



**GROWTH.  
ACCOUNTABILITY.  
RESPONSIBILITY.**



**37<sup>th</sup>**

**INTEGRATED  
ANNUAL REPORT  
2019-20**



## The obligation to sustain growth is often earmarked by the need to be accountable and responsible – towards our business objectives and our valued stakeholders

At GHCL, we are focused on operating inclusively and sustainably. As we aspire to constantly improve our functional abilities, we ensure the safety and stability of our operations and remain committed to reduce our burden on the ecosystem. With an enthusiasm to sustain a healthy growth trajectory, we consistently unlock opportunities to secure new avenues of success. As we tactically fulfil our business responsibilities, we strive to be responsive and accountable – ensuring transparency and fostering integrity in our internal

processes. Emphasizing on the need to strengthen relationships and build a robust organization, we remain deeply focused on delivering phenomenal outputs that cater to the needs and requirements of all our stakeholders – from the top to the bottom – thereby facilitating Growth, Accountability and Responsibility, across the organization.



# GROWTH. ACCOUNTABILITY. RESPONSIBILITY.

**Our theme for the Integrated Annual Report (IAR) FY 2019-20, "GROWTH. ACCOUNTABILITY. RESPONSIBILITY." reflects our commitment towards achieving our long-term growth while taking full accountability and responsibility of our actions.**

The Company's commitment towards sustainability, pushes every stakeholder in the value chain to think of new ways to be future-ready, focused not only on growth but also on proactively addressing the challenges of tomorrow. We believe that we can create a more resilient tomorrow by acting responsibly, taking accountability of our actions, and responding to the needs of stakeholders connected with the Company such as communities, suppliers, and other stakeholders. Sustainable business growth requires us to make more from less which can be achieved only if governance, strategy and sustainability go hand in hand. We aim to prepare future ready business strategies, remain committed to our stakeholders, enhance health and safety performance, and to have a positive impact on the environment and society at large.



# COMPANY INFORMATION

## Board of Directors

### Mr. Sanjay Dalmia

Non-Executive Chairman

### Mr. Anurag Dalmia

Non-Executive Vice Chairman

### Smt. Vijaylaxmi Joshi, IAS

Independent Director

### Justice Ravindra Singh

Independent Director

### Mr. Arun Kumar Jain, IRS

Independent Director

### Dr. Manoj Vaish

Independent Director

### Dr. Lavanya Rastogi

Independent Director

### Mr. R S Jalan

Managing Director

### Mr. Raman Chopra

CFO & Executive Director (Finance)

### Mr. Neelabh Dalmia

Executive Director (Textiles)

## Secretary

### Mr. Bhuwneshwar Mishra

Sr. General Manager &  
Company Secretary

## Registered Office

### "GHCL HOUSE"

Opp. Punjabi Hall  
Navrangpura  
Ahmedabad - 380009 (Gujarat)

## Corporate Office

### "GHCL HOUSE"

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

## Subsidiaries

1. Grace Home Fashions LLC
2. Dan River Properties LLC

## Company Identification No.

CIN - L24100GJ1983PLC006513

## Statutory Auditors

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

## Secretarial Auditors

Chandrasekaran Associates,  
Company Secretaries, New Delhi

## Cost Auditors

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

## Plant Locations

### Inorganic Chemical Division:

#### Soda Ash Plant:

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

#### Salt works:

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

#### Lignite Mines:

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

### Consumer Products Division

#### Salt Works & Refinery:

Kadinal Vayal, Vedaranyam,  
Distt. Nagapattanam, Tamil Nadu - 614707

Nemeli Road, Thiruporur,  
Distt. Kancheepuram, Tamilnadu - 603110

### Textile Division:

Paravai, Samayanallur P.O, Distt. Madurai,  
Tamil Nadu - 625402

Thiagesar Alai P.O, Manaparai,  
Distt. Trichy, Tamil Nadu - 621312

### Plant - Home Textile Division

S. No. 191 & 192, Mahala Falia,  
Village - Bhilad, Distt. Valsad, Vapi,  
Gujarat - 396191

### Wind Energy Division

Muppandal, Village: Irukkandurai, Post:  
Sankaneri, Taluk: Radhapuram,  
Distt. Tirunelveli, Tamil Nadu

Village: Chinnaputhur,  
Taluk: Dharapuram,  
Distt. Erode, Tamil Nadu

Village: Kayathar,  
Distt. Tuticorin, Tamilnadu.

