

32ND ANNUAL REPORT 2014-2015



GHCL Limited

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Annual General Meeting – Thursday, July 23, 2015

Time – 9:30 A.M.

Venue – The Institution of Engineers (India), Gujarat State Centre,
Bhaikaka Bhavan, Law College Road,
Ahmedabad - 380 006 (Opp. Gajjar Hall)

Book Closure Date - From Friday, July 17, 2015 to Thursday, July 23, 2015 (Both days inclusive)

Important Communication to Members

Ministry of Corporate Affairs had announced "green initiatives in the Corporate Governance" and permitted companies to service notices / documents including Annual Report to the members of the company on their email addresses. All those Shareholders who have not yet registered their email ids or holding shares in physical form are requested to register their email ids with NSDL/CDSL and/or our RTA.



COMPANY INFORMATION

BOARD OF DIRECTORS

| | |
|----------------------------|------------------------------------|
| Sanjay Dalmia | Non-Executive Chairman |
| Anurag Dalmia | Non-Executive Director |
| Neelabh Dalmia | Non-Executive Director |
| Dr. B C Jain | Independent Director |
| Lavanya Rastogi | Independent Director |
| G C Srivastava | Independent Director |
| Mahesh Kumar Kheria | Independent Director |
| K C Jani | Independent Director |
| Sanjiv Tyagi | Independent Director |
| Padma Vinod Betai | Nominee Director (IDBI Bank) |
| R S Jalan | Managing Director |
| Raman Chopra | CFO & Executive Director (Finance) |

SECRETARIES

Bhuwleshwar Mishra
General Manager & Company Secretary

Manoj Kumar Ishwar
Senior Manager (Secretarial)

REGISTERED OFFICE

"GHCL HOUSE"
Opp. Punjabi Hall,
Navrangpura,
Ahmedabad -380 009 (Gujarat)

CORPORATE OFFICE

"GHCL House"
B-38, Institutional Area,
Sector - 1
Noida - 201 301 (UP)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
Website: www.ghcl.co.in

MAJOR SUBSIDIARIES

- Grace Home Fashions LLC
- Others - As per Statement given U/S 129(3)

COMPANY IDENTIFICATION NO.

CIN – L24100GJ1983PLC006513

STATUTORY AUDITORS

Jayantilal Thakkar & Co.
Rahul Gautam Divan & Associates

WORKS

SODA ASH

Village - Sutrapada,
Near Veraval,
Distt. Gir Somnath - 362 275
Gujarat

SALT REFINERIES

- Ayyakaramulam
Kadinalvayal - 614 707
Distt. Nagapattinam
Tamilnadu
- Nemeli Road,
Thiruporur - 603 110
Tamilnadu

TEXTILES

- Samayanallur P O
Madurai - 625 402
- Thaikesar Alai P O
Manaparai - 621 312
- S. No.191, 192, Mahala Falia,
Village Bhilad, Distt. Valsad,
Gujarat-396105, India

ENERGY DIVISION

- Muppandal, Irukkandurai Village
Sankaneri Post Radhapuram
Taluk, Tirunelveli District
Tamilnadu
- Chinnaputhur village,
Dharapuram Taluk,
Erode District, Tamil Nadu
- Tirumanagalakurichi Village,
Kayathar, Kovilpatti Taluk,
Tuticorin Dist, Tamilnadu

BANKERS / FINANCIAL INSTITUTIONS

State Bank of Travancore
IDBI Bank Ltd.
State Bank of Hyderabad
State Bank of Mysore
Canara Bank
Export Import Bank of India
State Bank of Bikaner and Jaipur
State Bank of Patiala
State Bank of India
Dena Bank
Andhra Bank
Union Bank of India
Oriental Bank of Commerce
Bank of Maharashtra
Tamilnad Merchantile Bank Ltd.

SHARE TRANSFER AGENTS

Link Intime India Private Limited
(Formerly Intime Spectrum Registry Limited)
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup - West
Mumbai - 400 078

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am proud that your company has put up a resilient performance despite a fragile domestic recovery and an uneven pick-up in growth in key countries across the globe. The global commodity price environment has been benign and there has been a deceleration in inflation levels in India mainly due to drop in oil prices. A key area of concern, however is the forecast of yet another weak monsoon this year which could further put strain on the economic growth and consumption spending in rural areas.

Despite myriad challenges in economy, your company remains firmly focused on maintaining its growth momentum and delivering value to its stakeholders. We continue to be positive in our approach with our ears firmly to the ground so that we do not miss any meaningful opportunity. This has allowed us to once again achieve growth in both topline and bottomline in the reported financial year 2014-15.

Revenues for the financial year rose by nearly 7% to ₹ 2385 crore compared with ₹ 2229 crore for financial year 2013-14. Profit before tax climbed an impressive 72% to ₹ 258 crore and Net Profit for financial year 2014-15 rose a robust 58% to ₹ 183 crore from ₹ 116 crore in the previous financial year. The company has also recommended a higher dividend of 22% for the financial year ended March 31, 2015 as a token of gratitude towards its shareholders, who continue to hold faith in GHCL's management and its vision for the company.

Going forward, we are going to undertake expansion in all our business verticals. In Soda Ash, we have started the expansion of Soda Ash capacity and in our Spinning Division, besides adding more spinning capacity, we would be setting up wind power project to further optimize our costs. Similarly in Home Textile Division, we have plans to expand processing capacity in near future to achieve



volume growth. With the upsurge in economy, we foresee a huge growth opportunity in Home Textile segment in Indian market and accordingly we plan to launch our Home Textile products in a big way in the domestic market. I would now turn to detail performance of each of our divisions:

During the year under review, your company achieved the highest ever domestic sale of soda ash 6.74 lakh MT while the total sales including exports were at 6.86 lakh MT. During 2014-15, the production of soda ash was the highest ever and stood at 7.39 lakh MT against the installed capacity of 8.50 lakh MT per annum. The capacity utilization for the year, thus, was at 87% compared to the 2013-14 capacity utilization of 83%. The capacity utilization was also better than the industry average of 85%. The revenue of Inorganic Chemicals division was ₹ 1368 crore during FY'2014-15, up nearly 16% from ₹ 1184 crore in the year ago period. With the improved growth of the Indian economy, soda ash demand also witnessed a 6% growth in 2014-15. It is expected that on the back of further



pick-up in economic growth and growth in our key client industries like glass and detergents, demand for soda ash will continue to witness a steady rise.

The revenue of Home Textile division was at ₹ 632 crore during financial year 2014-15 compared with ₹ 662 crore in the previous year. Market sentiment in US looks better and we are focusing on that market with large volume programs. There is a lot of interest in US retail to shift some more business to India and that is yet another positive for the Indian Home Textile Industry. Additionally, your company has also made inroads in European Market and has secured large replenishment orders from retailers in Europe. The outlook for the sector is positive and there are huge opportunities for growth.

The revenues of the yarn division was at ₹ 441 crore during 2014-15, unchanged from the previous year. Despite expansion in the spindle capacity during the year, the performance of the yarn division was lower when compared to growth seen in the previous year mainly due to lower demand of yarn as well as low yarn prices. Although, cotton prices also witnessed downtrend, the reduction in yarn prices was significantly higher than the reduction in cotton prices thereby impacting the performance of yarn business. Going forward, we expect an uptick in demand for yarn as well as prices. The outlook for spinning industry looks better. With stable cotton prices now, timely cotton coverage and improved yarn price scenario, we expect a profitable period ahead for the company in this segment.

Given our commitment towards betterment of the society, your company continued with its activities in the area of Corporate Social Responsibility with lot of passion and diligence in 2014-2015. GHCL Foundation Trust has been entrusted with the task of identifying new projects and running various initiatives that are already operational. These projects, taken up around its soda ash and textiles manufacturing sites, focus on roof rain water harvesting and coastal area development, agro-based livelihood, irrigation, healthcare, sanitation, education and employment enhancing vocational skills. As a responsible corporate, we also lay emphasis on primary education in the villages so that children enroll in schools.

As we move ahead, we are optimistic about the prospects and expect this year to be better for the company as growth engines of the economy are reinvigorated. Backed by quality products, we are fully geared to take advantage of any opportunity that comes our way and ride the growth cycle as and when the economy rebounds.

I conclude by thanking all our stakeholders - our employees, our investors, various state governments where we have operations, central government and last but not the least, our valuable customers.

Sanjay Dalmia
Chairman

GHCL LIMITED

(CIN: L24100GJ1983PLC006513)
Registered Office: GHCL House, Opp. Punjabi Hall,
Navrangpura, Ahmedabad – 380009 (Gujarat)
Email: ghclinfo@ghcl.co.in
Website: www.ghcl.co.in
Phone: 079- 39324100, Fax: 079-26423623

NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the members of GHCL Limited (CIN: L24100GJ1983PLC006513) will be held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, July 23, 2015 at 9.30 AM to transact the following businesses:

ORDINARY BUSINESS:**Item no. 1: Adoption of accounts**

To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2015 together with the Reports of the Board of Directors and Auditors thereon.

Item no. 2: Declaration of dividend

To declare dividend on the equity shares of the Company for the financial year ended March 31, 2015.

Item no. 3: Re-appointment of Mr. Neelabh Dalmia

To appoint a director in place of Mr. Neelabh Dalmia (holding DIN 00121760), who retires by rotation and being eligible, offers himself for re-appointment.

Item no. 4: Re-appointment of Mr. Raman Chopra

To appoint a director in place of Mr. Raman Chopra (holding DIN 00954190), who retires by rotation and being eligible, offers himself for re-appointment.

Item no. 5: Re-Appointment of Statutory Auditors

- i) To re-appoint M/s Jayantilal Thakkar & Co., Chartered Accountants (Firm Reg. No. 104133W) as one of the Joint Statutory Auditors of the Company, to hold office from the conclusion of 32nd Annual General Meeting to the conclusion of the 33rd Annual General Meeting and to authorize Board of Directors to fix their remuneration.
- ii) To re-appoint M/s Rahul Gautam Divan & Associates, Chartered Accountants (Firm Reg. No. 120294W) as one of the Joint Statutory Auditors of the Company, to hold office from the conclusion of 32nd Annual General Meeting to the conclusion of the 34th Annual General Meeting subject to the ratification by members at 33rd Annual General Meeting and to authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS:**Item no. 6: Appointment of Mr. K. C. Jani as Independent Director of the Company**

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 152 & Section 149 and any other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any

statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. K C Jani (DIN: 02535299), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offers himself for appointment and in respect of whom the Company has received a notice in writing from him, pursuant to the provisions of Section 160 of the Companies Act, 2013 signifying his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office till September 17, 2019”

Item no. 7: Appointment of Mr. Neelabh Dalmia as Director (Strategy) in an overseas subsidiary of the Company i.e. Grace Home Fashion LLC, USA.

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 approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, and according to provisions of Section 188 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 approval of the members be and is hereby accorded to the appointment of Mr Neelabh Dalmia non – executive non independent director of the Company, to hold and continue to hold an Office or Place of Profit as Director -Strategy (or any other designation and roles which the Board /Committee of the Board may decide from time to time) in an overseas subsidiary of the Company i.e. Grace Home Fashion LLC (USA) on such remuneration, increments and positions and other terms and conditions as set out in the Explanatory Statement attached to this Notice.

