



BUILDING TOMORROW TOGETHER



38th INTEGRATED
ANNUAL REPORT 20²⁰/₂₁



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Learn more about us at
www.ghclindia.com



BUILDING TOMORROW TOGETHER

The theme for our Integrated Annual Report (IAR) for FY 2020-21, “Building tomorrow together” reflects on our commitment towards achieving long-term and sustainable growth while taking full accountability of our core values - Respect, Trust, Ownership and Integrated Teamwork.

As the challenges in the current business environment are constantly evolving, we at GHCL, are committed to endeavour to grow financially, while creating value for all our stakeholders. Being a purpose-driven organization, wherein, sustainability resides at the core of our vision, values and corporate culture, we have taken a new business approach by incorporating the needs of our employees, communities and the environment by acknowledging the ever-changing scenarios and showing resilience for creating a sustainable future for all. GHCL believe in “माता भूमिः पुत्रोऽहम् पृथिव्याः [अथर्व वेद १२.१.१२१]” which means earth is my mother and we are her sons. It is our endeavour to live with our Indian values system and carry

on the legacy of our heritage “सर्वे भवन्तु सुखिनः सर्वे संतु निरामया” throughout our operational and social activities.

Our commitment towards sustainability encourages 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 for 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 have a positive impact on the environment and society at large. We have undertaken the best practices of responsibility and transparency as we move forward into the coming decade.



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. Bhawneshwar Mishra

Sr. General Manager - Sustainability & Company Secretary

Registered Office

"GHCL HOUSE"

Opp. Punjabi Hall
Navrangpura
Ahmedabad – 380009 (Gujarat)

Corporate Office

"GHCL HOUSE"

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

Subsidiaries

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

Company Identification No.

CIN – L24100GJ1983PLC006513

Statutory Auditors

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

Secretarial Auditors

Chandrasekaran Associates,
Company Secretaries, New Delhi

Cost Auditors

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

Plant Locations

Inorganic Chemical Division:

Soda Ash Plant:

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

Salt works:

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

Lignite Mines:

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

Consumer Products Division

Salt Works & Refinery:

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

Textile Division:

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

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

Plant - Home Textile Division

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

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
HDFC Bank
Union Bank of India
Bank of Baroda
IDBI Bank
Axis Bank
IDFC First Bank
Bank of Bahrain & Kuwait

Details of Registrar and Share Transfer Agent

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

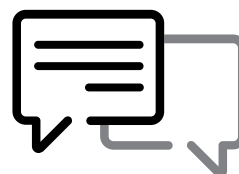
ABOUT THE REPORT

Year after year, GHCL has worked to develop its reporting processes in order to produce more detailed and consistent results. We had earlier taken our step towards transitioning into an Integrated Reporting structure and have thus, come out with our third Integrated Annual Report (IAR). This report has been published with a view of providing all our investors and stakeholders with a balanced and transparent disclosure of all our goals, targets and material issues.

This report has been prepared with the view of illustrating our commitments and focus areas and is in accordance with the International Integrated Reporting <IR> framework published by the International Integrated Reporting Council (IIRC). This edition of our IAR continues to provide a quantitative and qualitative disclosure, in a clear and concise manner, stating how our leadership and business strategy are aligned towards monitoring and mitigating our potential risks to create sustainable growth. This report also includes information on our governance, financial, and non-financial performance.

Scope and Boundary

This IAR covers the period from 1st April 2020 to 31st March 2021. The report details the information of GHCL's sites that manufacture Soda Ash, Home Textiles, Yarn, and Consumer Products Division. In addition to the manufacturing facilities, the employee data also covers our corporate office and registered office located at Noida and Ahmedabad respectively.



Suggestions and feedback

We continuously strive to disclose relevant information to our valued stakeholders. We welcome you to share your views, suggestions or feedback on the report at: corpcommunication@ghcl.co.in

Assurance for FY 2020-21

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

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

Forward Looking Statements

Certain statements in this IAR regarding our business operations may constitute forward-looking statements that pertain to risks and uncertainties. When used in this context, the words "anticipate", "believe", "estimate", "intend", "will", and "expected" and other similar expressions as they relate to the Company or its businesses are intended to identify such forward-looking statements, whether as a result of new information, future events, or otherwise. The actual results, performances or achievements, and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The important factors that might make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets, raw material prices, changes in governmental regulations, labour negotiations, tax laws, and other statutes, economic development within India and the countries within which the Company conducts its businesses and other incidental factors such as the repercussions of a global pandemic that the world witnessed throughout a major portion of FY 2020-21. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information, or events.

