses	8.40	7.80
Membership and Subscription Fees	16.05	15.40
Travelling and Conveyance	27.71	28.15
Legal and Professional Charges	167.69	99.52
Research and Development Expenses	339.69	331.52
Loss on Sale of Fixed Assets (Net)	112.37	111.93
Loss on Impairment of Fixed Assets	-	125.44
Donations & Other CSR Cost	869.70	-
Bad Debts Written Off	565.33	534.63
Provision for expected credit loss allowances	75.25	5.32
Stores & Spare Written Off	(225.37)	123.34
General Expenses	487.89	-
Commission on Sales	2,449.81	1,419.36
Other Marketing Expenses	316.72	298.30
Freight Outward Paid (Gross)	2,190.02	1,871.95
Net loss arising from Financial Assets designated FVTPL	3,040.19	2,257.26
<b>Total :</b>	<b>30,867.25</b>	<b>26,882.30</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

	Year Ended 31.03.2017		Year Ended 31.03.2016	
	Value Rs. in Lakhs	Percentage %	Value Rs. in Lakhs	Percentage %
<b>Consumption value of Stores and Spare-parts :</b>				
- Imported	361.76	9.58	255.28	8.19
- Indigenous	3,415.68	90.42	2,862.33	91.81
<b>Total :</b>	<b>3,777.44</b>	<b>100.00</b>	<b>3,117.61</b>	<b>100.00</b>

**32 - Tax Expense**

During the Current Year, the Tax Liability under normal Provisions of the Income Tax Act, 1961 comes to Rs. 2,951.12 Lakhs (Previous Year Rs. 278.17 Lakhs) and Tax Liability under MAT Provisions of Income Tax Act, 1961 is Rs. 8,114.65 Lakhs ( Previous Year Rs. 5,424.75 Lakhs). Hence, the Group is required to pay the tax under MAT Provisions of Income Tax Act, 1961. Accordingly, MAT credit Entitlement reflects the difference between the normal tax and tax under MAT Provisions.

**Income Taxes relating to continuing operations**
**Income Tax Recognised in Profit or Loss**
**[Rs. in Lakhs]**

Particulars	As on 31.03.2017	As on 31.03.2016
<b>Current Tax</b>		
In respect of current year (Net of MAT credit entitlement of Rs 5,211.29 Lakhs, Previous Year Rs. 5,146.58 Lakhs)	2,951.12	278.17
In Respect of Prior Year	(47.76)	-
<b>Total :</b>	<b>2,903.36</b>	<b>278.17</b>
<b>Deferred Tax</b>		
In respect of current year	4,424.10	4,002.85
<b>Total :</b>	<b>4,424.10</b>	<b>4,002.85</b>
<b>Total tax expense recognised in the current year relating to continuing operation</b>	<b>7,327.46</b>	<b>4,281.02</b>

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

**[Rs. in Lakhs]**

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Profit before tax from continuing operation</b>	<b>38,059.31</b>	<b>26,241.46</b>
Income Tax expense calculated @ 34.608%	13,171.57	9,081.64
Effect of income that is exempt from taxation	(454.93)	(464.98)
Effect of expenses that are not deductible in determining taxable profits	1,036.75	201.93
Effect of concession (allowances)	(6,378.17)	(4,537.57)
Effect of non-deductible temporary differences now recognised as deferred tax liability	-	-
Effect on current tax due to adjustment as per Ind AS	-	-
Adjustments recognised in current year in relation to the current tax of prior years	(47.76)	-
<b>Income tax expense recognised in profit or loss (relating to continuing operation)</b>	<b>7,327.46</b>	<b>4,281.02</b>

The tax rate used for the F.Y. 2016-17 in reconciliation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Income Tax Recognised in Other Comprehensive Income

[Rs. in Lakhs]

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
<b>Deferred Tax Assets / (Liabilities)</b>		
<b>Arising on income and expenses recognised in other comprehensive income :</b>		
Net fair value gain on investment in equity shares at FVTOCI	960.75	(340.43)
Remeasurement of defined benefit obligation	162.55	8.42
	<b>1,123.30</b>	<b>(332.01)</b>
Arising on income and expenses reclassified from equity to profit or loss :	-	-
<b>Total income tax recognised on other comprehensive income</b>	<b>1,123.30</b>	<b>(332.01)</b>
<b>Bifurcation of the income tax recognised in other comprehensive income into:</b>		
Items that will not be reclassified to profit or loss	1,123.30	(332.01)
Items that may be reclassified to profit or loss	-	-
	<b>1,123.30</b>	<b>(332.01)</b>

### 33 - Earning Per Share - from continuing operations

[Rs. in Lakhs]

Particulars	Units	Year ended 31.03.2017	Year ended 31.03.2016
Net Profit After Tax available for Equity Shareholders	Rs. In Lakhs	30,729.81	21,960.44
Weighted Average Number of Equity Shares of Rs.10/- each	Number	7,34,36,928	7,34,36,928
Basic Earning per Share	Rs.	41.85	29.90
Diluted Earning per share	Rs.	41.85	29.90

### 34 - Obligation under Finance Leases

[Rs. in Lakhs]

Particulars	Minimum Lease Payments			Present Value of Minimum Lease Payments		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Not later than one Year	0.54	0.54	0.54	0.50	0.50	0.50
Later than one year and not later than five years	-	-	-	-	-	-
Later than five years	-	-	-	-	-	-
	<b>0.54</b>	<b>0.54</b>	<b>0.54</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>
Less: Future Finance Charges	-	-	-	-	-	-
Present Value of Minimum Lease Payments	<b>0.54</b>	<b>0.54</b>	<b>0.54</b>	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

[Rs. in Lakhs]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Included in the Financial Statements (Note 21) :			
Current Maturities of Finance Lease Obligations	0.50	0.50	0.50
Non Current Borrowings	-	-	-
	<b>0.50</b>	<b>0.50</b>	<b>0.50</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**35 - Employee Benefit Plans**
**Defined Contribution Plan**

An amount of Rs.648.84 lakhs (F.Y. 2015-16 Rs.623.19 lakhs, F.Y. 2014-15 Rs.603.09 lakhs) contributed to Provident Fund Trust and amount of Rs.564.66 lakhs (F.Y. 2015-16 Rs.543.08 lakhs, F.Y. 2014-15 Rs.574.31 lakhs) contributed to Employees Superannuation Trust is recognised as an expense and included in "Employee Benefits Expenses" (Note 27) of Statement of Profit & Loss.