RESOLVED FURTHER THAT the appointment shall be upto retirement age as per the policy of the Company with effect from July 23, 2015 unless it is varied or amended by the Nomination and Remuneration Committee or Board of Directors of the Company in accordance with the policy of the company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or any Director or Officer to give effect to the aforesaid resolution.

Item no. 8: Approval of Employees Stock Option Scheme 2015 & Issue of Securities:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 including any statutory modification(s) or re-enactment of the Act, for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the Regulations”) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be

prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the members of the Company be and is hereby accorded to the Board to introduce and implement the "GHCL Limited Employees' Stock Option Scheme - 2015" (hereinafter referred to as "GHCL ESOS 2015") the salient features of which are detailed in the Explanatory Statement to this Notice and to create, offer, issue and allot at any time to or for the benefit of employees who are in the permanent employment of the Company whether working in India or out of India, including Directors of the Company whether Whole-time Directors or not, but excluding Promoter, Promoter Group, and Independent Directors, and to such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and regulations prevailing from time to time (all such persons are hereinafter collectively referred to as "Employees") under the GHCL ESOS 2015, such number of equity shares of the Company and/ or equity linked instruments [including Options/Warrants ("Options")] or any other instruments or securities of the Company which could give rise to the issue of equity shares (hereinafter collectively referred to as "Securities") but not exceeding 50,00,000 (Fifty Lakhs Only) Equity Shares of ₹ 10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time), in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the Scheme, the provisions of the law or regulations issued by the relevant authority, as may be prevailing at that time.

FURTHER RESOLVED THAT the Securities may be issued and allotted by the Board directly to such Employee(s).

FURTHER RESOLVED THAT the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

FURTHER RESOLVED THAT the new equity shares to be issued and allotted in the manner aforesaid shall rank *pari passu* in all respects with the then existing equity shares of the Company.

FURTHER RESOLVED THAT for the purpose of creating, offering, issuing, allotting, and listing of the Securities and/or for the purpose of complying with any Guidelines or Regulations that may be issued from time to time by any appropriate authority, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in GHCL ESOS 2015 from time to time or to suspend, withdraw or revive GHCL ESOS 2015 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/ Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard."

Item no. 9: Approval of extending benefits of Employees Stock Option Scheme – 2015 to the employees of subsidiary/associate company(ies)

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

"RESOLVED THAT pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment of the Act (the "Act"), for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, including any modifications thereof or supplements thereto ("the Regulations") and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "the Board" which term shall be deemed to include the Nomination and Remuneration Committee), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of GHCL ESOS 2015 proposed in Resolution Number 8 in this Notice to the Employees, whether working in India or out of India and Directors whether Whole-time Directors or not, of the subsidiary /associate company(ies) of the Company unless they are prohibited from participating in the GHCL ESOS 2015 under any law or regulations for the time being in force, on such terms and conditions as may be decided by the Board.

FURTHER RESOLVED THAT for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the GHCL ESOS 2015 from time to time or to suspend, withdraw or revive GHCL ESOS 2015 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

FURTHER RESOLVED THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company."

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura
Ahmedabad - 380009
Dated: May 22, 2015

By Order of the Board
For **GHCL LIMITED**
Bhuvneshwar Mishra
General Manager &
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A PERSON CAN ACT AS A PROXY ON BEHALF OF THE MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT 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 SHAREHOLDER.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 17th day of July 2015 to Thursday 23rd day of July 2015 (both days inclusive).
5. The dividend as recommended by the Board of Directors will be paid to those members whose names appear on the Company's Register of Members on 16th July, 2015. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose.
6. The relevant details of directors seeking reappointment under Items No. 3 to 4, as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges is given herein below.
- i. Mr. Neelabh Dalmia (DOB – August 16, 1983) is a Non-executive Director (Promoter) of the Company. He is Bachelor of Science in Business from Indiana University, Kelly School of Business, Bloomington, Indiana with majors in Finance and Entrepreneurship. He had also completed Masters of Business Administration (MBA) from Kelley School of Business, Indiana University, USA. He is a member of Audit Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Compliance Committee, Business Strategy & Planning Committee and Banking and Operations Committee of the Company. Mr. Dalmia is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. He does not hold any shares in the Company.
- ii. Mr. Raman Chopra (DOB – November 25, 1965) is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having wide experience in Corporate Finance and Textiles. Presently, he is in charge of Financial & Secretarial functions covering financial accounting, management accounting, taxation, secretarial, legal, IT and corporate finance areas. Mr. Chopra has more than 27 years of Industrial experience. Before elevated to Executive Director (Finance) with effect from April 1, 2008, he was CFO of the Company from October 30, 2007. Before taking charge of finance, he had successfully established the Home Textile plant at Vapi. He is a member of Compliance Committee, Stakeholders Relationship Committee, Banking & Operations Committee, Business Strategy & Planning Committee and Risk Management Committee of the Company. Mr. Chopra is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. He does not hold any shares in the Company. However, his wife is holding 13,000 equity shares and his son is holding 7000 equity shares of the Company as on March 31, 2015.
7. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Share Transfer Registrar of the Company in respect of their physical share folios, if any.
8. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or / change in such bank details. Further instruction, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depositories Participants.
9. **The Company will send the correspondence and documents including Annual Report etc. in electronic form, to the e-mail address of the members, instead of sending documents in physical form. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail id by sending request letter to our Registrar and Share Transfer Agent (M/s Link Intime India Pvt. Ltd., Unit: GHCL Ltd.)**
10. Members are requested to send their queries, if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.
11. **Voting through electronic means:**
- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Clause 35B of the Listing Agreement and any other

applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 32nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

- (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
- (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. 16th July, 2015, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- (d) The e-voting period commences at 9:00 a.m. on Saturday 18th day of July, 2015 and ends at 5:00 p.m. on Wednesday 22nd day of July, 2015. The e-voting module shall be disabled by CDSL for voting thereafter.
- (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (f) The facility for voting, either through electronic voting system or polling paper, as may be decided by Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- (g) Instructions for members for e-voting are as under:**
 - i. Log on to the e-voting website www.evotingindia.com
 - ii. Click on "Shareholders" tab.
 - iii. Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - iv. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v. Next enter the Image Verification as displayed and Click on Login.
 - vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|------------------------|---|
| PAN* | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | <p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details# | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client id/folio number in the dividend Bank details field as mentioned in instruction (iv). |

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then reach directly 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi. Click on the EVSN of GHCL Ltd.
- xii. 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 desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (h) 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.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
- (i) 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 future communication(s).
- (j) Mr. Manoj Hurkat, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinisers in addition to and/or in place of Mr. Hurkat. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (k) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (l) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ghcl.co.in and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.
12. All documents referred to in the Notice and Explanatory Statement is available for inspection at the Registered Office of the Company during the business hours between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.
13. Members attending the Meeting are requested to complete the enclosed slip and deliver the same at the entrance of the meeting hall.
14. Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports as the practice of distribution of copies of the report at the meeting has been discontinued.
15. Dividend for the financial year 2007-08, which remains unpaid or unclaimed, is due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in the month of September 2015. Members who have not en-cashed their dividend warrant(s) for the financial year ended March 31, 2008 or any subsequent financial year(s), are requested to lodge their claims with Link Intime India Private Limited. Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie against the Company in respect thereof.
16. **Electronic Clearing Service (ECS) Facility:** With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms.
17. 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 physical form should submit their PAN details to the Company or Registrar and Transfer Agent i.e. Link Intime India Pvt. Limited.
18. **Nomination Facility:** Members holding shares in physical form may obtain the nomination form from the Company's Registrar and Share Transfer Agent. Copy of the nomination form has also been attached in the Annual Report. Members holding shares in electronic form may obtain the nomination form from their respective Depository Participants.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 6

Mr. K C Jani (DOB – January 18, 1954) is a Non-Executive Independent Director of the Company. The Board of Directors had appointed Mr. K C Jani as an Additional Director under category of Independent Director with effect from September 18, 2014. In terms of Section 161(1) of the Companies Act, 2013 read with Article 138 of the Articles of Association of the Company, Mr. Jani holds office as an Additional Director only up to the date of the this Annual General Meeting. Mr. Jani is B. E (Chemical) and served as an Executive Director of IDBI Bank Limited until April 2014. Earlier, Mr Jani was a Nominee Director on the Board of the Company and due to change in nomination by IDBI Bank, his directorship ceased w.e.f January 15, 2013. He has very wide experience in the Banking industry and his area of specialization is Banking, Finance Management & HR. He is the Chairman of Nomination and Remuneration Committee of the Company. Mr. Jani is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is not a member or Chairman of any Board or Committee other than GHCL Limited. He does not hold any shares in the Company.

In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Jani being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for a term up to September 17th 2019 The Company has received a notice in writing under his hand along with the amount of requisite deposit, signifying his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. K C Jani (holding DIN: 02535299) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the notice received under Section 160 of the Companies Act, 2013 and also letter for appointment of Mr. Jani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.

The Board considers that his vast knowledge and varied experience will be of great value to the Company and his continued association would be of immense benefit to the Company and it is desirable to continue to avail valuable services of Mr. Jani as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. K C Jani as an Independent Director, for the approval by the shareholders of the Company. Being Non-Executive Director of the Company, Mr. Jani may be entitled to receive sitting fee, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be determined by the Board of Directors upon recommendation of the Nomination and Remuneration Committee, within the overall approval given by the shareholders. As per the provisions of Section 197 read with Section 149 of the Companies Act, 2013 and being Independent Director of the Company, Mr. Jani shall not be entitled to any stock option.

Except Mr. K C Jani, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item no. 7

The Ordinary Resolution relates to the appointment of Mr. Neelabh Dalmia, who is non-executive non independent director of the Company in the employment of an overseas subsidiary of the company i.e. Grace Home Fashion LLC (USA) as Director (Strategy). Mr. Neelabh Dalmia is the son of Mr. Anurag Dalmia, non-executive non-independent director of the Company and nephew of Mr. Sanjay Dalmia, non-executive Chairman of the Company. Approval of the members of the Company was required by passing Special Resolution pursuant to Section 188 of the Companies Act, 2013. However, it is to be noted that pursuant to the Companies (Amendment) Act, 2015 which is notified on May 25, 2015 and published on May 26, 2015, the proposed resolution would require to be approved by the Ordinary resolution.

Since the appointee is related to Mr. Anurag Dalmia who is non-executive director and Mr. Sanjay Dalmia who is non-executive Chairman of the Company, and this appointment amounts to an Office or Place of Profit and requires the approval of the members of the Company in terms of Section 188 of the Companies Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 and including any amendment made thereto.

Mr. Neelabh Dalmia is a Bachelor of Science in Business from Indiana University, Kelly School of Business, Bloomington, Indiana with majors in Finance and Entrepreneurship. He had also completed Masters of Business Administration (MBA) from Kelley School of Business, Indiana University, USA. He is a member of Audit Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Compliance Committee, Business Strategy & Planning Committee and Banking and Operations Committee of the Company.

We expect Grace Home Fashion LLC (USA) to benefit immensely in its Strategic initiatives from the qualifications and experience which Mr Neelabh Dalmia brings to Grace Home Fashion.