CHAIRMAN'S MESSAGE



Dear Shareholders,

FY21 was a completely unprecedented year; a year of a global pandemic followed by global recession and subsequent government actions to reduce uncertainty in the business scenario. It was a year during which many of us faced difficult personal challenges too. In February 2021 it appeared that India may have managed the situation pretty well, but then the numbers increased unprecedentedly. The Indian government stepped up, allowed vaccination for all eligible adults and initiated several measures to reduce the impact of the second wave. This coupled with the support of equipment, medicines and other essentials from the global community has helped India in its fight against the COVID crisis. We hope very soon we shall see a positive outcome.

FY 21 wasn't anything that any of us had planned nonetheless, businesses and individuals around the world learnt to weather the storm and reimagine the future. Today, I am proud of what your company has achieved and learnt during this truly uncommon year. The resilience and the agility with which response was initiated to safeguard employees and partners was praiseworthy. We ensured sanitisation and safety protocols, regular health screening across all plant sites and work from home wherever possible. A vaccination drive was conducted for employees and their families above 45 years of age in phase 1 and we are now looking to vaccinate the remaining

employees too. On the business front, our focus on sustainability, digitisation, automation and creating a process driven organization helped us tide through tough times. We also focused on cost optimisation, growth, the wellbeing of all stakeholders and creating an agile and innovative organisational culture.

As the Chairman of the Board of Directors of GHCL, let me assure you that despite myriad challenges, your company is focused on maintaining the growth momentum and delivering value. In FY 21 due to COVID 19 our sales for the year and PAT declined by 13% and 24% respectively; partially attributable to the lockdown imposed during last week of March 2020. Though top line and profits declined in the first half of FY21, we were able to reverse this trend and achieved healthy growth and margin in the second half. By the fourth quarter, plant utilization was back to pre-COVID levels. Better capacity utilisation supported by a positive demand scenario, favourable recovery trends combined with operational excellence steered recovery in the second half of the year.

As an organisation, we have left no stone unturned to ensure value creation for our stakeholders. While we have more work to do, we are focused on driving positive change and our future growth strategy is based on various initiatives such as green energy, technological upgradation, long term sustainability, environment friendly practices, corporate governance and talent management. We believe that these initiatives are integral for the long term growth of your organisation.

Your company is also focusing on several growth opportunities in both its business segments to improve the bottom line. In inorganic chemicals, we are pursuing product basket expansion, debottlenecking, backward integration capabilities, increasing the sodium bicarbonate capacity and greenfield expansion which once executed, will position your company as the largest domestic soda ash manufacturer. In the textiles business our

growth strategy is around modernization and expansion of spinning business, enlarging our green energy portfolio and creating a strong presence in the value added yarn segment in both cotton and synthetic. In home textiles, our focus will be on cost optimization and improved assets utilization. We have initiated our digital journey and enablers such as AI & IOT will enhance our capacity and capabilities in medium to long term.

In March, FY20, the Board of the company had approved the Scheme of demerger of its Inorganic Chemicals and Textiles businesses which is progressing as per plan. I am proud to share that your company has been Certified as a "Great Place to Work" for the fifth year in a row. This is indeed a commendable achievement. GHCL's Chemical division was also recognised with the Gold Award at the National Award for Manufacturing Competitiveness for the year 2019-20 by the International Research Institute for Manufacturing, India.