**Defined Benefit Plans**

The Group 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, 2017

[Rs. in Lakhs]

Particulars	Gratuity	
	31.03.2017	31.03.2016
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Current Service Cost	250.46	224.96
b. Net Interest on net Defined Liability/ Asset	(8.86)	(15.79)
c. Total Expenses	241.60	209.17
<b>II Amount recognised in Other Comprehensive Income</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Actuarial (Gains)/Losses on Liability	555.77	87.46
b. Return on Plan Assets excluding amount included in Net interest on Defined Liability / (Asset) above	(86.09)	(63.12)
c. Total	469.68	24.34
<b>III Net Assets / (Liability) recognised in the Balance Sheet as on</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Present Value of Defined Benefit Obligation	7,475.81	6,790.16
b. Fair Value of Plan Assets	7,282.90	7,116.57
c. Funded Status [ Surplus / (Deficit) ]	192.91	(326.41)
Net (Asset) / Liability	192.91	(326.41)
<b>IV Change in Present value of Obligation during the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Present Value of Defined Benefit Obligation at the beginning of the year	6,790.16	6,441.15
b. Current Service Cost	250.46	224.96
c. Interest Cost	465.13	502.41
d. Past Service Cost (Non Vested Benefit)	-	-
e. Past Service Cost (Vested Benefit)	-	-
f. Benefit paid	(585.71)	(465.82)
g. Actuarial (Gain) / Loss on obligation	555.77	87.46
h. Present Value of Defined Benefit Obligation at the end of the year	7,475.81	6,790.16
<b>V Change in Fair value of Plan Assets during the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Fair Value of Plan Assets at the beginning of the year	7,116.57	6,751.99
b. Expected Return on Plan Assets	473.99	518.20
c. Contribution by Employer	191.96	249.08
d. Actual Benefit Paid	(585.71)	(465.82)
e. Actuarial Gain / (Loss) on Plan Assets	86.09	63.12
f. Fair Value of Plan Assets at the end of the year	7,282.90	7,116.57
g. Actuarial Gain / (Loss) to be recognised	86.09	63.12

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	[Rs. in Lakhs]	
	Gratuity	
<b>VI Actual Return on Plan Assets</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Expected Return on Plan Assets	473.99	518.20
Actuarial Gain / (Loss) on Plan Assets	86.09	63.12
Actual Return on Plan Assets	560.08	581.32
<b>VII Balance Sheet Reconciliation</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Opening Net Liability	(326.41)	(310.84)
Expenses Recognised in Profit & Loss Account	241.60	209.17
Amount recognised in Other Comprehensive Income	469.68	24.34
Employer's Contribution	(191.96)	(249.08)
Amount Recognised in Balance Sheet (Asset) / Liability	192.91	(326.41)

Particulars	[Rs. in Lakhs]	
	Leave Salary	
<b>I Expense recognised in the Statement of Profit and Loss for the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Current Service Cost	206.23	46.40
b. Net Interest on net Defined Liability/ Asset	315.41	329.80
c. Actuarial (Gains)/Losses on Liability	536.26	415.60
d. Total Expenses	1,057.90	791.80
<b>II Net Assets / (Liability) recognised in the Balance Sheet as on</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Present Value of Unfunded Obligations	5,286.73	4,604.52
b. Unrecognised Past Service Cost	-	-
c. Fair Value of Plan Assets	-	-
Net Liability	5,286.73	4,604.52
<b>III Change in Present value of Obligation during the year ended</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
a. Present Value of Unfunded Obligation at the beginning of the year	4,604.52	4,228.15
b. Current Service Cost	206.23	46.40
c. Interest Cost	315.41	329.80
d. Actuarial Gain/Loss	536.26	415.60
e. Benefit paid	(375.69)	(415.43)
f. Present Value of Unfunded Obligation at the end of the year	5,286.73	4,604.52

The major categories of Plan Assets as a percentage of Total Plan Qualifying Insurance Policy : 100%

### Experience Adjustments

Gratuity	[Rs. in Lakhs]				
	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of Unfunded Obligations	7,475.81	6,790.16	6,441.15	5,637.18	5,151.50
Fair Value of Plan Assets	7,282.90	7,116.57	6,751.99	6,547.60	5,654.32
Funded Status [(Surplus)/Deficit]	192.91	(326.41)	(310.84)	(910.42)	(502.82)
Experience adjustments on Plan Liabilities	42.20	(9.55)	488.56	383.02	(99.63)
Experience adjustments on Plan Assets	86.09	-	(21.69)	(16.92)	(6.48)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The expected contributions for Defined Benefit Plan for the next Financial Year will be in line with 2016-17.

	[Rs. in Lakhs]				
Leave Salary	2016-17	2015-16	2014-15	2013-14	2012-13
Present Value of Unfunded Obligations	5,276.73	4,604.52	4,228.15	3,588.27	3,283.62
Fair Value of Plan Assets	-	-	-	-	-
Funded Status [(Surplus)/Deficit]	5,276.73	4,604.52	4,228.15	3,588.27	3,283.62
Experience adjustments on Plan Liabilities	116.22	338.54	541.61	336.24	83.86
Experience adjustments on Plan Assets	-	-	-	-	-

Actuarial Assumptions		As at 31.03.2017	As at 31.03.2016
1. Discount Rate		6.85 % p.a.	7.80 % p.a.
2. Expected Return on Plan Assets		6.85 % p.a.	7.80 % 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.

The Group'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.

## 36 - Financial Instruments

### 36.1 Capital Management

The Group 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 Group 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, a Debt Service Coverage ratio of 2 times and a Total Debt to Tangible Net Worth ratio of 1 time.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital by computing the above ratios on an annual basis and ensuring that the same is in Compliance with the requirements of the Financial Covenants.

The Total Debt to EBDITA ratio at the end of the reporting period was as follows :

	[Rs. in Lakhs]	
Particulars	As at 31.03.2017	As at 31.03.2016
Total Debt	35,337.38	29,539.42
EBDITA	50,186.15	37,761.01
<b>Total debt/ EBDITA</b>	<b>0.70</b>	<b>0.78</b>

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

	[Rs. in Lakhs]	
Particulars	As at 31.03.2017	As at 31.03.2016
EBDITA	50,186.15	37,761.01
Interest and Installment on loans	7,255.38	7,792.11
<b>Debt Service Coverage</b>	<b>6.92</b>	<b>4.85</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

[Rs. in Lakhs]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Total Debt	35,337.38	29,539.42	15,904.59
Tangible Net Worth	3,35,569.63	2,92,781.71	2,74,874.87
<b>Total Debt / Tangible Net Worth</b>	<b>0.11</b>	<b>0.10</b>	<b>0.06</b>

### 36.2 Categories of financial instruments

The carrying value of financial instruments by categories as of March 31, 2017 is as follows :

[Rs. in Lakhs]

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	6,788.28	6,788.28	6,788.28
Other Balances with Banks	-	-	6,319.78	6,319.78	6,319.78
Quoted investments (Level 1)	66,402.46	1,121.15	-	67,523.61	67,523.61
Unquoted investments (Level 3)	33,892.34	-	0.20	33,892.54	33,892.54
Investment in Joint Venture	-	-	150.16	150.16	150.16
Trade receivables	-	-	32,874.76	32,874.76	32,874.76
Loans	-	-	29,287.83	29,287.83	29,287.83
Other financial asset	-	-	4,585.06	4,585.06	4,585.06
<b>Total :</b>	<b>1,00,294.80</b>	<b>1,121.15</b>	<b>80,006.07</b>	<b>1,81,422.02</b>	<b>1,81,422.02</b>
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	683.28	683.28	683.28
Long Term borrowings	-	-	28,434.87	28,434.87	27,857.26
Trade Payables	-	-	22,577.03	22,577.03	22,577.03
Other financial liabilities	-	-	14,283.49	14,283.49	14,283.49
<b>Total :</b>	<b>-</b>	<b>-</b>	<b>65,978.67</b>	<b>65,978.67</b>	<b>65,401.06</b>