The terms of appointment of Mr. Neelabh Dalmia are as follows:

1. Date of Appointment: July 23, 2015 subject to compliance of all applicable rules, permissions, approvals and consents requires in this regard.
2. Period of appointment: July 23, 2015 upto retirement age as per the policy of the company with remuneration being paid for such appointment effective July 23, 2015. The employment may be terminated by either party by giving two month's notice.
3. Salary details: The appointment is made on a salary of USD 200,000 (USD two hundred thousand) per annum for first year. Thereafter, Nomination and Remuneration Committee and/or Board of Directors, may change remuneration of Mr. Neelabh Dalmia in line with the company's policy

4. Within the overall limit as per para 3 above, the appointee shall be entitled to the allowances and perquisites in particular the following allowances, perquisites and benefits as per the policies of the Company. - Basic Salary, Allowances including Additional allowance, Leave Travel Concession, Company Leased accommodation or House Rent allowance, Performance linked compensation, - Company provided car, commutation allowance, education allowance, Telephone rental and other allowances and perquisites as per policies of the Company.
5. Other benefits like medical benefits, group medical insurance, group accidental insurance, group life insurance, pension, gratuity and other benefits as per the policies of the Company.
6. Duties and Responsibilities: To undertake key strategic initiatives which would result in significant volume growth with improved profit margin for Grace Home Fashion LLC in USA.
7. The Board of Directors recommends the Resolution for approval of the members. No Director, except Mr. Sanjay Dalmia, Mr. Anurag Dalmia and Mr. Neelabh Dalmia, is interested in this Resolution.

Item no. 8 and 9

Employees Stock Option is useful tool to attract retain and motivate the best available talent and to reward them for performance. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

The Employee Stock Option Scheme (GHCL ESOS 2015) proposed to be introduced is aimed at retaining best talent in the Company. At this stage of Company, it is looking forward to increase the business volume both in Soda Ash and Textiles division. Soda Ash division may witness further improvement in capacity utilization due to increase in demand both from glass and detergent segments of economy. Textiles division is also expected to generate better volumes and future outlook appears positive.

GHCL ESOS 2015 is drawn in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations'), issued by SEBI and other applicable laws. The Scheme has been in-principle recommended by the Nomination and Remuneration Committee at its meeting held on May 22, 2015 and approved by the Board of Directors at their Meeting held on the same day.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

1. Number of options to be granted to individual Employee, and in aggregate;
2. Terms on which the options will vest;
3. The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;

4. The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period;
5. The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
6. Mechanism for direct allotment of shares;
7. The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
8. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
9. The grant, vesting and exercise of options in case of Employees who are on long leave; and
10. Any other related or incidental matters.

According to Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 no scheme shall be offered to employees of a company unless the shareholders of the company approve it by passing a special resolution in the general meeting, accordingly, Item Number 8 & 9 to this Notice is proposed as Special Resolution.

The salient features of the GHCL ESOS 2015 and the disclosures required under Rule 12(2) of The Companies (Share Capital and Debentures) Rules, 2014 are as under:

1. The total number of options to be granted

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 50,00,000 equity shares of the Company of the face value of ₹ 10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time). Each such Options confers a right upon the Employee to apply for 1 (one) equity shares of ₹ 10/- each of the Company, in accordance with the terms and conditions of such issue.

2. Identification of classes of employees entitled to participate in the Scheme

All permanent employees of the Company working in India or out of India and Directors (whether Managing/ Whole time Director or not) and its subsidiary / associate company(ies,) (present or future) (excluding promoters and employees belong to Promoter Companies) and further excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

3. Appraisal Process for determining the eligibility of Employees to the Scheme

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, CTC, expected potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee in its sole discretion.

4. Requirements of vesting and period of vesting

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to terms and conditions of vesting, as may be stipulated by the Nomination and Remuneration Committee in its sole discretion.

5. Maximum period within which the options shall vested

The maximum vesting period may extend up to five years from date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

6. Exercise price or pricing formula

Exercise Price means the price at which the Employee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise price per option may be decided by the Nomination and Remuneration Committee at the time of Grant. In determining the Exercise Price, the Committee shall take into consideration relevant factors prevalent at the time of the Grant which, among other things, would include the trend in the market price of the Company's Equity Shares quoted on Stock Exchange. The exercise price may also be face value of shares.

7. Exercise period and process of exercise and under certain circumstances in which option may lapse

The exercise period may commence from the date of vesting and will expire not later than 5 years from the date of vesting, or such other period as may be decided by the Nomination and Remuneration Committee from time to time.

The options will lapse if not exercised within the specified exercise period or as may be specified by the Nomination and Remuneration Committee. The options may also lapse under certain circumstances like termination of employee under misconduct, resignation, etc., even before the expiry of the specified exercise period.

8. Time period within which the employee shall exercise the vested option in the event of termination of employment or resignation of employee:

The Nomination and Remuneration Committee shall determine the time period within which the vested unexercised option in the event of termination of employment or resignation of employee shall be exercised.

9. Maximum number of options to be issued per Employee and in aggregate

The maximum number of options to be granted to any eligible employees shall not exceed 2,00,000 equity shares of ₹ 10 each per annum. The aggregate of all such grants shall not exceed 50,00,000 shares. This aggregate quantity works out to 5% of the paid up capital of the Company as on 31st March 2015.

10. Disclosure and accounting policies

The Company shall conform to the accounting policies specified by Securities and Exchange Board of India as per the SEBI Regulations, amended from time to time.

11. Method of Valuation

The Company follows the intrinsic value method for computing the compensation cost, if any, for the options granted. The difference between the employee compensation cost so calculated and employee compensation cost that would have been recognized if the Company had used fair value method and its impact on the profits and earnings per share would be disclosed in the Directors' Report. The fair value would be determined using the Black – Scholes model.

12. Condition under which Option may lapse

The option will lapse if not exercised within the specified exercise period. The options may also lapse under certain circumstances even before the expiry of the specified exercise period i.e. in the event of termination of employment or resignation of employee.

13. Other terms

The Board, based on the recommendations of the Nomination and Remuneration Committee, shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the Regulations and Guidelines as prescribed by the Securities and Exchange Board of India or Regulations that may be issued by any appropriate authority, from time to time, unless such variations, modifications or alterations is detrimental to the interest of the Employees.

The Securities may be allotted directly to the Employees and Employees may be provided with financial assistance to enable them to subscribe to the Securities.

Your Directors recommend the resolutions as set out under Item Numbers 8 and 9 to this Notice for your approval by way of Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolutions, except to the extent of Equity Shares they may be offered to them under GHCL ESOS 2015.

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura
Ahmedabad - 380009
Dated: May 22, 2015

By Order of the Board of Directors
For **GHCL LIMITED**
Bhuwneshwar Mishra
General Manager &
Company Secretary

BOARD'S REPORT

To The Members of
GHCL Limited,

We are pleased to present the 32nd Annual Report together with the audited financial statements of the company for the financial year ended March 31, 2015.

OPERATIONAL RESULTS

The summary of the financial performance of the Company for the financial year ended March 31, 2015 compared to the previous year ended March 31, 2014 is given below:

| Particulars | ₹ in Lacs) | |
|---|---------------------------------|---------------------------------|
| | Year Ended March 31, 2015 | Year Ended March 31, 2014 |
| Net Sales/Income | 2,38,486.70 | 2,22,920.76 |
| Gross profit before interest and depreciation | 53,363.42 | 43,332.31 |
| Finance cost | 16,383.56 | 17,052.75 |
| Profit before depreciation and amortisation - (Cash Profit) | 36,979.86 | 26,279.56 |
| Depreciation and Amortisation | 8,445.31 | 8,156.77 |
| PBT before exceptional items | 28,534.55 | 18,122.79 |
| Exceptional items | (2,740.10) | (3,097.20) |
| Profit before Tax (PBT) | 25,794.45 | 15,025.59 |
| Provision for Tax – Current | 6,421.28 | 3,521.76 |
| Provision for Tax – Deferred | 1,070.69 | (125.37) |
| Profit after Tax | 18,302.48 | 11,629.20 |
| Balance brought forward from last year | 30,284.66 | 22,218.30 |
| Prior period adjustments | 8.70 | 16.75 |
| Excess provision for tax for earlier years | 119.72 | (76.31) |
| Amount available for appropriation | 48,715.56 | 33,787.94 |
| Appropriations | | |
| Transfer to General Reserve | - | 1,162.92 |
| Proposed Dividend | 2,200.42 | 2,000.39 |
| Tax on Dividend | 447.95 | 339.97 |
| Balance carried to Balance Sheet | 46,067.19 | 30,284.66 |

PERFORMANCE HIGHLIGHTS & STATE OF COMPANY'S AFFAIRS

SODA ASH

The Global Soda Ash market which was around 54 million tons in 2013 is estimated to be approximately 56 million metric tons in 2014 against a capacity of about 67 Million MT. Global demand for Soda Ash grew approximately 3% annually over the last year and is expected to grow 3 to 4% annually through 2024.

Due to the global cost disparities, relative production costs will be a key issue for the soda ash industry in the future with the "Natural" process produces continuing to have a significant advantage over the synthetically produced soda ash.

The global soda ash market is undergoing significant structural change characterized by shifting capacity since naturally produced soda ash is now overtaking market supply and synthetically produced capacity, except in China and India, is declining. There has been an influx of new supply of natural soda ash from Turkey, which is both cost-competitive and more sustainable than synthetic production. As a result of this cheaper supply, more costly synthetic supply from high-cost producers, particularly in Europe, is being threatened, shut down or idled.

Patterns of trade for soda ash are beginning to experience more seismic adjustments, meanwhile, as higher cost production centers become displaced by cheaper, alternative sources, particularly in Europe and Australia, where domestic output makes way for supply from Turkey and the US, respectively.

The Indian economy has witnessed a robust growth of plus 7% in 2014-15. With the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects beyond 2014-15. According to Economic Survey, the measures taken by the government to improve investment climate and improved governance could push up growth to 8+ % in the coming years. With the improved growth of the Indian economy, Soda Ash demand also witnessed a 6% growth in 2014-15. Other than Glass all other consuming segments led by Detergents recorded higher growth. It is expected that on the back of improved GDP growth projected and growth in Glass (Construction/Automobiles) and Detergents (FMCG penetration and growth) Soda Ash demand will continue to witness a reasonable growth.

The Indian Soda Ash market constitutes of two varieties – Light (used in detergent industry) & Dense (used in Glass industry), with share of 60% and 40% respectively. Total installed capacity in India was 3.1 Million MT. With an estimated production of about 2.6 Million MT in last financial year (2014-15), the capacity utilization was 85%.

At present your Soda Ash plant has a capacity of 8.50 lacs MTPA. During the financial year 2014-15 your company has produced 7.39 lacs MT soda ash against 7.12 lacs MT in previous year. This year, the Company has also achieved highest domestic sales i.e. 6.74 lacs MT against 6.44 lacs MT in previous year and total sales of Soda Ash is 6.86 lacs MT including exports against 6.71 lacs MT in previous year.

BI-CARBONATE (BICARB)

During the year, the Company achieved production of Bi-Carbonate 23894 tons against 21827 tons in the previous year. During the year the Company achieved sales of Bi-Carbonate 23622 tons against 21591 tons in the previous year.

HOME TEXTILES & YARN

The Indian Textile Industry, 2nd largest in the world, has been growing at 10% over last several years. Government of India has provided a number of export promotion policies for the Textile sector. In addition, States of Gujarat, Maharashtra, Madhya Pradesh have special incentive for textile industry. Hence, the outlook for the textile industry looks positive and there are huge opportunities in future for growth in this industry.