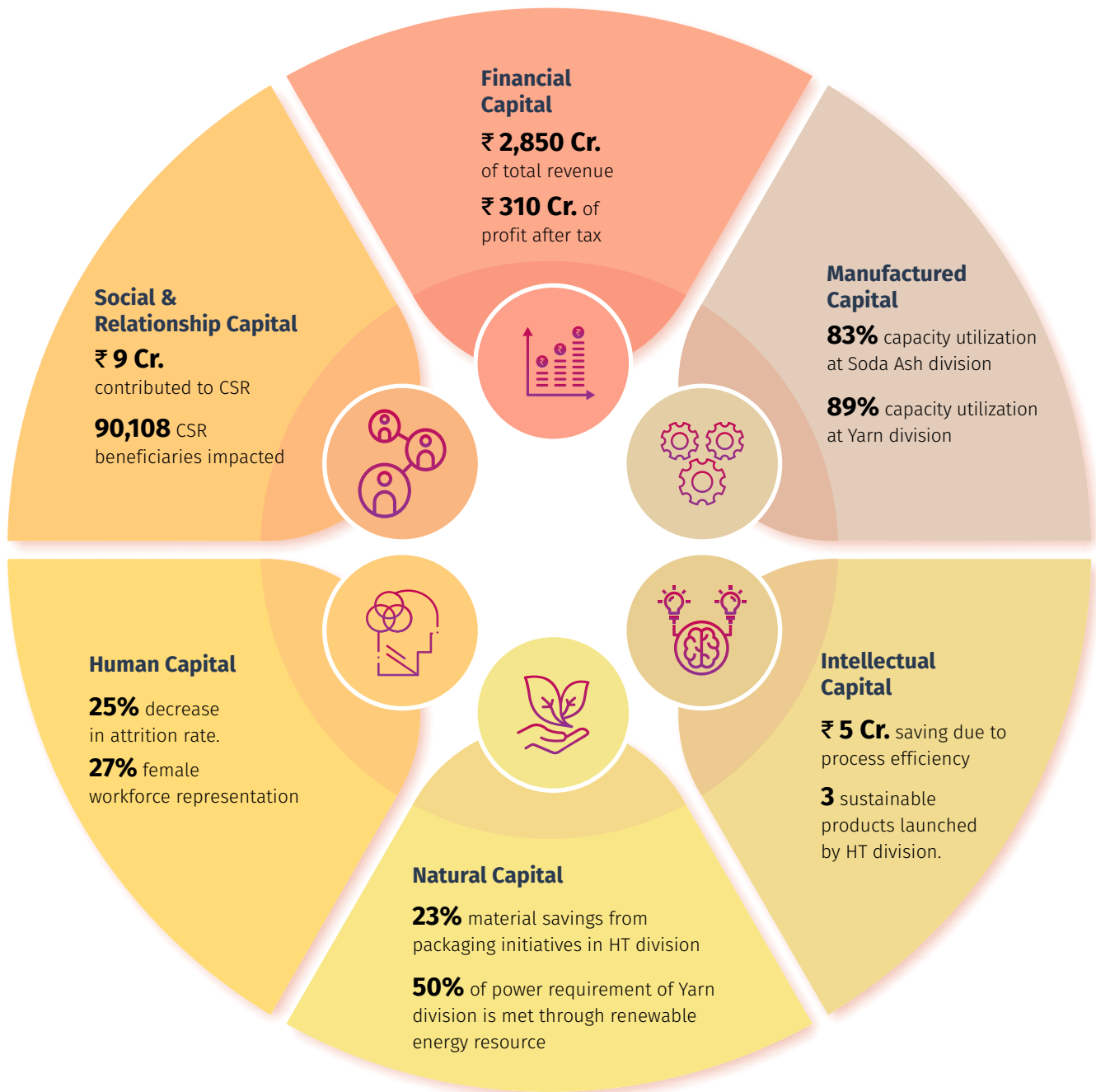
Dear shareholders, over the years, we have been consistent in our pay out and as a token of gratitude for your support this year too, a dividend of INR 5.50 per equity share has been announced.

We are consistent and firm on the basic principles and strategies we use to build this company — from conducting our business responsibly, to better Governance practices with sustainability and core values as our foundation. We shall continue to grow our business and contribute to India's growth story. We are happy to serve our customers, develop our partners and uplift communities in and around our areas of business. I am moved by the challenges we have overcome and proud of our resolve to serve our stakeholders.