The carrying value of financial instruments by categories as of March 31, 2016 is as follows :

[Rs. in Lakhs]

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	1,903.92	1,903.92	1,903.92
Other Balances with Banks	-	-	3,113.63	3,113.63	3,113.63
Quoted investments (Level 1)	46,771.32	870.24	-	47,641.56	47,641.56
Unquoted investments (Level 3)	37,819.58	-	0.20	37,819.78	37,819.78
Investment in Joint Venture	-	-	(22.68)	(22.68)	(22.68)
Trade receivables	-	-	32,644.44	32,644.44	32,644.44
Loans	-	-	25,670.74	25,670.74	25,670.74
Other financial asset	-	-	4,409.91	4,409.91	4,409.91
<b>Total :</b>	<b>84,590.90</b>	<b>870.24</b>	<b>67,720.16</b>	<b>1,53,181.30</b>	<b>1,53,181.30</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

[Rs. in Lakhs]

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	275.26	275.26	275.26
Long Term borrowings	-	-	22,247.32	22,247.32	21,816.51
Trade Payables	-	-	18,483.38	18,483.38	18,483.38
Other financial liabilities	-	-	12,419.50	12,419.50	12,419.50
<b>Total :</b>	-	-	<b>53,425.46</b>	<b>53,425.46</b>	<b>52,994.65</b>

The carrying value of financial instruments by categories as of April 01, 2015 is as follows :

[Rs. in Lakhs]

Particulars	Fair Value through Other Comprehensive Income	Fair value through profit or loss	Amortised Cost	Total Carrying value	Total fair value
<b>Financial Assets</b>					
Cash and Cash Equivalents	-	-	8,597.51	8,597.51	8,597.51
Other Balances with Banks	-	-	10,103.80	10,103.80	10,103.80
Quoted investments (Level 1)	25,863.16	998.66	-	26,861.82	26,861.82
Unquoted investments (Level 3)	57,563.58	-	0.20	57,563.78	57,563.78
Trade receivables	-	-	29,975.41	29,975.41	29,975.41
Loans	-	-	8,181.71	8,181.71	8,181.71
Other financial asset	-	-	4,097.62	4,097.62	4,097.62
<b>Total :</b>	<b>83,426.74</b>	<b>998.66</b>	<b>60,956.25</b>	<b>1,45,381.65</b>	<b>1,45,381.65</b>
<b>Financial Liabilities</b>					
Short Term borrowings	-	-	323.29	323.29	323.29
Long Term borrowings	-	-	8,914.63	8,914.63	8,868.49
Trade Payables	-	-	23,054.96	23,054.96	23,054.96
Other financial liabilities	-	-	9,476.75	9,476.75	9,476.75
<b>Total :</b>	-	-	<b>41,769.63</b>	<b>41,769.63</b>	<b>41,723.49</b>

**36.3 Financial Risk Management objectives**

The Group'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 Group 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 Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group currently has not hedged any External Commercial Borrowings (ECBs). The Group 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 Group 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.





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters. Further, the Group 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 carrying amounts of the Group'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 31.03.2017		As at 31.03.2016		As at 01.04.2015	
	Currency	Amount in FC	Currency	Amount in FC	Currency	Amount in FC
Receivables for export	US\$	6.69	US\$	9.96	US\$	0.78
	EURO	0.22	-	-	-	-
	GBP	1.73	GBP	0.78	GBP	0.10
Advance to suppliers	CHF	-	CHF	0.03	CHF	-
	JPY	61.51	JPY	-	JPY	55.75
	US\$	4.22	US\$	0.21	US\$	0.26
	EURO	3.20	EURO	25.05	EURO	0.02
Payables for imports			US\$	0.13	US\$	-
			EURO	-	EURO	0.39
Commission payable on exports	US\$	0.19	US\$	0.04	US\$	0.08
Other payables	EURO	0.03	US\$	0.16	-	-
	GBP	0.01	GBP	0.05	-	-
			EURO	0.06	-	-
ECB Borrowings	US\$	542.60	US\$	448.51	US\$	253.90

### Foreign Currency Sensitivity Analysis

The Group is mainly exposed to US Dollar.

The following table details the Group'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 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]

Particulars	Currency USD impact		
	2016-17	2015-16	As at 01.04.2015
Impact on profit or loss for the year	1,738.28	1,453.43	791.24
Impact on total equity as at the end of the reporting period	1,136.70	950.71	517.41

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

[Rs. in Lakhs]

Particulars	Currency POUND impact		
	2016-17	2015-16	As at 01.04.2015
Impact on profit or loss for the year	(6.91)	(3.48)	(0.48)
Impact on total equity as at the end of the reporting period	(4.55)	(2.27)	(0.31)

[Rs. in Lakhs]

Particulars	Currency EURO impact		
	2016-17	2015-16	As at 01.04.2015
Impact on profit or loss for the year	(0.66)	0.21	1.30
Impact on total equity as at the end of the reporting period	(0.43)	0.14	0.85

**36.6 Interest rate risk management**

The Group is exposed to interest rate risk because the Group borrows funds at floating interest rates. The risk is managed by the Group 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 Group 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 Group's profit before tax for the year ended would be impacted to the extent of Rs.169 Lakhs (Rs.127 lakhs for the year 2015-16).

**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 Group. The Group 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 Group 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 existing ERP of the Group 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 Group, the sales are backed by letters of credit or advance receipts. The internal risk management committee of the Group 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 trade receivables are secured to the extent of interest free security deposits and bank guarantees received from the customers amounting to Rs.4,520.08 lakhs, Rs.4,159.64 lakhs and Rs.4,064.64 lakhs as at 31<sup>st</sup> March, 2017, 31<sup>st</sup> March, 2016 and 1<sup>st</sup> April, 2015 respectively. Export sales are fully secured through letters of credit or against advance receipts. (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 Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Liquidity and interest risk tables

The following tables detail the Group'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 Group can be required to pay.

Particulars	Weighted average effective interest rate (%)		Upto six months	6 Months- 1 year	1-5 years	5+ years	Total
<b>March 31, 2017</b>	5.30%	US \$ in Million	3.33	6.33	29.34	15.00	54.00
Variable Interest rate Instruments		Rs. In Lakhs	2,159.51	4,105.00	19,026.99	9,727.50	35,019.00
<b>March 31, 2016</b>	5.15%	US \$ in Million	5.33	5.33	25.00	9.00	44.66
Variable Interest rate Instruments		Rs. In Lakhs	3,531.39	3,531.39	16,563.75	5,962.95	29,589.48
<b>April 1, 2015</b>	5.44%	US \$ in Million	5.33	5.33	14.67	-	25.33
Variable Interest rate Instruments		Rs. In Lakhs	3,331.25	3,331.25	9,168.75	-	15,831.25

### Financing facilities

[Rs. in Lakhs]

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Secured Bank Loan facilities			
- amount used	683.28	275.26	323.90
- amount unused	12,316.72	12,724.74	12,676.10
Cash and cash equivalents	6,788.28	1,903.92	8,597.51
Other Bank Balances	6,319.78	3,113.63	10,103.80