## Bankers / Financial Institutions

State Bank of India  
Export Import Bank of India  
IDBI Bank  
Canara Bank  
Oriental Bank of Commerce  
Union Bank of India  
Bank of Baroda (e-Dena)  
HDFC Bank  
Axis Bank  
IDFC First Bank  
Bank of Bahrain & Kuwait  
South Indian Bank

## Details of Registrar and Share Transfer Agent

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

# ABOUT THIS REPORT

GHCL aspires to continuously improve the reporting procedure to make it more informative and transparent. Commencing last year, the Company transitioned towards Integrated Reporting. This is our second year in the journey of publishing Integrated Annual Report (IAR) and we aim to provide all stakeholders with a transparent and balanced disclosure of how we managed our material issues during the year under review and created value.

The structure of the report is drafted in line with the framework of Integrated Reporting published by the International Integrated Reporting Council (IIRC) and illustrates our commitments and focus areas. We create long-term value for all stakeholders through our strategy, activities, and commitments and the report provides a clear, concise, and comprehensive vision of our business model. Details on our governance and financial and non-financial performance is also provided in the report.

## Scope and Boundary of this report

The Integrated Annual Report (IAR) covers the period from 1st April 2019 to 31st March 2020. The previous Integrated Annual Report (IAR) covered FY 2018-19. The scope of reporting boundary includes GHCL's manufacturing sites of Soda Ash, Home Textiles, Yarn and Consumer Products division. In addition, the employee data also covers our regional offices of Noida and Ahmedabad

## Suggestions and feedback

We continuously strive to disclose relevant information to our stakeholders. We welcome any comments and / or suggestions on the report content and flow. Please send your comments to [Corpcommunication@ghcl.co.in](mailto:Corpcommunication@ghcl.co.in).

## Assurance for FY 2019-20

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

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



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For the online version of the Annual Report please log on to <http://www.ghcl.co.in>



GHCL believes in maintaining harmony between its people, processes and the environment. The cover design creatively illustrates the company's commitment to continue its pursuit for growth in an accountable and responsible fashion. As an organization showing great potential, it depicts an enthusiasm to sustainably create value while keeping its core principles intact.

#### Forward Looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate", "believe", "estimate", "intend", "will", and "expected" and other similar expressions as they relate to the Company or its business are intended to identify such forward looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The important factors that would make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets, raw material prices, changes in the Governmental regulations, labour negotiations, tax laws and other statutes, economic development within India and the countries within which the Company conducts business and incidental factors. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information or events.

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# CHAIRMAN'S MESSAGE



## Dear Shareholders,

The world today, is going through an extraordinary situation. We are experiencing a pandemic which has severely impacted every aspect of our lives and disrupted business in unprecedented ways. The challenges are unique as COVID-19 induced lockdowns have disrupted the economic activity. So much so, that the GDP growth of the Indian economy is to be around 4.2% for FY20 and likely in the negative for FY21 as per the recent CRISIL report. CRISIL believes it will be tough for India to return to its pre-pandemic growth levels at least for the next three years. Partial relaxations are not of much use as the hindrances to supply chain, logistics and transportation continue. The recent economic stimulus announced by the government of India does have some short term measures to cushion the economy, but majorly announces various reforms which may have payoffs in the medium term. At GHCL we complied with all the regulations notified by the Government from time to time. We took the initiative of "Work from home" at our offices and the production facilities also remained closed for a major period of time which did have an impact on production and sales.

As the Chairman of the Board of Directors of GHCL, let me assure you that despite myriad challenges, your company is focused on maintaining its growth momentum and

delivering value to its stakeholders. Though our revenues for the last financial year ended March 2020 were down by 3% to ₹3272 crores as compared to ₹3385 crores in the previous financial year, Earnings before depreciation, interest and taxation (EBIDTA) stood at ₹753 crores in financial year 2019-20 while Net profit for the financial year 2019-20 grew by 13% to ₹407 crores as compared to ₹361 crores in the previous financial year. As a token of gratitude towards its shareholders, the company paid an interim dividend of ₹3 per equity share for the financial year ended March 31, 2020 and a buyback of company shares amounting to ₹56.81 Crores.