The revenue of Home Textile division was at 632 crore rupees during financial year 2014-15 compared with 662 crore rupees in the previous year. The reduction was mainly on account of loss of one key account of a retailer in US market which has since been replaced with new business from other US retailers. Market sentiment in US looks better and we are focusing on that market with large volume programs. There is a lot of interest in US retail to shift some more business to India and that is yet another positive for the Indian Home Textile Industry. Additionally, your company has also made inroads in European Market and has secured large replenishment orders from retailers in Europe. The outlook for the sector is positive and there are huge opportunities for growth. However, pricing pressure and volatility in forex still remain huge challenges, which may keep margins under pressure.

The revenues of the yarn division was at 441 crore rupees during 2014-15, unchanged from the previous year. Despite expansion in the spindle capacity during the year, the performance of the yarn division was lower when compared to growth seen in the previous year mainly due to lower demand of yarn as well as low yarn prices. Although, cotton prices also witnessed downtrend, the reduction in yarn prices was significantly higher than the reduction in cotton prices thereby impacting the performance of yarn business. Going forward, we expect an uptick in demand for yarn as well as prices. Your company is taking effective steps to bring down the cost of production by implementing EHT line (extra high tension line) and new wind mills. The outlook for spinning industry looks better. With stable cotton prices, timely cotton coverage and improved yarn price scenario, we expect a profitable period ahead for the company in this segment.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2.20 per Equity Share of ₹ 10 each (i.e. 22% on the paid-up capital) for the financial year ended March 31, 2015. The total dividend payout for the financial year 2014-15 shall be ₹ 2648.37 lacs comprising of dividend amounting to ₹ 2200.42 lacs and dividend tax of ₹ 447.95 lacs.

SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2015 was ₹ 100,01,92,860/- comprising of 10,00,19,286 equity shares of ₹ 10/- each. During the year under review, the Company has neither issued any kind of shares nor granted any stock options. Details of Director's shareholding have been stated in the annexure.

FINANCE

During the year 2014-15, your company has successfully raised resources in the form of Long Term and Short term to part finance several Capex programmes of the company besides meeting overall working capital requirements of the company. The details are as follows:

| S. No. | Nature of Borrowing | ₹ in Crores |
|--------|---|---------------|
| 1 | Project Loan | 100.00 |
| 2 | Medium Term Loans | 320.00 |
| 3 | Working Capital Facilities (Enhancement during the year) | 185.00 |
| | Total | 605.00 |

During the year, your company resorted to borrow Medium Term Loan and Project Loans in the form of Rupee Loan at could manage Weighted Average Interest Rate of 11.92%.

However, working capital requirements were met through Cash Credit / Short Term Loan / Working Capital Demand Loan / Export Packing Credit / Pre-shipment in Foreign Currency / Buyers Credit whereby we could maintain Weighted Average Interest rate at 5.08%.

| Facility | WAROI |
|-----------------------|--------|
| Working Capital Loans | 5.08% |
| Term Loans | 11.92% |
| Overall | 9.55% |

Due to timely repayment of interest and principal to various banks, CARE (Credit Analysis & Research Ltd) has upgraded the rating to CARE BBB+ from CARE BBB for long term facilities and CARE A3+ from CARE A3 for short term facilities of the Company.

During the financial year, your Company has transferred to investors' education and protection fund account (IEPF) a sum of ₹ 29.76 lacs towards unclaimed dividend/unclaimed deposits along with interest thereon.

DEPOSITS

Your Company discontinued inviting, accepting and renewing of fixed deposits effective from September 24, 2002. Further, your Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

EMPLOYEES STOCK OPTION SCHEME

Your company had Stock Option Scheme for its employees as per the scheme approved by shareholders in their Extra Ordinary General Meeting held on March 19, 2008. The options granted to the employees were vested effective from March 24, 2010, but none of the employees had exercised their vested rights. Further, in compliance of SEBI Circulars issued on January 17, 2013, May 13, 2013 and November 29, 2013, GHCL Employees Stock Option Trust had sold its entire shareholding except the shares which are part of litigation and the same shall be accounted for depending upon the outcome of the litigations. As per direction of the above SEBI circulars, Employees Stock Option Scheme ceased effective from July 1, 2014. However, the Trust will continue for the limited purpose of litigation.

Further, in order to retain talent and for rewarding performance of employees, your Company is proposing a new scheme, which is separately stated in the Notice.

SUBSIDIARIES

Grace Home Fashion, LLC, a subsidiary of the Company in USA engaged in Home Textile segment is catering to some of the largest Home-Textile Retailers like Bed Bath Beyond and Babies R US. In addition, Grace Home Fashion is also doing online Home-Textile Business in USA through JC Penny and Kohls. com. The revenue of the company increased from ₹ 317.73 Crore in FY'13-14 to ₹ 319.08 Crore during FY'2014-15.

Rosebys Interiors India Limited (RIIL) a subsidiary, is under liquidation with effect from 15th July 2014.

During the year, non-operating step down subsidiary namely Indian Wales NV was voluntarily dissolved. Another subsidiary of the Company namely Indian England NV has been put under voluntary liquidation on March 10, 2015. Subsequent to the year end, a non-operating subsidiary of the Company namely

Teliforce Holding India Ltd. has been voluntarily dissolved with effect from April 28, 2015.

Pursuant to the circular dated February 8, 2011 issued by Ministry of Corporate Affairs, Government of India and Section 136 of the Companies Act, 2013, which has exempted companies from attaching the financial statements of the subsidiary companies along with the Annual Report of the Company. The Company will make available the annual financial statements of the subsidiary company and the related detailed information to any members of the company on receipt of a written request from them at the Registered Office of the Company. The annual financial statements of the subsidiary company will also be kept open for inspection at the Registered Office of the Company on any working day during business hours. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies, associates etc. Details regarding subsidiaries have been provided in Form AOC-1 (refer page no. 80 of Annual Report). The statements are also available on the website of the Company www.ghcl.co.in

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Consolidated Financial Statements pursuant to Clause 32 read with Clause 41 of the Listing Agreement entered into with the Stock Exchanges and prepared in accordance with Accounting Standard 21 (Consolidated Financial Statements) of Institute of Chartered Accountants of India, for financial year ended March 31, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management's Discussion and Analysis Report which forms part of this Annual Report. The report on Management's Discussion and Analysis is annexed with the Report.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a compliance report on Corporate Governance has been annexed as part of the Annual Report along with Auditor's certificate for the compliance.

SECRETARIAL AUDIT REPORT

In line with the requirement of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with other applicable provisions, if any; the Board of Directors of the Company had appointed Dr. K.R. Chandratre, Practicing Company Secretary to conduct Secretarial Audit of the Company for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed with the Board's report and formed as part of the Annual Report.

LISTING/DELISTING OF THE EQUITY SHARES

The equity shares of your Company are listed at BSE Limited, Mumbai (BSE) and National Stock Exchange of India Limited, Mumbai (NSE). The annual listing fees for the year 2014-15 have been paid to all these Stock Exchanges.

Further, your Board in their meeting held on May 28, 2014 had approved the proposal for voluntarily delisting of equity shares of the Company from Ahmedabad Stock Exchange Limited (ASEL) pursuant to provision of Regulations 6 and 7 of SEBI (Delisting of Equity Shares) Regulations, 2009 read with other applicable provisions, if any. Your directors are pleased to inform you that the Company had received approval for delisting of its equity shares, from ASEL vide their Ref. No.: 516 dated January 23, 2015. Accordingly, as per said approval, equity shares of GHCL Limited were delisted from ASEL with effect from January 27, 2015.

DIRECTORS

The Board of Directors had appointed Mr. K.C. Jani as an additional director of the company in the category of Independent Director with effect from September 18, 2014. The Company has received notice u/s 160 of the Companies Act, 2013 from Mr. Jani signifying the intention to propose his candidature at the ensuing Annual General Meeting, as an Independent Director of the Company. In the opinion of the Board Mr. Jani fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as Independent Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail valuable services of Mr. Jani as an Independent Director of the Company. Accordingly, as per Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the Board recommends appointment of Mr. K C Jani at the ensuing Annual General Meeting for the approval by the members of the Company.

Your directors would like to confirm that all Independent Directors of the Company have given their declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Mr. Neelabh Dalmia and Mr. Raman Chopra directors retire by rotation and being eligible, offer themselves for re-appointment. Further appointment of Mr Neelabh Dalmia as Director (Strategy) in an overseas subsidiary i.e. Grace Home Fashion, LLC is proposed under item no. 7. The Board recommends their appointments at the ensuing Annual General Meeting.

During the year, IDBI Bank Ltd. had nominated Mr. D C Jain in place of Mr. Ajoy Nath Jha as a Nominee Director of the Company and accordingly the Board of Directors had appointed Mr. D C Jain as a Nominee Director of the Company in place of Mr. Ajoy Nath Jha with effect from April 2, 2014. Exim Bank had also withdrawn nomination of Mr. R M V Raman and accordingly his directorship ceased with effect from June 13, 2014. Further, IDBI Bank Ltd. had again changed its nominee and nominated Mrs. Padma Vinod Betai in place of Mr. D C Jain. Accordingly the Board of Directors had appointed Mrs. Padma Vinod Betai as a Nominee Director of the Company with effect from September 6, 2014. Mr. S H Ruparell resigned from the directorship of the company due to his personal reasons with effect from September 15, 2014. Mr. Surendra Singh resigned from the directorship of the company due to his personal reasons with effect from October 4, 2014. The Board of Directors in its meeting held on November 24, 2014, had appointed Mr. Lavanya Rastogi as an Independent Director of the Company to fill casual vacancy caused due to resignation of Mr. Surendra Singh. Appointment of Mr. Rastogi is effective from November 24, 2014 till March 31, 2019. The Board of Directors placed on record their gratitude and

appreciation for the immense contribution made by the outgoing directors during their tenure as directors of the Company.

MEETING OF THE BOARD

During the financial year ended March 31, 2015, the Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision.

During the financial year ended March 31, 2015, five Board Meetings were held on May 28, 2014, July 31, 2014, October 18, 2014, November 24, 2014 and January 27, 2015. More details about the Board Meetings are mentioned in Corporate Governance Report.

BOARD EVALUATION

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act, 2013 and conditions of Corporate Governance, the Independent Directors in their separate meeting held on November 24, 2014 had reviewed the performance of Non-Independent Directors, the Board as a whole and the Chairperson of the Company after taking into accounts the views of Executive Directors and Non-Executive Directors of the Company. Independent Directors had also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board and that the information supplied by the management to the Board was sufficient and relevant for the Board to perform their duties effectively. Further, pursuant to the requirement of Para VIII of Code of Independent Director as mentioned in Schedule IV of the Companies Act, 2013 read with Clause 49- II-B(5), the Board of Directors in its meeting held on November 24, 2014 had carried out the performance evaluation of Independent Directors, except the director being evaluated.

REMUNERATION POLICY

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. Highlights of the Remuneration Policy is stated in the Corporate Governance Report.