### 36.9 Fair Value Measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

#### 36.9.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group'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)
	31.03.2017	31.03.2016	01.04.2015		
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. 67,523.61	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs. 47,641.56	Listed equity securities in various companies engaged in fertilizer, gas and power industry domiciled in India- aggregate fair value of Rs. 26,861.82	Level 1	Quoted bid prices in an active market

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

[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
	31.03.2017	31.03.2016	01.04.2015				
2) Investments in equity instruments at FVTOCI (unquoted) (see note 6)	a.1) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 11,521.37	a.1) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 9,365.50	a.1) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 9,726.55	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 1 below).	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.
	a.2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs.9,969.74	a.2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs. 10,374.91	a.2) Investment in company engaged in the business of gas marketing - aggregate fair value of Rs. 9,147.11	Level 3	(Refer note below).	Discount factor, Sales Volume and Trading margin.	Decreasing the Gas trading margin by 25% would change the FV by INR 2,10,400 lakhs as at 31.03.2017. No sensitivity analysis has been carried out as at 31.03.2016 and 01.04.2015 on account of non-availability of data.
Note : Discounted Free Cash flow method has been used to arrive at the enterprise value of the gas marketing business of the investee. Under this technique, the projected free cash flows from gas marketing business of the company are discounted at the weighted average cost of capital to the provision of capital to the business of the company and the sum of the present value of such free cash flows would represent the value of business. The investee has various investments in subsidiaries and joint venture companies. Each of these subsidiary and joint venture companies 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 in these subsidiaries / joint venture companies. 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 the NAV method, the valuation is derived by calculating the net assets value of the investee as at the valuation date.							
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
	31.03.2017	31.03.2016	01.04.2015				
b) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 12,401.23	b) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 18,089.17	b) Investment in equity securities of various companies belonging to the manufacturing sector domiciled in India- Rs. 38,689.92		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 note 1 and 2 below).	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.

**Note 1:** 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 independent valuer appointed by the Group has estimated fair value based on available historical Annual Reports of such companies and other information as available in the public domain. Since the future projections are not available, discounted cashflow approach for fair value determination has not been followed.

**Note 2:** In case of some companies, there are no comparable companies valuations available and some are recent start up companies. 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

### 36.9.2 Fair value of the Group'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 Group 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 31.03.2017

				[Rs. in Lakhs]
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Quoted equity instruments	67,523.61	-	-	67,523.61
Investments in Unquoted equity instruments	-	-	33,892.34	33,892.34
Others	-	-	0.20	0.20

#### Fair Value Hierarchy as at 31.03.2016

				[Rs. in Lakhs]
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Quoted equity instruments	47,641.56	-	-	47,641.56
Investments in Unquoted equity instruments	-	-	37,819.58	37,819.58
Others	-	-	0.20	0.20

#### Fair Value Hierarchy as at 01.04.2015

				[Rs. in Lakhs]
Particulars	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Investments in Quoted equity instruments	26,861.82	-	-	26,861.82
Investments in Unquoted equity instruments	-	-	57,563.58	57,563.58
Others	-	-	0.20	0.20

### 36.9.3 Reconciliation of Level 3 fair value measurements

#### For the year ended March 31, 2017

		[Rs. in Lakhs]
Particulars	Investment in unquoted shares irrevocably designated as FVTOCI	
Opening Balance	37,819.58	
Purchases	322.00	
Total gains/losses in other comprehensive income	(4,249.24)	
Closing balance	<b>33,892.34</b>	
<b>For the year ended March 31, 2016</b>		
Opening Balance	57,563.58	
Purchases	884.00	
Total gains in other comprehensive income	1,480.73	
Disposals / settlements (refer note below)	(22,108.73)	
<b>Closing balance</b>	<b>37,819.58</b>	

Note : During 2015-16, the Group received 42,63,157 shares of Gujarat Gas Limited (quoted) in lieu of shares held in GSPC Gas Group Limited (unquoted) and converted to Level - 1.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**37 - Related Party Transactions**

The Group is controlled by Government of Gujarat and Gujarat Industrial Investment Corporation Limited and hence the Group 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 2016-17	Amount Outstanding as on 31.03.2017	Volume of Transaction in 2015-16	Amount Outstanding as on 31.03.2016	Amount Outstanding as on 01.04.2015
GACL-NALCO Alkalies & Chemicals Pvt. Ltd.	Joint Venture	Expenses incurred on behalf of Joint Venture	66.95	66.95	49.39	49.39	-
		Investment in Equity Shares	294.00	150.16	6.00	(22.68)	-
National Aluminium Company Ltd.	Joint Venturer	Sale of Goods	8,209.98	822.57	3,453.75	716.25	659.61
		Purchase of Goods	6,519.68	(388.28)	422.42	(6.25)	-
Dehli Jal Board	Government related Entity	Sale of Goods	503.30	241.16	711.82	251.69	178.92
Gujarat Water Supply & Sewage Board	Government related Entity	Sale of Goods	29.51	31.59	48.57	27.71	1.12
Public Health Engineering Department	Government related Entity	Sale of Goods	820.36	673.90	449.79	247.87	112.87
Gujarat State Petroleum Corporation Ltd.	Government related Entity	Investment in Equity Shares	-	1,349.99	-	1,349.99	1,349.99
Gujarat State Financial Services Limited	Government related Entity	Inter Corporate Deposits	68,500.00	29,000.00	53,500.00	25,500.00	8,000.00
		Interest Received	2,614.59	1,325.10	1,305.57	1,232.83	365.74
Gujarat State Investment Ltd.	Government related Entity	Share Capital	-	1,532.93	-	1,532.93	1,532.93
Gujarat Industrial Investment Corporation Ltd.	Government related Entity	Share Capital	-	711.90	-	711.90	711.90
Bhavnagar Energy Company Limited	Government related Entity	Investment in Equity Shares	322.00	5,922.00	884.00	5,600.00	4,716.00
		Sale of Goods	8.55	7.38	-	-	-
Gujarat State Fertilizers & Chemicals Ltd.	Government related Entity	Investment in Equity Shares	-	1,500.00	-	1,500.00	1,500.00
		Purchase of Goods	732.19	65.02	726.71	66.19	54.56
		Sale of Goods	1,483.34	133.56	1,299.07	142.42	100.33
		Dividend Received	165.00	-	165.00	-	-
Gujarat Narmada Valley Fertilizers & Chemicals Limited	Government related Entity	Purchase of Goods	101.73	9.67	88.91	8.01	8.41
		Sale of Goods	987.89	167.86	1,200.54	402.69	293.26
		Investment in Equity Shares	-	8,139.82	-	8,139.82	8,139.82
Gujarat Industries Power Company Limited.	Government related Entity	Sale of Goods	52.37	2.87	71.98	12.67	6.42
		Dividend Received	623.40	-	577.22	-	-
Lok Prakashan Ltd.	Shareholder more than 20%	Share Capital	-	1,621.57	-	1,607.53	1,607.53
GACL Education Society	Government related Entity	Contribution towards CSR Activities	341.69	-	136.08	-	-
M/s Shardul Amarchand Magaldas & Co.	Others	Legal & Professional Fees	28.13	-	30.71	3.63	-
Shri A M Twarri, IAS, Managing Director (From 29 <sup>th</sup> August, 2014 upto 19 <sup>th</sup> February, 2016)	Key Management Personnel	Remuneration	-	-	23.60	-	-
Shri P K Gera, IAS, Managing Director (From 19 <sup>th</sup> February, 2016)	Key Management Personnel	Remuneration	25.53	-	2.51	-	-
Dr. H. B Patel - Executive Director (Finance) & Chief Financial Officer	Key Management Personnel	Remuneration	34.27	-	31.27	-	-
		Loans	10.00	9.08	-	-	-
Shri S S Bhatt, Company Secretary and GM (Legal)	Key Management Personnel	Remuneration	23.95	-	22.89	-	-
		Loans	11.12	10.24	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 38 - The break-up of payment to Auditors (net of taxes) is as under