In the month of March, the Board of the company also approved the Scheme of demerger of its Inorganic Chemicals and Textiles businesses through a Scheme of Arrangement U/s 230-232. This demerger is intended to deliver various operational and strategic benefits to each Business segment as separate listed entities such as focused growth, concentrated approach, business synergies and increased operational and customer focus. In addition, it will address independent business opportunities with efficient capital allocation and attract different set of investors, strategic partners, lenders and other stakeholders, thus expected to result in enhanced value creation for stakeholders. Both companies shall be listed separately post NCLT approval.

The brownfield capacity addition for the soda ash business was executed successfully and we now operate at a capacity of 1.10 million MT per annum but, due to demand suppression we may not be in a position to fully exploit the additional capacities. The Coronavirus epidemic will cast its shadow on the overall business scenario. In the Textile business, your company's strengths revolve around our penchant for innovation; consistent product development and a strong passion for sustainability and the circular economy. We have stepped up the focus on the Dot Com business in the US and

are working with major retailers. But due to the COVID-19 situation, a lot of retail activity in home textiles in the US market has come to a grinding halt. This undoubtedly will have an impact on the inventory build-up in the country and will push back purchase decisions by several months. Given the softness being experienced in the demand for textiles and garments, our yarn business may also experience some headwinds. In the Consumer products business there is an increased focus on digital marketing to promote our brand.

In FY20, your company was recognized as one of the "Best Workplaces in Manufacturing Sector" by Great Place to Work Institute, consecutively for the fourth year in a row. GHCL Foundation Trust received the 'Saurashtra Eminence Award - 2019' for the great work done towards 'Rural Development and CSR' from Divya Bhaskar Group. The Federation of Indian Mineral Industries (FIMI) awarded GHCL for innovation in the field of water management and soil fertility in and around the villages of the mining areas. The 'Jury Special Social Awareness Award' was presented to the Bhimdeval Limestone Mines, GHCL at the Excellence, Sustainability, Health, Safety and Social Awareness Awards FY 2018-19.

As a proponent of inclusive growth, GHCL believes in giving back to the society. Since the last two years, the focus has been on expanding the CSR footprints along with meeting the expectations of the people. GHCL Foundation has been strategically planning and systematically executing various projects for overall development and welfare and has spent ₹9.75 cr on CSR initiatives in FY20.

I conclude by thanking all of you for supporting GHCL in its Mission to responsibly maximize value for all its stakeholders.

**Sanjay Dalmia**  
Chairman

# PERFORMANCE SNAPSHOT



## Financial Capital

- **9.64%** CAGR of Profit After Tax since 5 years
- Below **1.0** Debt to equity ratio maintained over last 3 years.



## Manufactured Capital

- Largest Soda Ash manufacturing capacity at single location in India with **91%** capacity utilisation.
- **63%** capacity utilisation of HT division
- **96%** capacity utilisation of Yarn division



## Intellectual Capital

- **12** sustainable products launched by HT division
- **1,275** Kaizens implemented



## Human Capital

- **190** people identified for building leadership capacity as a part of succession planning
- **19.2%** decrease in employee attrition
- **82<sup>nd</sup>** Rank achieved for best overall company in India in Great Place to Work (GPTW)



## Social And Relationship Capital

- **1,24,103** CSR beneficiaries impacted
- **71%** customer satisfaction score



## Natural Capital

- **20%** material savings from packaging initiatives in HT division.
- **40%** power requirement of Yarn division is met through renewable energy

# HONOURS, AWARDS & CERTIFICATIONS



## Mine Award – GHCL

Limestones Mines received Mine award under A2 category at 26<sup>th</sup> Mines Environment and Mineral Conservation week.

## Par Excellence Award

– GHCL won 'Par Excellence Award' at the 6<sup>th</sup> National Conclave on 5S, Ankleshwar Chapter, Quality Circle Form of India (QCFI).



## Saurashtra Eminence Award 2019 – GHCL

Foundation Trust received 'Saurashtra Eminence Award – 2019' for the great work done towards 'Rural Development and CSR' from Divya Bhaskar Group.