EXTRACTS OF ANNUAL RETURN

The extract of annual return as on the financial year ended March 31, 2015 in Form MGT – 9 is annexed herewith as Annexure-I and forming part of this Report.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has been one of the foremost proponents of inclusive growth and since inception, has been continuing to undertake projects for overall development and welfare of the society. GHCL's commitment to the development of weaker sections of society is continuing since more than two decades. GHCL through its "GHCL Foundation Trust" has upgraded its CSR activities to cover a larger section of the society and included to provide support to the downtrodden, needy and marginalized citizens and also to create social infrastructure for their sustenance.

As part of its initiatives under Corporate Social Responsibility (CSR), the Company has undertaken projects in the areas of Sanitation, Coastal Area Development, Education, Agro Based Livelihood, Health, Rain Water Harvesting, Woman

Empowerment, Animal Husbandry etc. These projects are largely covered under Schedule VII of the Companies Act, 2013. Pursuant to the provisions of Section 135 of the Companies Act, 2013 and Rules thereto, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted to monitor CSR related activities, comprising of Mr. Sanjiv Tyagi as the Chairman of the Committee, Mr. Neelabh Dalmia and Mr. R S Jalan as members of the Committee. The Annual Report of CSR activities are annexed herewith as Annexure-II and forming part of this Report.

BUSINESS RESPONSIBILITY REPORTING

As per Clause 55 of the Listing Agreement with the Stock Exchanges, listed companies shall submit, as part of their Annual Reports, Business Responsibility Reports, describing the initiatives taken by them from an environmental, social and governance perspective, in the prescribed format. This clause 55 has been inserted pursuant to SEBI circular No. CIR/CFD/DIL/8/2012 dated August 13, 2012 and clause is applicable to top 100 listed companies (based on market capitalisation as on March 31, 2012). Hence, this clause is not applicable to your company.

COMPOSITION OF AUDIT COMMITTEE

Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with clause 49(III) of the Listing Agreement. The Audit Committee consists of four non-executive directors including three Independent Directors having expertise in financial and accounting areas, comprising of Dr. B C Jain, Mr. Neelabh Dalmia, Mr. G C Srivastava and Mr. Mahesh Kumar Kheria. Details regarding Audit Committee and other Committees are also stated in the Corporate Governance Report.

COMPOSITION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been constituted as per section 178 (5) of the Companies Act, 2013 read with Clause 49 (VIII)(E)(4) of the Listing Agreement. The Stakeholders Relationship Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet and non-receipt of dividend etc. The Stakeholders Relationship committee consists of Executive and Non-Executive directors comprising of Mr. Mahesh Kumar Kheria, Mr. Neelabh Dalmia, Mr. R S Jalan and Mr. Raman Chopra.

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE

Nomination and Remuneration Committee of the Board has been constituted as per Section 178 of the Companies Act, 2013 and rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and read with clause 49(IV) of the Listing Agreement. The Nomination and Remuneration Committee shall determine qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, Key Managerial Personnel and other employees. The Nomination and Remuneration Committee consists of four Non-Executive directors comprising of Mr. K C Jani, Mr. Sanjay Dalmia, Dr. B C Jain and Mr. Sanjiv Tyagi. Mr. K.C. Jani, Independent Director, is the Chairman of this Committee.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

As a conscious and vigilant organization, GHCL Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In its endeavour to provide its employee a secure and fearless working environment, GHCL Limited has established the "Whistle Blower Policy". The Board of Directors in its meeting held on May 28, 2014, had approved the Whistle Blower Policy, which is effective from October 1, 2014. Mr. Mahesh Kumar Kheria, Independent Director of the Company and also a member of the Audit Committee is Ombudsperson.

The purpose of the policy is to create a fearless environment for the directors and employees to report any instance of unethical behaviour, actual or suspected fraud or violation of GHCL's code of conduct or Ethics Policy to the Ombudsperson. Details regarding Whistle Blower Policy is also stated in the Corporate Governance Report. The Whistle Blower Policy is posted on the website of the Company.

RELATED PARTY TRANSACTIONS

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors on a quarterly basis. The statement is supported by a Certificate from the CFO. All Related Party Transactions are placed before the Audit Committee and also before the Board.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors has any material pecuniary relationships or transactions vis-a-vis the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

RISK MANAGEMENT POLICY

Pursuant to the requirement of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The details of Committee and other details are also set out in the Corporate Governance Report forming part of the Board's Report. The policy on Risk Management as approved by the Board is uploaded on the Company's website.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given in Annexure-III forming part of this Report.

MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and financial statements are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company in this regard.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT 2013

Your Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work and pursue business together in an atmosphere free of harassment, exploitation and intimidation. To empower women and protect women against sexual harassment, a policy for prevention of sexual harassment has been rolled out and Internal Complaints Committee as per legal guidelines has been set up. This policy allows employees to report sexual harassment at the workplace. The Internal Committee is empowered to look into all complaints of sexual harassment and facilitate free and fair enquiry process with clear timelines.

STATUTORY AUDITORS

M/s Jayantilal Thakkar & Co., Chartered Accountants and M/s Rahul Gautam Divan & Associates, Chartered Accountants, the Joint Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. Pursuant to the requirement of Rule 6(4) of Companies (Audit and Auditors) Rules, 2014, the Company may follow the policy of rotation of auditors such that, Joint Auditors, where applicable, may not retire at the same time. Hence, your directors would like to inform that in order to comply with said provisions read with other applicable provisions, if any and based on the recommendation of the Audit Committee, the Board of Directors has decided to place the proposals for re-appointment of M/s Jayantilal Thakkar & Co., Chartered Accountants, for a period of one year i.e. from the conclusion 32nd Annual General Meeting till the conclusion of 33rd Annual General Meeting and for re-appointment of M/s Rahul Gautam Divan & Associates, Chartered Accountants for a period of two years i.e. from the conclusion 32nd Annual General Meeting till the conclusion of 34th Annual General Meeting. They have confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed thereunder for re-appointment as Auditors of the Company. As required under Clause 49 of the Listing Agreement, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Board recommends their re-appointment.

**AUDITOR'S REPORT**

There is no qualification, reservation, adverse remark or disclaimer made by the Statutory Auditors and/or Secretarial Auditors of the Company in their report for the financial year ended March 31, 2015. Hence, they do not call for any further explanation or comment U/s 134 (3) (f) of the Companies Act, 2013.

COST AUDITORS

The Board has appointed M/s R J Goel & Company, Cost Accountants, New Delhi as Cost Auditors of the Company for all its divisions (i.e. Soda Ash, Yarn and Home Textile) for the financial year 2015-16.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations. However, in line with the requirement of clause 36 of the listing agreement read with guidance note issued by the stock exchanges, the company has reported all the major cases/litigation matters etc. from time to time to the Stock Exchanges.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them and also based on the representations received from the Operating Management, your directors make the following statement in terms of Section 134 (3) (c) of the Companies Act, 2013 that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. such accounting policies as mentioned in the Notes to the Financial Statements have been selected 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 March 31, 2015 and of the profit and loss of the Company for the financial year ended March 31, 2015;

- c. the proper and sufficient care has been taken by them for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the annual accounts for the financial year ended March 31, 2015 have been prepared by them on a going concern basis;
- e. proper Internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

The Directors express their gratitude to Financial Institutions, Banks, and various other agencies for the co-operation extended to the Company. The Directors also take this opportunity to thank the shareholders, customers, suppliers, lenders, distributors and other stakeholders for the confidence reposed by them in the Company. The employees of the Company contributed significantly in achieving the results. The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excellence in the years to come.

For and on behalf of the Board of Directors
For GHCL Limited

Sd/-

Date : May 22, 2015
Place : New Delhi

SANJAY DALMIA
Chairman

ANNEXURE - I TO THE BOARD'S REPORT

EXTRACTS OF ANNUAL RETURN

as on the financial year ended March 31, 2015

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

FORM NO. MGT - 9

I. Registration and other details

| | |
|--|--|
| CIN | L24100GJ1983PLC006513 |
| Registration Date | 14-10-1983 |
| Name of the Company | GHCL LIMITED |
| Category /Sub-Category of the Company | Company Limited by Shares |
| Address of the Registered Office and contact details | "GHCL House"Opp. Punjabi Hall, Navrangpura, Ahmedabad -380009 Tel.No. 079-39324100, 079-26427818 |
| Whether listed Company | Yes |
| Name, Address and contact details of the Registrar and Transfer Agent,if any | Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound L. B. S. Marg Bhandup (West) Mumbai – 400078 Tel: 25963838 |

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: | | |
|--|-----------------------------------|------------------------------------|
| Name and Description of main products / services | NIC code of the product / service | % of total turnover of the Company |
| Inorganic Chemicals | 2010 | 57 |
| Cotton Fabrics & Furnishing | 3021 & 3030 | 25 |
| Cotton Yarn | 3020 | 18 |

III. Particulars of holding, subsidiary and associate companies

| Name and address of the Company | CIN / GLN | Holding / Subsidiary/ Associate | % of Shares held | Applicable Section |
|--|-----------------------|---------------------------------|------------------|--------------------|
| 1. Grace Home Fashions LLC – USA | - | Subsidiary | 100% | 2(87) |
| 2. Indian England, N.V., Netherlands | - | Subsidiary | 100% | 2(87) |
| 3. Indian Wales N.V, Netherlands | - | Subsidiary | 100% | 2(87) |
| 4. Dan River Properties, USA | - | Subsidiary | 100% | 2(87) |
| 5. Rosebys Interiors India Ltd, India | U52100GJ2007PLC052325 | Subsidiary | 96.45% | 2(87) |
| 6. Teliforce Holding India Ltd, Cyprus | - | Subsidiary | 100% | 2(87) |
| 7. D M Solar Farm Pvt Ltd, India | U40106DL2010PTC206995 | Associate | 26% | 2(6) |

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

1) Category-wise shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year (i.e. April 1, 2014) | | | | No. of Shares held at the end of the year (i.e. March 31, 2015) | | | | % Change during the year |
|--|--|----------|-----------------|-------------------|---|----------|-----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individuals / Hindu Undivided Family | 0 | 0 | 0 | 0.00% | 527774 | 0 | 527774 | 0.53% | 0.53% |
| b) Central Government | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| c) State Government(s) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| d) Bodies Corporate | 11933984 | 0 | 11933984 | 11.93% | 12188931 | 0 | 12188931 | 12.19% | 0.26% |
| e) Financial Institutions/ Banks | 0 | 0 | 0 | 0.00% | | 0 | | 0.00% | 0.00% |
| f) Any Other (specify) | | | | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Directors & relatives | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Trust (i.e. Ram Krishna Dalmia Foundation) | 152000 | 0 | 152000 | 0.15% | 152000 | 0 | 152000 | 0.15% | 0.00% |
| Sub- Total (A) (-):- | 12085984 | 0 | 12085984 | 12.08% | 12868705 | | 12868705 | 12.87% | 0.78% |