Particulars	[Rs. in Lakhs]	
	2016-17	2015-16
Audit Fees	13.65	13.00
Quarterly/Half Yearly Review Audit	3.10	3.00
Out of Pocket Expenses	0.31	0.36
Other services	15.00	-
<b>Total :</b>	<b>32.06</b>	<b>16.36</b>

### 39 - Income and Expenditure in Foreign Currency

Sr. No.	Particulars	[Rs. in Lakhs]	
		2016-17	2015-16
(a)	Earnings in Foreign Exchange - Export of Goods on F.O.B. basis	24,138.86	21,994.90
(b)	Expenditure in Foreign Currency (on accrual basis) on account of :		
	(i) Interest	1,158.46	907.64
	(ii) Foreign Tour Expenses	25.81	22.74
	(iii) Bank charges and Commission	9.95	8.84
	(iv) Subscription	8.72	2.58
	(v) Commission and Export Sales	12.48	2.32
	(vi) Lease Rent (For ISO Tank)	48.20	39.11
	(vii) Other Export Expenses	104.48	93.33

### 40 - Value of Imports on CIF Basis

Particulars	[Rs. in Lakhs]	
	2016-17	2015-16
Raw Materials	16,033.95	18,272.96
Membrances	-	149.05
Stores and Spare Parts	278.05	1,069.97
Capital Goods	14,242.55	32.80

### 41 - Foreign Currency Exposures

The Group 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 31.03.2017		As on 31.03.2016	
		Rs. In Lakhs	Amount in FC	Rs. In Lakhs	Amount in FC
Receivable for Exports	US\$	434.13	6,69,444.00	660.11	9,96,331.24
	EURO	15.31	22,092.00	-	-
	GBP	140.24	1,73,342.00	74.00	77,510.40
Advance to Suppliers	CHF	-	-	1.95	2,784.00
	JPY	36.28	61,51,200.00	-	-
	US\$	277.80	4,22,032.38	14.23	21,336.00
	EURO	228.68	3,20,315.70	1,788.24	25,04,964.00

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Amount payable on account of import of goods, services and others :

Particulars	Currency	As on 31.03.2017		As on 31.03.2016	
		Rs. In Lakhs	Amount in FC	Rs. In Lakhs	Amount in FC
Payables for Imports	US\$	-	-	8.85	13,351.00
Commission payable on exports	US\$	12.48	19,252.00	2.32	3,500.00
Other Payables	US\$	-	-	10.58	15,972.00
	GBP	0.97	1,200.00	4.43	4,640.00
	EURO	2.04	2,948.72	4.16	5,520.00

Amount payable on account of ECB Borrowings :

Particulars	Currency	As on 31.03.2017		As on 31.03.2016	
		Rs. In Lakhs	Amount in FC	Rs. In Lakhs	Amount in FC
ECB	US\$	35,193.13	5,42,68,518.00	29,715.76	4,48,50,598.00

[Rs. in Lakhs]

**42 - Contingent Liabilities and Commitments (to the extent not provided for)**

	As at 31.03.2017	As at 31.03.2016
<b>(i) Contingent Liabilities</b>		
(a) Claims against the Group not acknowledged as debt	28,924.59	31,416.63
(b) Various pending cases before Labour court and Industrial Tribunal	Not ascertainable	Not ascertainable
(c) Disputed Purchase Tax liability (1998-99 to 2005-06)	20,481.74	20,481.74
(d) Disputed Income Tax liability (excluding interest) :		
(i) Pending Before Appellate Authorities in respect of which the Company is in appeal	6,813.00	7,054.00
(ii) Decided in Group's favour by Appellate Authorities and Department is in further appeal	9,723.00	10,123.00
	<b>65,942.33</b>	<b>69,075.37</b>
In respect of above matters, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements pending at various forums / authorities.		
(e) Guarantees :		
(i) Total loans outstanding under corporate guarantees aggregating to Rs. 424.65 lakhs (Previous Year Rs. 424.65 lakhs) to Housing Development Finance Corporation Limited (HDFC) for housing loans extended to employees.	-	0.31
(ii) Guarantees given by the Group's Bankers for various purposes are	10,796.48	6,197.32
<b>Total (i) :</b>	<b>76,738.81</b>	<b>75,273.00</b>
<b>(ii) Commitments</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	20,136.35	8,218.87
(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.	Not ascertainable	Not ascertainable
<b>Total (ii) :</b>	<b>20,136.35</b>	<b>8,218.87</b>
<b>Total :</b>	<b>96,875.16</b>	<b>83,491.87</b>





## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

43 - 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'.

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

### 45 - Approval of Financial Statements

The Consolidated financial statements were approved for issue by the Board of Directors on 26<sup>th</sup> May, 2017.

### 46 - First Time Ind AS adoption reconciliations

All amounts are in Rs. Lakhs unless otherwise stated.

#### 46.1 Effect of Ind AS adoption on the balance sheet as at March 31, 2016 and April 1, 2015.

[Rs. In Lakhs]

Particulars	Notes	As at 31.03.2016 (Date of Transition)			As at 01.04.2015 (Date of Transition)		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
<b>I. ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, Plant and equipment	c	1,81,349.69	727.24	1,82,076.93	1,65,638.93	457.01	1,66,095.94
(b) Capital work-in-progress	c	8,307.92	(357.30)	7,950.62	6,679.16	-	6,679.16
(c) Other Intangible Asset		30.38	-	30.38	-	-	-
(d) Intangible assets under development		-	332.31	332.31	-	-	-
(e) Financial Assets							
(i) Investments :-							
a) Investment in Joint Venture	h	-	(22.68)	(22.68)	-	-	-
b) Other Investments	a,h	19,973.21	64,617.69	84,590.90	19,085.73	64,341.21	83,426.94
(ii) Loans		-	14.55	14.55	-	17.39	17.39
(iii) Other Financial assets		32,067.66	(30,093.57)	1,974.09	23,887.64	(21,956.40)	1,931.24
(f) Non-Current Tax Assets (net)		-	9,082.35	9,082.35	-	9,067.84	9,067.84
(g) Other non-current assets		1,482.95	12,317.96	13,800.91	1,209.78	8,999.07	10,208.85
<b>Total Non - Current Assets</b>		<b>2,43,211.81</b>	<b>56,618.55</b>	<b>2,99,830.36</b>	<b>2,16,501.24</b>	<b>60,926.12</b>	<b>2,77,427.36</b>
<b>(2) Current assets</b>							
(a) Inventories	c	18,994.30	(530.61)	18,463.69	18,630.50	(530.61)	18,099.89
(b) Financial Assets							
(i) Other Investments	a	223.01	647.43	870.44	227.91	770.75	998.66
(ii) Trade receivables	d	33,267.86	(623.42)	32,644.44	30,581.18	(605.77)	29,975.41
(iii) Cash and cash equivalents		4,742.29	(2,838.37)	1,903.92	18,378.02	(9,780.51)	8,597.51
(iv) Bank Balance other than (iii) above		-	3,113.63	3,113.63	-	10,103.80	10,103.80
(v) Loans		156.19	25,500.00	25,656.19	164.32	8,000.00	8,164.32
(vi) Other Financial Assets		30,903.63	(28,467.81)	2,435.82	12,453.98	(10,287.60)	2,166.38
(c) Other Current Assets		1,679.01	2,824.51	4,503.52	1,851.18	2,144.29	3,995.47
<b>Total Current Assets</b>		<b>89,966.29</b>	<b>(374.64)</b>	<b>89,591.65</b>	<b>82,287.09</b>	<b>(185.65)</b>	<b>82,101.44</b>
<b>Total Assets</b>		<b>3,33,178.10</b>	<b>56,243.91</b>	<b>3,89,422.01</b>	<b>2,98,788.33</b>	<b>60,740.47</b>	<b>3,59,528.80</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