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

Sanjay Dalmia
Chairman

PERFORMANCE SNAPSHOT



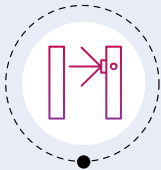
OUR RESPONSE TO THE COVID-19 CRISIS

At GHCL, we believe in providing a healthy and safe environment for all our employees, as it is one of the key drivers in ensuring higher productivity across all our plants.

To curb the effects of the COVID-19 pandemic, we have undertaken the strictest measures to operate in the safest ways possible. In this 'new normal', our first and foremost objective has been to ensure that our employees are exposed to a safe working environment when they return to our premises. Keeping this in mind, our admin and HR teams have ensured to fulfil every safety requirement and outlined safety guidelines across all locations and facilities, to create a greater awareness.

Working in the 'new normal'





Security Gate

- No entry into the premises without face-mask.
- Compulsory thermal screening for every individual at the entry gate.
- Entry for new employee/person/guest was not allowed without proper health check-up, sanitization and valid gate-pass.



Usage of Lifts

- Usage of lifts was not recommended in the office premises.
- In case any associate was not able to use the staircase due to health issues, they were requested to take adequate precautions and not touch the switches directly.



Within the Office

- Employees has to work at their designated seats and unnecessary movements were curbed.
- Meetings were to be attended via conference calls or video-conferencing as far as possible.
- Employees had to strictly adhere to social distancing norms of minimum 1 meter.



Attendance

- Biometric attendance was suspended till further notice.
- Alternate arrangements were made for making attendance by showing ID cards only.



Canteens

- Employees were encouraged to bring home cooked food to avoid the danger of contamination.
- At plant locations, strict adherence was given to canteen timings to avoid large gatherings.
- Strict adherence to the allotted food supply spots.



Travel

- Employees commuting by office conveyance had to strictly follow social distancing norms.
- Any vehicle entering the office/plant premises were readily sanitized.

OUR RESPONSE TO THE COVID-19 CRISIS

Soda Ash

Since April 2020, our Soda Ash division resumed operations, with a high priority of extending the best safety arrangements for our employees who had returned to work amidst the crisis.

As we noticed the rapidly rising number of COVID-19 positive cases, we planned various precautionary measures to prevent the spread of the virus amongst our workforce. We prohibited the entry of vendors inside the plant premises, discontinued training programmes for the apprentices, prepared a temporary isolation ward in Anurag Nagar Dispensary and carried out fumigation and disinfection on both the townships on alternate days.

We also ensured that the employees strictly adhered to the social distancing norms within the premises and introduced a 12-hour rotational shift working policy.

We steadily increased the manpower in our operations as the government-imposed lockdown was lifted.

Yarn

Due to the COVID-19 induced lockdown, the Yarn division at Madurai had to stop its operations till the first week of May 2020. However, during the entire shutdown period, the marketing team of the division constantly maintained contact with their customers via calls and virtual meetings.

Even when the division was under lockdown, the marketing teams were working remotely and were coordinating support to the customers for urgent delivery.

The team continuously relied on the usage of digital platforms to market their products. This helped the division increase its customer base in existing export markets like Italy, Germany, Bangladesh, Mauritius etc. and enter newer markets like Portugal.

Home Textiles

The Home Textiles division faced a great stress during the lockdown and there was a great uncertainty on how the markets would respond in the times to come.

The division set up a showroom for the clients to give them clear picture of the collections under various brands. The marketing teams connected with the clients via video calls and gave them virtual presentations on the availability of product variants. Furthermore, the marketing team organized conference calls to take queries from the clients on the collections and understand their requirements well. The virtual tour of the showroom also helped in giving a clearer view of the product ranges to the clients.

Consumer Products Division

During the overall lockdown phase, the division noticed various changes in the purchase preferences of the end consumers. The users preferred ordering all the essential items online. In order to ensure the effective delivery of the product and reach out to the larger consumer base during the pandemic, the division collaborated with various e-commerce platforms for swift delivery of the essentials.

Joining hands with various e-commerce portals gave a competitive edge to i-FLO, as it helped in increasing the visibility of the brand and reach a greater number of households. As per the ongoing trend, the division also ensured its digital presence via various online sessions on immunity, hygiene, wellness etc.