| Category of Shareholders | No. of Shares held at the beginning of the year (i.e. April 1, 2014) | | | | No. of Shares held at the end of the year (i.e. March 31, 2015) | | | | % Change during the year |
|--|--|----------------|------------------|----------------|---|----------------|------------------|----------------|--------------------------|
| | | | | | | | | | |
| (2) Foreign | | | | | | | | | |
| a) Individuals (Non-Resident Individuals/ Foreign 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 | 5507900 | 0 | 5507900 | 5.51% | 5507900 | 0 | 5507900 | 5.51% | 0.00% |
| d) Banks /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% |
| Sub-Total (A)(2): | 5507900 | 0 | 5507900 | 5.51% | 5507900 | 0 | 5507900 | 5.51% | 0.00% |
| Total Shareholding of Promoter and Promoter Group (A)= (A) (1)+(A)(2) | 17593884 | 0 | 17593884 | 17.59% | 18376605 | 0 | 18376605 | 18.38% | 0.79% |
| B. Public shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds/ UTI | 2613 | 14300 | 16913 | 0.02% | 2613 | 14300 | 16913 | 0.02% | 0.00% |
| b) Financial Institutions/ Banks (including LIC) | 3164834 | 44184 | 3209018 | 3.21% | 3230972 | 44184 | 3275156 | 3.27% | 0.07% |
| 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 | 3070015 | 0 | 3070015 | 3.07% | 3070015 | 0 | 3070015 | 3.07% | 0.00% |
| g) Foreign Institutional Investors | 7312683 | 500 | 7313183 | 7.31% | 13315671 | 500 | 13316171 | 13.31% | 6.00% |
| h) Foreign Venture Capital Investors | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| i) Any Other (specify) Foreign Mutual Fund | 0 | 0 | 0 | 0.00% | 68407 | 0 | 68407 | 0.07% | 0.00% |
| Sub-Total (B) (1) :- | 13550145 | 58984 | 13609129 | 13.61% | 19687678 | 58984 | 19746662 | 19.74% | 6.14% |
| (2) Non - Institutions | | | | | | | | | 0.00% |
| a) Bodies Corporate | 31726206 | 91498 | 31817704 | 31.81% | 29498768 | 90398 | 29589166 | 29.58% | -2.23% |
| i) Indian | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| ii) Overseas | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| b) Individuals | | | | | | | | | 0.00% |
| i. Individual shareholders holding nominal share capital up to ₹ 1 lakh. | 18411496 | 3018275 | 21429771 | 21.43% | 14814614 | 2928520 | 17743134 | 17.74% | -3.69% |
| ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh. | 12761024 | 108900 | 12869924 | 12.87% | 11859569 | 108900 | 11968469 | 11.97% | -0.90% |
| c) Any Other (specify) | | | | | | | | | 0.00% |
| i) Non Resident Indians(Repat) | 867060 | 932114 | 1799174 | 1.80% | 731596 | 888814 | 1620410 | 1.62% | -0.18% |
| ii) Non Resident Indians(Non Repat) | 108716 | 3549 | 112265 | 0.11% | 104779 | 3549 | 108328 | 0.11% | 0.00% |
| iii) Foreign Portfolio Investor (Corporate) | 0 | 0 | 0 | 0.00% | 64141 | 0 | 64141 | 0.06% | 0.06% |
| iv) Foreign Portfolio Investor (Individual) | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| v) Foreign Companies | 0 | 3900 | 3900 | 0.00% | 0 | 3900 | 3900 | 0.00% | 0.00% |
| vi) Clearing Member | 82512 | 0 | 82512 | 0.08% | 318859 | 0 | 318859 | 0.32% | 0.24% |
| vii) Directors & relatives | 56843 | 100 | 56943 | 0.06% | 105843 | 100 | 105943 | 0.11% | 0.05% |
| viii) Trusts | 3352 | 0 | 3352 | 0.00% | 2352 | 0 | 2352 | 0.00% | 0.00% |
| ix) Hindu Undivided Family | 472270 | 0 | 472270 | 0.47% | 371317 | 0 | 371317 | 0.37% | -0.10% |
| x) Market Makers | 168458 | 0 | 168458 | 0.17% | 0 | 0 | 0 | 0.00% | -0.17% |
| xi) Overseas Bodies Corporate | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| Sub-Total (B)(2) | 64657937 | 4158336 | 68816273 | 68.80% | 57871838 | 4024181 | 61896019 | 61.88% | -6.92% |
| Total Public Shareholding (B)= (B) (1)+(B)(2) | 78208082 | 4217320 | 82425402 | 82.41% | 77559516 | 4083165 | 81642681 | 81.62% | -0.78% |
| C. Shares held by Custodians and against which Depository Receipts have been issued | | | | | | | | | 0.00% |
| Promoter and Promoter Group | 0 | 0 | 0 | 0.00% | 0 | 0 | 0 | 0.00% | 0.00% |
| GRAND TOTAL (A)+(B)+(C) | 95801966 | 4217320 | 100019286 | 100.00% | 95936121 | 4083165 | 100019286 | 100.00% | 0.00% |

2) Shareholding of Promoters and Promoter Group

| Sr. No. | Shareholders Name | Shareholding at the beginning of the year April, 2014 | | | Shareholding at the end of the year March 2015 | | | % 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 | Gems Commercial Company Ltd | 2862207 | 2.86% | 2500000 | 2891207 | 2.89% | 2500000 | 0.03% |
| 2 | Banjax Limited | 2789700 | 2.79% | 0 | 2789700 | 2.79% | 0 | 0.00% |
| 3 | Hexabond Limited | 2718200 | 2.72% | 0 | 2718200 | 2.72% | 0 | 0.00% |
| 4 | Oval Investment Private Limited | 2588848 | 2.59% | 2500000 | 2588848 | 2.59% | 2500000 | 0.00% |
| 5 | Lhonak Enternational Private Limited | 1365599 | 1.37% | 1200000 | 1365599 | 1.37% | 1200000 | 0.00% |
| 6 | Hindustan Commercial Company Limited | 746150 | 0.75% | 525000 | 778786 | 0.78% | 525000 | 0.03% |
| 7 | Moderate Investment and Commercial Enterprises Limited | 570050 | 0.57% | 520000 | 605050 | 0.60% | 520000 | 0.03% |
| 8 | International Resources Limited | 552671 | 0.55% | 500000 | 602647 | 0.60% | 500000 | 0.05% |
| 9 | Anurag Dalmia (HUF) | 0 | 0.00% | 0 | 527774 | 0.53% | 0 | 0.53% |
| 10 | Carissa Investments Pvt Ltd | 481752 | 0.48% | 45000 | 481752 | 0.48% | 0 | 0.00% |
| 11 | GTC Industries Ltd | 416578 | 0.42% | 0 | 416578 | 0.42% | 0 | 0.00% |
| 12 | Harvatex Engineering and Processing Co. Ltd. | 403723 | 0.40% | 300000 | 409723 | 0.41% | 300000 | 0.01% |
| 13 | Excellent Commercial Enterprises and Investment Ltd. | 362800 | 0.36% | 345800 | 372300 | 0.37% | 345800 | 0.01% |
| 14 | Carefree Investment Company Limited | 293450 | 0.29% | 280000 | 298950 | 0.30% | 280000 | 0.01% |
| 15 | Anurag Trading Leasing and Investment Co. Pvt. Limited | 284700 | 0.28% | 0 | 284700 | 0.28% | 0 | 0.00% |
| 16 | Divine Leasing And Finance Ltd. | 231704 | 0.23% | 0 | 245704 | 0.25% | 0 | 0.01% |
| 17 | Dalmia Housing Finance Ltd | 180707 | 0.18% | 0 | 180707 | 0.18% | 0 | 0.00% |
| 18 | WGF Financial Services Ltd | 171815 | 0.17% | 0 | 203807 | 0.20% | 0 | 0.03% |
| 19 | Dalmia Finance Ltd | 158901 | 0.16% | 0 | 200244 | 0.20% | 0 | 0.04% |
| 20 | Ram Krishna Dalmia Foundation | 152000 | 0.15% | 0 | 152000 | 0.15% | 0 | 0.00% |
| 21 | Archana Trading and Investment Co. Pvt. Ltd. | 132848 | 0.13% | 0 | 132848 | 0.13% | 0 | 0.00% |
| 22 | Bharatpur Investment Limited | 38842 | 0.04% | 0 | 38842 | 0.04% | 0 | 0.00% |
| 23 | Sanjay Trading & Investment Co. Pvt. Ltd. | 29100 | 0.03% | 0 | 29100 | 0.03% | 0 | 0.00% |
| 24 | General Exports And Credits Limited | 17000 | 0.02% | 0 | 17000 | 0.02% | 0 | 0.00% |
| 25 | Pashupatinath Commercial Pvt Ltd | 15000 | 0.01% | 0 | 15000 | 0.01% | 0 | 0.00% |
| 26 | Sovereign Commercial Pvt Ltd | 6000 | 0.01% | 0 | 6000 | 0.01% | 0 | 0.00% |
| 27 | Trishul Commercial Pvt Ltd | 5100 | 0.01% | 0 | 5100 | 0.01% | 0 | 0.00% |
| 28 | Swastik Commercial Pvt Ltd | 3700 | 0.00% | 0 | 3700 | 0.00% | 0 | 0.00% |
| 29 | Alankar Commercial Private Limited | 2600 | 0.00% | 0 | 2600 | 0.00% | 0 | 0.00% |
| 30 | Ricklunsford Trade and Industrial Investment Ltd. | 1960 | 0.00% | 0 | 1960 | 0.00% | 0 | 0.00% |
| 31 | Chirawa Investment Limited | 1860 | 0.00% | 0 | 1860 | 0.00% | 0 | 0.00% |
| 32 | Lakshmi Vishnu Investment Limited | 1860 | 0.00% | 0 | 1860 | 0.00% | 0 | 0.00% |
| 33 | Mourya Finance Limited | 1860 | 0.00% | 0 | 1860 | 0.00% | 0 | 0.00% |
| 34 | Sikar Investment Company Limited | 1800 | 0.00% | 0 | 1800 | 0.00% | 0 | 0.00% |
| 35 | Antarctica Investment Pvt Ltd | 785 | 0.00% | 0 | 785 | 0.00% | 0 | 0.00% |
| 36 | Comosum Investment Pvt Ltd | 701 | 0.00% | 0 | 701 | 0.00% | 0 | 0.00% |
| 37 | Lovely Investment Pvt Ltd | 645 | 0.00% | 0 | 645 | 0.00% | 0 | 0.00% |
| 38 | Altar Investment Pvt Ltd | 318 | 0.00% | 0 | 318 | 0.00% | 0 | 0.00% |
| 39 | Ilac Investment Private Limited | 217 | 0.00% | 0 | 217 | 0.00% | 0 | 0.00% |
| 40 | Hotex Company Ltd | 78 | 0.00% | 0 | 78 | 0.00% | 0 | 0.00% |
| 41 | Dear Investment Pvt Ltd | 55 | 0.00% | 0 | 55 | 0.00% | 0 | 0.00% |
| Total | | 17593884 | 17.59% | 8715800 | 18376605 | 18.37% | 8670800 | 0.78% |