[Rs. in Lakhs]

II. EQUITY AND LIABILITIES							
<b>Equity</b>							
(a) Equity Share Capital		7,343.84	-	7,343.84	7,343.84	-	7,343.84
(b) Other equity	a,b,c,e g,h	2,24,511.76	60,926.11	2,85,437.87	2,06,324.83	61,206.20	2,67,531.03
<b>Total Equity</b>		<b>2,31,855.60</b>	<b>60,926.11</b>	<b>2,92,781.71</b>	<b>2,13,668.67</b>	<b>61,206.20</b>	<b>2,74,874.87</b>
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
<b>(a) Financial Liabilities</b>							
(i) Borrowings	c	22,526.70	(279.38)	22,247.32	9,166.67	(252.04)	8,914.63
(b) Provisions	c	5,796.88	1,233.00	7,029.88	5,533.82	930.34	6,464.16
(c) Deferred tax liabilities (Net)	f	35,721.63	(3,185.00)	32,536.63	31,657.45	1,690.90	33,348.35
		<b>64,045.21</b>	<b>(2,231.38)</b>	<b>61,813.83</b>	<b>46,357.94</b>	<b>2,369.20</b>	<b>48,727.14</b>
<b>Current Liabilities</b>							
<b>(a) Financial Liabilities</b>							
(i) Borrowings	c	-	275.26	275.26	-	323.29	323.29
(ii) Trade payables		18,483.38	-	18,483.38	23,054.96	-	23,054.96
(iii) Other financial liabilities		7,067.70	5,351.80	12,419.50	6,667.17	2,809.58	9,476.75
(b) Provisions	b	4,592.21	(3,977.41)	614.80	4,466.65	(3,977.41)	489.24
(c) Current tax Liabilities (net)		-	1,302.19	1,302.19	-	819.19	819.19
(d) Other current liabilities		7,134.00	(5,402.66)	1,731.34	4,572.94	(2,809.58)	1,763.36
<b>Total Current Liabilities</b>		<b>37,277.29</b>	<b>(2,450.82)</b>	<b>34,826.47</b>	<b>38,761.72</b>	<b>(2,834.93)</b>	<b>35,926.79</b>
<b>Total Liabilities</b>		<b>1,01,322.50</b>	<b>(4,682.20)</b>	<b>96,640.30</b>	<b>85,119.66</b>	<b>(465.73)</b>	<b>84,653.93</b>
<b>Total Equity and Liabilities</b>		<b>3,33,178.10</b>	<b>56,243.91</b>	<b>3,89,422.01</b>	<b>2,98,788.33</b>	<b>60,740.47</b>	<b>3,59,528.80</b>

## 46.2 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

[Rs. in Lakhs]

Particulars	Notes	As at	As at
		31.03.2016 (End of last period presented under previous GAAP)	01.04.2015 (Date of Transition)
<b>Total equity (Shareholders' funds) under previous GAAP</b>		<b>2,31,855.60</b>	<b>2,13,668.67</b>
Fair valuation of current and non-current investments	a	65,242.44	65,111.96
Proposed dividend and distribution tax	b	3,977.41	3,977.41
Property, plant and equipment	c	(1,375.55)	(1,253.30)
Expected credit loss on Trade Receivables	d	(623.42)	(605.78)
Tax effect	f	(6,294.77)	(6,024.09)
<b>Total adjustments to Equity</b>		<b>60,926.11</b>	<b>61,206.20</b>
<b>Total Equity under Ind AS</b>		<b>2,92,781.71</b>	<b>2,74,874.87</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 46.3 Effect of Ind AS adoption on Statement of Profit and Loss for the year ended March 31, 2016

(Rs. in Lakhs)

Particulars	Notes	Year ended 31.03.2016 (Latest period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
Revenue from operations	c	1,96,609.95	25,229.87	2,21,839.82
Other Income		4,622.54	-	4,622.54
<b>Total Income (A)</b>		<b>2,01,232.49</b>	<b>25,229.87</b>	<b>2,26,462.36</b>
<b>Expenses :</b>				
Cost of materials consumed		66,890.42	-	66,890.42
Purchase of Stock-in-Trade		1,297.73	-	1,297.73
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(194.74)	-	(194.74)
Excise duty on sale of Goods		-	22,294.81	22,294.81
Employee benefit expense	e	16,234.47	(24.34)	16,210.13
Finance costs	c	808.29	184.36	992.65
Depreciation and amortization expense	c	10,710.42	33.36	10,743.78
Power, Fuel & Other Utilities		-	55,075.14	55,075.14
Other expenses	a,c,d	78,976.89	(52,094.59)	26,882.30
<b>Total Expenses (B)</b>		<b>1,74,723.48</b>	<b>25,468.74</b>	<b>2,00,192.22</b>
<b>Share of Profit / (Loss) of Joint Venture (C)</b>	<b>h</b>	<b>(2.32)</b>	<b>(26.36)</b>	<b>(28.68)</b>
<b>Profit before tax (A – B + C)</b>		<b>26,506.69</b>	<b>(265.23)</b>	<b>26,241.46</b>
<b>Tax expense:</b>				
(a) Current tax		5,424.75	-	5,424.75
(b) Deferred tax	f	4,064.18	(61.33)	4,002.85
(c) MAT Credit Entitlement		(5,146.58)	-	(5,146.58)
(d) Provision for Income Tax for Earlier years written back		-	-	-
		<b>4,342.35</b>	<b>(61.33)</b>	<b>4,281.02</b>
<b>Profit for the period</b>		<b>22,164.34</b>	<b>(203.90)</b>	<b>21,960.44</b>
<b>Other Comprehensive Income :</b>				
Acturial Gain / Loss on Gratuity	g	-	(24.34)	(24.34)
Deferred tax on defined benefit obligation - Gratuity	g	-	8.42	8.42
Investment adjustment - FVTOCI	g	-	280.16	280.16
Deferred tax on net fair value gain on investment in equity instruments at FVTOCI	g	-	(340.43)	(340.43)
<b>Total other comprehensive income</b>		<b>-</b>	<b>(76.19)</b>	<b>(76.19)</b>
<b>Total comprehensive income for the period</b>		<b>22,164.34</b>	<b>(280.09)</b>	<b>21,884.25</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**
**46.4 Reconciliation of total comprehensive income for the year ended March 31, 2016**

[ Rs. in Lakhs ]

Particulars	Notes	Year ended 31.03.2016 (Latest period presented under previous GAAP)
<b>Profit as per previous GAAP</b>		<b>22,164.34</b>
<b>Adjustments:</b>		
Fair valuation of current investments	a	(123.33)
Property, plant and equipment	c	(122.24)
Expected credit loss on trade receivables	d	(17.64)
Actuarial Gain / Loss on defined benefit obligation - Gratuity	e	24.34
Other Expenses	h	(26.36)
Tax effect	f	61.33
<b>Total effect of Transition to Ind AS</b>		<b>(203.90)</b>
<b>Profit for the year as per Ind AS</b>		<b>21,960.44</b>
Other Comprehensive income (net of tax)	g	(76.19)
<b>Total Comprehensive Income under Ind AS</b>		<b>21,884.25</b>

**Notes to the reconciliations :**

- a. Under previous GAAP, current investments were measured at lower of cost or Fair Value. Under Ind AS, these financial assets have been classified as FVTPL on the date of transition. The fair value changes are recognised in the Statement of Profit and Loss. Under previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, these financial assets have been classified as FVTOCI. On the date of transition to Ind AS, these financial assets have been measured at their fair value and the restatement gain / (loss) has been taken to Other Comprehensive Income (OCI).
- b. Under previous GAAP, dividends on Equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends together with dividend distribution tax are recognised when approved by the members in the General Meeting.
- c. Under Ind AS, the initial estimates of the costs of dismantling and of removing the item of Property, Plant and Equipment and restoring the site on which it is located is required to be included in the cost of the respective item of property, plant and equipment. Under previous GAAP, there was no such requirement and cost incurred as and when was charged to Statement of profit and loss. Further adjustments include recognition of spare parts in accordance with Ind AS 16 when they meet the definition of property, plant and equipment. Under previous GAAP, these items were carried as inventory. The adjustment is on account of depreciation on classifying the same as property, plant and equipment from the date they are available for use. It also include impact on account of effective interest on borrowings and certain pre-operative expenses viz. liquidated damages / penalty, etc. capitalized under previous GAAP, taken to the Statement of profit and loss under Ind AS.
- d. Under Ind AS, expected life time credit provision is made on trade receivables. Under previous GAAP, the provision for doubtful debts was made using ageing analysis and an individual assessment of recoverability.
- e. Under Ind AS, re-measurements, i.e. actuarial gains and losses included in the net gratuity expense on the net defined liability are recognised in other comprehensive income instead of profit or loss.
- f. Deferred tax adjustments are on account of above Ind AS adjustments.
- g. Under Ind AS, other comprehensive income adjustments are on account of fair valuation of non-current investments and actuarial gain/ loss on defined benefit plan – gratuity, net of tax effect.
- h. Under Ind AS, indirect project expenses is charged off instead of capitalisation by Joint Venture Company.

**46.5** There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

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

**Gaurav J. Shah**  
Partner  
Membership No. 35701

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017

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

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

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

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

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017



### FORM AOC-1

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**  
(Pursuant to first proviso to sub section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

#### Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Name of associates / Joint Ventures :		Not Applicable
1	Name of the Subsidiary	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	
4	Share Capital	
5	Reserves & Surplus	
6	Total assets	
7	Total Liabilities	
8	Investments	
9	Turnover	
10	Profit before taxation	
11	Provision for taxation	
12	Profit after taxation	
13	Proposed Dividend	
14	% of shareholding	

**Notes :**

- Name of subsidiaries which are yet to commence operations : Not Applicable
- Name of subsidiaries which have been liquidated or sold during the year : 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.	Particulars	Details
1	Name of associates / Joint Ventures	GACL-NALCO Alkalies & Chemicals Pvt. Ltd.
2	Latest audited Balance Sheet Date	31 <sup>st</sup> March, 2017
3	Shares of Associate/Joint Ventures held by the Company on the year end	
(i)	No.	30,00,000
(ii)	Amount of Investments in Associates/Joint Venture	300.00
(iii)	Extend of Holding %	60%
4	Description of how there is significant influence	N.A.
5	Reason why the Associate/Joint Venture is not consolidated	N.A.
6	Net worth attributable to shareholding as per latest audited Balance Sheet	150.16
7	Profit / Loss for the year	
(i)	Considered in Consolidation	(121.16)
(ii)	Not Considered in Consolidation	-

- Name of associates or joint ventures which are yet to commence operations : GACL-NALCO Alkalies & Chemicals Pvt. Ltd.
- Name of associates or joint ventures which have been liquidated or sold during the year : Not Applicable

#### For and on behalf of the Board

Sd/-  
**P K Gera, IAS**  
Managing Director

Sd/-  
**Dr. J. N. Singh, IAS**  
Chairman

Sd/-  
**CA (Dr.) H B Patel**  
Executive Director (F) &  
Chief Financial Officer

Sd/-  
**S. S. Bhatt**  
Company Secretary &  
General Manager (Legal & CC)

Place : Gandhinagar  
Date : 26<sup>th</sup> May, 2017



## Beyond Chemicals, Creating better value

GACL's role as a responsible leader in the Chlor-Alkali Sector shows in all aspects of its operations. We have an extensive chemical product range under nine different groups. Each chemical in each group is a product of our innovation, quality consciousness and sustainable processes. These translate to better products, optimum use of resources and least harm to the environment. That's how GACL adds greater value to end-products and higher profitability to all stake-holders. The all-round value we create is our input for a better World.

### PRODUCTS

- CAUSTIC SODA LYE/FLAKES/PRILLS
- HYDROCHLORIC ACID
- LIQUID CHLORINE
- COMPRESSED HYDROGEN GAS
- METHYL CHLORATE
- METHYLENE CHLORIDE
- CHLOROFORM
- CARBON TETRACHLORIDE
- METHYL CHLORIDE
- HYDROGEN PEROXIDE
- PHOSPHORIC ACID
- SODIUM CHLORATE
- CAUSTIC POTASH LYE/FLAKES
- POTASSIUM CARBONATE
- ANHYDROUS ALUMINIUM CHLORIDE
- POLY ALUMINIUM CHLORIDE
- STABLE BLEACHING POWDER
- CHLORINATED PARAFFIN
- BENZYL CHLORIDE
- BENZYL ALCOHOL
- BENZALDEHYDE
- SCALEWIN
- BIOWIN
- BLEACHWIN
- SODIUM HYPOCHLORITE



## Gujarat Alkalies and Chemicals Limited

(An IS-ISO Certified Company)

(Promoted by Govt. of Gujarat)

REGD. OFFICE: P. O. PETROCHEMICALS - 391 346, DIST. VADODARA, GUJARAT, INDIA.