3) Change in Promoters Shareholding

| Sl. No. | Name of the shareholder | 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 | Gems Commercial Company Ltd. | | | | |
| | At the beginning of the year | 2862207 | 2.86% | 2862207 | 2.86% |
| | Shares purchased from Open Market on October 27, 2014 | 29000 | 0.03% | 2891207 | 2.89% |
| | At the end of the year | | | 2891207 | 2.89% |
| 2 | Hindustan Commercial Company Ltd. | | | | |
| | At the beginning of the year | 746150 | 0.75% | 746150 | 0.75% |
| | Shares purchased from Open Market on October 27, 2014 | 23000 | 0.02% | 769150 | 0.77% |
| | Shares purchased from Open Market on November 12 & 13, 2014 | 9636 | 0.01% | 778786 | 0.78% |
| | At the end of the year | | | 778786 | 0.78% |
| 3 | Moderate Investment and Commercial Enterprises Limited | | | | |
| | At the beginning of the year | 570050 | 0.57% | 570050 | 0.57% |
| | Shares purchased from Open Market on October 27, 2014 | 35000 | 0.03% | 605050 | 0.60% |
| | At the end of the year | | | 605050 | 0.60% |
| 4 | International Resources Limited | | | | |
| | At the beginning of the year | 552671 | 0.55% | 552671 | 0.55% |
| | Shares purchased from Open Market on October 27, 2014 | 23000 | 0.02% | 575671 | 0.57% |
| | Shares purchased from Open Market on January 1, 2015 | 26976 | 0.03% | 602647 | 0.60% |
| | At the end of the year | | | 602647 | 0.60% |
| 5 | Anurag Dalmia (HUF) | | | | |
| | At the beginning of the year | 0 | 0.00% | 0 | 0.00% |
| | Shares purchased from Open Market on September 25 & 26, 2014 | 76924 | 0.08% | 76924 | 0.08% |
| | Shares purchased from Open Market on September 29 & 30, 2014 | 353000 | 0.35% | 429924 | 0.43% |
| | Shares purchased from Open Market on October 1, 2014 | 850 | 0.00% | 430774 | 0.43% |
| | Shares purchased from Open Market on October 7, 2014 | 97000 | 0.10% | 527774 | 0.53% |
| | At the end of the year | | | 527774 | 0.53% |
| 6 | Harvatex Engineering and Processing Co. Ltd. | | | | |
| | At the beginning of the year | 403723 | 0.40% | 403723 | 0.40% |
| | Shares purchased from Open Market on November 12, 2014 | 6000 | 0.01% | 409723 | 0.41% |
| | At the end of the year | | | 409723 | 0.41% |
| 7 | Excellent Commercial Enterprises and Investment Ltd. | | | | |
| | At the beginning of the year | 362800 | 0.36% | 362800 | 0.36% |
| | Shares purchased from Open Market on November 12, 2014 | 9500 | 0.01% | 372300 | 0.37% |
| | At the end of the year | | | 372300 | 0.37% |
| 8 | Carefree Investment Company Limited | | | | |
| | At the beginning of the year | 293450 | 0.29% | 293450 | 0.29% |
| | Shares purchased from Open Market on November 13, 2014 | 5500 | 0.01% | 298950 | 0.30% |
| | At the end of the year | | | 298950 | 0.30% |
| 9 | Divine Leasing And Finance Ltd. | | | | |
| | At the beginning of the year | 231704 | 0.23% | 231704 | 0.23% |
| | Shares purchased from Open Market on January 1, 2015 | 14000 | 0.01% | 245704 | 0.24% |
| | At the end of the year | | | 245704 | 0.24% |
| 10 | WGF Financial Services Ltd | | | | |
| | At the beginning of the year | 171815 | 0.17% | 171815 | 0.17% |
| | Shares purchased from Open Market on August 18, 2014 | 31992 | 0.03% | 203807 | 0.20% |
| | At the end of the year | | | 203807 | 0.20% |
| 11 | Dalmia Finance Ltd | | | | |
| | At the beginning of the year | 158901 | 0.16% | 158901 | 0.16% |
| | Shares purchased from Open Market on August 18, 2014 | 29008 | 0.03% | 187909 | 0.19% |
| | Shares purchased from Open Market on November 13, 2014 | 12335 | 0.01% | 200244 | 0.20% |
| | At the end of the year | | | 200244 | 0.20% |

4) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

| Sl. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year i.e. at April 1, 2014 | | Shareholding at the end of the year i.e. at March 31, 2015 | |
|---------|--|---|----------------------------------|--|----------------------------------|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| 1 | J P Financial Services Pvt Ltd | 4938751 | 4.94% | 4938751 | 4.94% |
| 2 | Ares Diversified | 4932182 | 4.93% | 4932182 | 4.93% |
| 3 | Finquest Securities Pvt. Ltd. | 3847524 | 3.85% | 2150000 | 2.15% |
| 4 | Life Insurance Corporation of India | 3138105 | 3.14% | 3138105 | 3.14% |
| 5 | Varanasi Commercial Ltd | 3135000 | 3.13% | 3135000 | 3.13% |
| 6 | Bhanubhai Bhagvandas Patel | 2688857 | 2.69% | 2688857 | 2.69% |
| 7 | EOS Multi Strategy Fund Ltd | 2380501 | 2.38% | 2787484 | 2.79% |
| 8 | United India Insurance Company Limited | 2174280 | 2.17% | 2174280 | 2.17% |
| 9 | Indianivesh Securities Private Limited | 1870664 | 1.87% | 1400238 | 1.40% |
| 10 | Rameshbhai Jagjivandas Patel | 1692434 | 1.69% | 1692434 | 1.69% |
| 11 | RSPL Limited | 0 | 0.00% | 1705000 | 1.70% |

Note: Change in the shareholding is due to market transactions (purchase / sale in shares) made by the shareholders during the year.

5) Shareholding of Directors and Key Managerial Personnel (KMP):

| Sl. No. | Name of the Directors / KMP | 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 | Mr. Ravi Shanker Jalan - Managing Director * At the beginning of the year Shares purchased from Open Market on January 9, 2015 At the end of the year *In addition to the above, Mr. Jalan is also holding 100 equity shares in his HUF account. | 50843 | 0.05% | 50843 | 0.05% |
| | | 35000 | 0.04% | 85843 | 0.09% |
| 2 | Mr. Raman Chopra - CFO & Executive Director (Finance)** At the beginning of the year Shares purchased during the year At the end of the year **Mr. Raman Chopra does not hold any shares in his name. However, his wife Mrs. Bharati Chopra was holding 6000 shares at the beginning of the year and she also acquired 7000 equity shares during the year. Further, his son Mr. Aniket Chopra purchased 7000 equity shares during the year. | 0 | 0.00% | 0 | 0.00% |
| | | 0 | 0.00% | 0 | 0.00% |

Note:

Apart from the above, only Mr. Anurag Dalmia, one of the promoter director, is holding 527774 shares at the end of the year under his HUF account. Details have been given under Promoter's shareholding. In addition to the above, no other directors & KMP is holding any shares in the Company.

V) INDEBTEDNESS

| Indebtedness of the Company including interest outstanding/accrued but not due for payment | | | | | |
|---|------------------------------|--|------------------------|-----------------|------------------------------------|
| | | Secured Loans, excluding deposits | Unsecured Loans | Deposits | Total Indebtedness ₹ Crores |
| Indebtedness at the beginning of the financial year | | | | | |
| i) | Principal Amount | 1244.28 | 65.02 | 0.00 | 1309.30 |
| ii) | Interest due but not paid | 10.21 | 0.00 | 0.00 | 10.21 |
| iii) | Interest accrued but not due | 1.24 | 0.00 | 0.00 | 1.24 |
| Total (i+ii+iii) | | 1255.73 | 65.02 | 0.00 | 1320.75 |
| Change in Indebtedness during the financial year | | | | | |
| Addition | | 408.10 | 0.00 | 0.00 | 408.10 |
| Reduction | | 328.83 | 65.02 | 0.00 | 393.85 |
| Net Change | | 79.27 | (65.02) | 0.00 | 14.25 |
| Indebtedness at the end of the financial year | | | | | |
| i) | Principal Amount | 1323.54 | 0.00 | 0.00 | 1323.54 |
| ii) | Interest due but not paid | 10.69 | 0.00 | 0.00 | 10.69 |
| iii) | Interest accrued but not due | 0.77 | 0.00 | 0.00 | 0.77 |
| Total (i+ii+iii) | | 1335.00 | 0.00 | 0.00 | 1335.00 |

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Director and /or Manager:

| Sl. No. | Particulars of Remuneration | Mr. Ravi Shanker Jalan - Managing Director | Mr. Raman Chopra - CFO & Executive Director (Finance) | Total Amount (₹ Lakhs) |
|-------------------------------|---|--|---|------------------------|
| Gross Salary | | | | |
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 204.03 | 100.41 | 304.44 |
| | (b) Value of perquisites under section 17(2) of the Income Tax Act, 1961 | 0.40 | 0.40 | 0.8 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | 0 | 0 |
| 2 | Stock Options | 0 | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 | 0 |
| 4 | Commission (for FY 2014-15, to be paid in 2015-16) - as % of profit others, specify | 214.00 | 126.00 | 340 |
| 5 | Others: | | | |
| | PF | 9.29 | 5.42 | 14.71 |
| | Superannuation | 1.00 | 1.00 | 2 |
| | Gratuity | 3.72 | 2.17 | 5.89 |
| | Company provided & maintained car | 11.28 | 9.48 | 20.76 |
| | Medical Expenses Reimbursement | 0.15 | 0.15 | 0.3 |
| | Leave Travel Expenses Reimbursement | 0 | 3.76 | 3.76 |
| | Total (A) | 443.87 | 248.79 | 692.66 |
| Ceiling as per the Act | | | | 2604.83 |

B Remuneration to other Directors

| 1 Independent Directors | | | | | | | | | |
|--|----------------------------|-------------------------|-------------------------------|--------------------|---------------------------------------|---|----------------------|----------------------|--|
| Particulars of Remuneration | Name of Directors | | | | | | | Total Amount ₹ Lakhs | |
| | Dr. Bhupendra Chandra Jain | Mr. Mahesh Kumar Kheria | Mr. Girish Chandra Srivastava | Mr. Surendra Singh | Mr. Sanjiv Tyagi | Mr. Kamalkishore Chandravadan Jani | Mr. Lavanya Rastogi | | |
| Fee for attending Board/ Committee Meeting | 2.20 | 1.00 | 1.80 | 0.60 | 1.60 | 0.80 | 0.20 | 8.20 | |
| Commission | 24.83 | 18.22 | 24.50 | 8.97 | 22.50 | 13.37 | 4.40 | 116.79 | |
| Total (B)(1) | 27.03 | 19.22 | 26.30 | 9.57 | 24.10 | 14.17 | 4.60 | 124.99 | |
| 2 Other Non-Executive Directors | | | | | | | | | |
| Particulars of Remuneration | Name of Directors | | | | | | Total Amount ₹ Lakhs | | |
| | Mr. Sanjay Dalmia | Mr. Anurag Dalmia | Mr. Neelabh Dalmia | Mr. S H Ruparell | Mr. R M V Raman - Nominee (Exim Bank) | Mr. D C Jain / Mrs. Padma Vinod Betai - Nominee (IDBI Bank) | | | |
| Fee for attending Board/ Committee Meeting | 0.40 | 1.20 | 2.20 | 0.00 | 0.20 | 1.00 | 5.00 | | |
| Commission | 4.57 | 22.17 | 24.83 | 0 | 4.40 | 18.22 | 74.19 | | |
| Total (B)(2) | 4.97 | 23.37 | 27.03 | 0.00 | 4.60 | 19.22 | 79.19 | | |
| Total(B)=(B)(1)+(B)(2) | | | | | | | 204.18 | | |
| Total Managerial Remuneration | | | | | | | 204.18 | | |
| Overall Ceiling as per the Act | | | | | | | 260.48 | | |