For any further inquiry contact:  
[headmarketing@gacl.co.in](mailto:headmarketing@gacl.co.in)



# 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 **44<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held at **11.30 a.m.** on **Saturday**, the **16<sup>th</sup> September, 2017** 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 the 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 : 0091-0265-2232681-2, Fax : 0091-0265-2231208

E-mail : investor\_relations@gacl.co.in Website : www.gacl.com

**44<sup>TH</sup> ANNUAL GENERAL MEETING**

**Saturday, the 16<sup>th</sup> September, 2017 at 11.30 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. / DP ID / Client 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 44<sup>th</sup> Annual General Meeting of the Company, to be held at 11.30 a.m. on Saturday the 16<sup>th</sup> September, 2017 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
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statements and Audited Consolidated Financial Statements, reports of Director's and Auditor's thereon for the Financial Year 2016-17.		
2.	Declaration of Dividend on Equity Shares for the Financial Year 2016-17.		
3.	Appointment of Shri P K Gera, IAS as a Director of the Company.		
4.	Ratification of appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors & fixing their remuneration.		
<b>Special Business</b>			
5.	Appointment of Shri Anil Mukim, IAS as a Director of the Company, liable to retire by rotation.		
6.	Appointment of Shri M K Das, IAS as a Director of the Company, liable to retire by rotation.		
7.	Ratification of remuneration of Cost Auditors for the Financial Year 2017-18.		

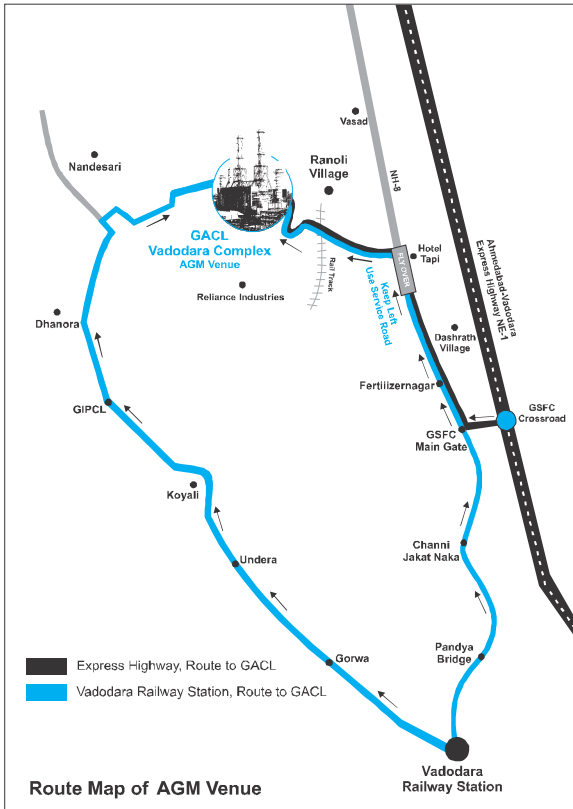
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017

Signature of Shareholder(s) \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp  
Re.1/-

- Notes: 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.  
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 44<sup>th</sup> Annual General Meeting.  
3. \*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.  
4. Please complete all details including particulars of member(s) in above box before submission.





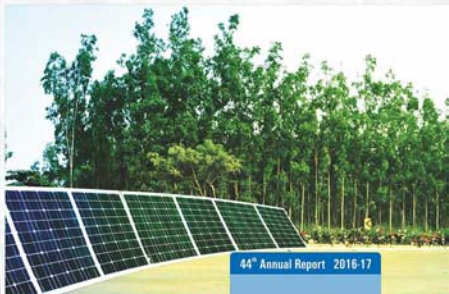
## Greener celebrations of progress

Industrialisation surely is the need of the hour for progress, but the safe environment is the need of the hour for existence. So at GACL, we have always believed in adapting modern technologies and ensuring maximum capacity utilisation. Since last four decades, by utilising greener and environment-friendly technologies, we have been successful in broadening our product offerings. Our proactive approach of adopting green technology has also helped us distinguish our product offerings.



## Fuelling progress with alternative energy Sources

At GACL, we believe in growing responsibly. To put this belief into practice, we imbibed renewable wind energy to fuel our progress. We were the first state promoted enterprise to adopt this renewable form of energy. Our installed wind power capacity today stands at 171.45 MW. Beyond the wind energy, we are also setting up an additional 15 MW Solar Power Generating Unit.



## Enhancing capabilities, expanding horizons

With a view to expanding our capabilities and product range, we have undertaken various projects. These include debottlenecking of the existing plants to enhance the manufacturing capacity, setting up additional plants and enhancing capacity utilisation. With more products, we are geared up to serve a greater number of markets and continue our progressive surge.



## Making our growth more meaningful

As a responsible Corporate, we have always believed in growing with the Society. With a view to managing our CSR operations, we have established GACL Education Society (GES) as our CSR arm. We have been working on diverse platforms to strengthen the communities in and around our Vadodara and Dahej Complexes as well as in

Chhotaudepur and Narmada Districts of Gujarat. Our major focus areas are promotion of Education, Health, Care for Special Children, Sanitation & Hygiene etc. GACL Education Society has also been supporting the Special Children and promoting Art, Culture, Heritage & sports.





1



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**Images from top to bottom :**

1) Nilgai at our lush green GACL landfill site. 2) Along with other birds the national bird peacock has made our landfill site their home. 3) Mr. P.K Gera, IAS, Managing Director interacting with kids of Home for Mentally Deficient Children, Vadodara. 4) Celebration of International Day of Yoga at 17 Government Primary Schools of 16 villages of Vagra Taluka of Bharuch District. 5) Focus group discussion, Dahaj 6) Udayshaala Project, Chhotaudepur 7) Heritage walk in Vadodara Marathon-2017.



**GACL- NALCO Alkalies & Chemicals Private Limited**  
(Promoted by GACL & NALCO)

GACL-NALCO Alkalies & Chemicals Pvt. Ltd., is a Joint Venture of Gujarat Alkalies and Chemicals Ltd. (GACL) and National Aluminium Company Ltd. (NALCO). GACL and NALCO, two leaders from their own production sectors in India are setting up an 800 TPD Caustic Soda Plant and 130 MW coal based power plant at Dahej (Gujarat). The new JV Company was incorporated on 4<sup>th</sup> December, 2015 in Vadodara (Gujarat). The project is being set up at total cost of about Rs. 2000 Crores where the promoters, GACL and NALCO will be holding equity shares in the ratio of 60:40.

Both GACL & NALCO will be benefitting from the commissioning and commercial production of this project. GACL is presently having a market share of 14% in Chloro-alkali sector in India with turnover of more than Rs. 2000 Crores. GACL will be increasing its market share in Caustic Soda upon implementation of this Project.

Caustic soda is one of the important process ingredients for Alumina production for NALCO. Therefore, this joint venture is a part of the backward integration strategy of NALCO. NALCO will be getting assured supply of Caustic Soda from the new venture which will help them to fulfill their increasing demands.



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

REGD. OFFICE: P.O. PETROCHEMICALS - 391 346, DIST.: VADODARA, GUJARAT, INDIA. Tel.: 0265-2232681-2  
Tel.: 0265-2232681-2 | E-mail: cooc@gacl.co.in | Website: www.gacl.com CIN: L24110GJ1973PL0002247