C. Remuneration to key managerial Personnel other than Managing Director / Whole-time Director and /or Manager:

| Sl. No. | Particulars of Remuneration | Key managerial Personnel | |
|---------------------|---|--|----------------------|
| | | Mr. Bhwneshwar P. Mishra - Company Secretary | Total Amount ₹ Lakhs |
| Gross Salary | | | |
| 1 | (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 | 28.33 | 28.33 |
| | (b) Value of perquisites under section 17(2) of the Income Tax Act, 1961 | 0.40 | 0.40 |
| | (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 | 0 | 0 |
| 2 | Stock Options | 0 | 0 |
| 3 | Sweat Equity | 0 | 0 |
| 4 | Commission | 0 | 0 |
| | - as % of profit | | |
| | others, specify | | |
| 5 | Others: | | |
| | PF | 1.35 | 1.35 |
| | Superannuation | 1.00 | 1.00 |
| | Gratuity | 0.54 | 0.54 |
| | Company provided & maintained car | 4.08 | 4.08 |
| | Medical Expenses Reimbursement | 0.15 | 0.15 |
| | Leave Travel Expenses Reimbursement | 0.94 | 0.94 |
| Total (C) | | 36.79 | 36.79 |

VII. PENALTIES /PUNISHMENT /COMPOUNDING OF OFFENCES: NIL

| Type | Section of the Companies Act | Brief Description | Details of penalty /Punishment / Compounding fees imposed | Authority [RD / NCLT / COURT] | Apeal made, if any (give details) |
|------------------------------------|------------------------------|-------------------|---|-------------------------------|-----------------------------------|
| A. COMPANY | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| B. DIRECTORS | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| C. OTHER OFFICERS INDEFAULT | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

**ANNEXURE II - TO THE BOARD'S REPORT
REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**
CSR Report for the financial year ended March 31, 2015

[Pursuant to Section 135 of the Companies Act, 2013]

| | | |
|----|---|--|
| 1 | A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes. | GHCL's commitment to the development of weaker sections of society is continuing since more than two decades. GHCL through its "GHCL Foundation Trust" has upgraded its CSR activities to cover a larger section of the society and included to provide support to the downtrodden, needy and marginalized citizens and also to create social infrastructure for their sustenance. The CSR Policy is posted on the website of the Company. Any body may visit www.ghcl.co.in |
| 2 | The Composition of the CSR Committee | We have a board committee namely Corporate Social Responsibility (CSR) Committee comprising of following three directors: (1) Mr. Sanjiv Tyagi - Independent Director (Chairman) (2) Mr. Neelabh Dalmia - Non- Executive Directors (3) Mr. R S Jalan - Managing Director |
| 3 | Average net profit of the Company for last three financial years: | ₹ 11,325.64 Lacs |
| 4 | Prescribed CSR Expenditure (two percent of the amount as in item 3 above): | ₹ 226.51 Lacs |
| 5 | Details of CSR spend for the financial year: | |
| a. | Total amount spent for the financial year | CSR Activities: ₹ 245.70 lacs Establishment & Assets: ₹ 52.79 lacs Total: ₹ 298.49 Lacs |
| b. | Amount unspent, if any | Nil |
| c. | Manner in which the amount spent during the financial year | |
| | | Manner in which the amount is spent and details are provided as given below: |

| Sr. No. | Projects / Activities | Sector | Locations | Amount Outlay (Budget) Project or programs | Amount spent on the Project or programs | Cummulative Expenditure upto reporting period | Amount spent: Direct or through implementing agency |
|---------|---|---|--|--|---|---|---|
| | | | | ₹ Lacs | ₹ Lacs | ₹ Lacs | ₹ Lacs |
| | | | Local Area / Distrcts(State) | | | | |
| 1 | Roof Rain Water Harvesting and Village Water Distribution System under Coastal Area Development Project | Water Resource Development Programme (Drinking water) | All manufacturing site of GHCL Ltd. in the state of Gujarat (1) Sutrapada, Dist. Gir Somnath (2) Rajula, Dist. Amreli (3) Ghogha, Dist. Bhavnagar (4) Bhilad, Dist. Valsad | 34.20 | 22.97 | 22.97 | Amount directly spent and also spent through implementing agencies* |
| 2.1 | Drip Irrigation, Sprinkler Irrigation, Training and other various activities | Agro based livelihood | | 71.43 | 71.10 | 71.10 | Do |
| 2.2 | Vocational Training Centre | Skill based livelihood | | 36.00 | 15.77 | 15.77 | Do |
| 3 | Animal Treatment Camp and Artificial Insemination center | Animal Husbandry | | 8.43 | 6.80 | 6.80 | Do |
| 4.1 | Mobile Dispensary, Health camps, Vaccination and Eye camps; | Health & Sanitation | | 118.08 | 94.23 | 94.23 | Do |
| 4.2 | Toilet Blocks and Awareness Programme as part of Swachh Bharat Abhiyaan | | | | | | |
| 5 | Site School near Mining area, Uniform, Scholarship and financial support for higher studies | Education | | 16.26 | 15.40 | 15.40 | Do |
| 6 | Formation of Self Help Group (SHG) and Training Programme | Women Empowerment | | 4.40 | 2.88 | 2.88 | Do |
| 7 | Street light, Road repairing, construction of school boundary etc. | Rural Infrastructure Development | | 9.75 | 5.94 | 5.94 | Do |
| 8 | Misc. | Over Heads | | 7.68 | 10.61 | 10.61 | ₹ 6.49 lacs directly |
| 9 | Establishment & Assets | Establishment & Assets | | 51.91 | 52.79 | 52.79 | Amount directly spent and also spent through implementing agencies* |
| | Total | | | 358.14 | 298.49 | 298.49 | |

* Amount spent through implementing agencies (GHCL Foundation Trust) of ₹ 290 Lacs & directly ₹ 8.49 Lacs.

ANNEXURE III TO THE BOARD'S REPORT

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure Taken

- 1 Continuous usage of low GCV fuel in CFBC boiler.
- 2 Mechanized briquette plant stabilized and On-Line briquette dryer is in final stage of commissioning. This shall reduce the wastages and improve the quality of briquettes.
- 3 Introduction of Variable Frequency Drive continued with saving of about 25% in energy of that particular drive.
- 4 Condensing turbine of 12.5 MW installed, commissioned and taken on load successfully. This will help in generating power from vented steam at soda ash unit.
- 5 Energy audit by M/S Devki Energy Consultant ,Vadodra and M/S Schnieder completed to identify energy saving potential. Report has been received and is under review.
- 6 Energy efficient LED lamps installed in Production halls for 24 x 7 operation at Madurai unit.
- 7 Energy efficient compressor and low friction aluminium air piping installed for effective utilization of fully automatic ring spinning machines and Auto doffer at Madurai unit.
- 8 Individual spindles monitoring system installed in Ring spinning machines which resulted reduction in suction fan energy consumption at Madurai unit.
- 9 Grid drawl voltage level has been upgraded from 11KV to 110 KV EHT system for reduction of power loss during transmission at Madurai unit.
- 10 4.20 MW Wind Energy Generator for captive consumption has been installed in Tamil Nadu and 2.10 MW is under installation .

b) Additional Investment & proposals, if any, being implemented for reduction of consumption of energy

- 1 Existing Aluminium Fan blades shall be changed with FRP blades in Humidification Plant which shall reduce the power consumption at Vapi unit.
- 2 Replacement of Old Preheater by Energy Efficient New Pre-heater shall reduce steam consumption .

B. POWER & FUEL CONSUMED

| | Year ended March 31,2015 | Year ended March 31,2014 |
|--------------------------------|-----------------------------|-----------------------------|
| 1 Electricity | | |
| (i) Purchased Units (lacs kwh) | 1,330.52 | 1,084.43 |
| Total amount (₹ lacs) | 9,345.58 | 7,214.56 |
| Rate per Unit (₹) | 7.02 | 6.65 |
| (ii) Own Generation | | |
| (a) Through DG | | |
| Units (lacs kwh) | 19.54 | 43.09 |
| Units per ltr of Diesel Oil | 3.16 | 3.15 |
| Cost per Unit (₹) | 17.60 | 18.74 |
| (b) Through GTG | | |
| Units (lacs kwh) | 1.34 | 134.76 |
| Units per SCM of Gas | 3.93 | 4.20 |
| Cost per Unit (₹) | 12.25 | 9.01 |
| (c) Through TG | | |
| Units (lacs kwh) | 1,733.06 | 1,629.82 |
| Cost per Unit (₹) | 2.72 | 2.81 |
| 2 Coal | | |
| Quantity (MT) | 2,52,572.20 | 2,50,043.54 |
| Total Cost (₹ lacs) | 18,797.14 | 19,378.40 |
| Average Rate (₹/MT) | 7,442.28 | 7,750.01 |
| 3 Lignite | | |
| Quantity (MT) | 2,18,063.62 | 2,06,583.60 |
| Total Cost (₹ lacs) | 7,852.05 | 6,442.26 |
| Average Rate (₹/MT) | 3,600.81 | 3,118.47 |

4 Consumption per Unit of Production

| | Production (MT) | Electricity (kwh/MT) | |
|-----------------------------|-----------------|------------------------------|------------------------------|
| | | Year ended March 31, 2015 | Year ended March 31, 2014 |
| Soda Ash | 7,38,768 | 256.57 | 255.37 |
| Salt | 58,091 | 20.41 | 21.93 |
| Yarn | 21,082 | 4.09 | 4.05 |
| Cloth (Fabric '000 Meters) | 28,390 | 1.11 | 0.95 |
| Coal -Soda Ash (MT/MT) | 7,38,768 | 0.33 | 0.34 |
| Lignite - Soda Ash (MT/MT) | 7,38,768 | 0.30 | 0.29 |

C. TECHNOLOGY ABSORPTION

1 Research & Development

Efforts continue to bring in operational efficiencies and product up gradations to meet specific customer need both domestic and export. No specific expense can be earmarked for Research & Development, as this is an ongoing process at the operational level.

One new product namely Sodium Percarbonate has been identified for which we shall carry out Techno - commercial feasibility studies through M/S ICT, Mumbai before an Investment decision is taken .

2 Technology - Absorption, Adoption and Innovation

The technology for soda ash provided by M/s Akzo Zout Chemis of the Netherlands has been fully absorbed.

3 Imported Technology

- a) Technology Import
Soda Ash manufacturing technology by Dry Process.
- b) Year of Import
'January 1984
- c) Has technology been fully absorbed ?
Yes, the technology has been fully absorbed.
- d) If technology has not been fully absorbed?
Not applicable.

D. FOREIGN EXCHANGE EARNING AND OUTGO

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|---------------------------------------|---|---|
| Earnings | 53,886.46 | 60,103.43 |
| Outgo (Includes CIF value of imports) | 30,206.36 | 25,382.24 |

MANAGEMENT DISCUSSION AND ANALYSIS 2015

DISCLAIMER

Readers are cautioned that this Management Discussion and Analysis contains 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. The following discussion and analysis should be read in conjunction with the Company’s financial statements included herein and the notes thereto.

MANAGEMENT DISCUSSION AND ANALYSIS

The management of GHCL Limited presents the analysis of division-wise performance of the Company for the financial year ended March 31, 2015 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

REVIEW OF ECONOMY

As per the advance estimates released by the Central Statistical Office (CSO), the growth in GDP during 2014-15 is estimated at 7.4% as compared to the growth rate of 6.9% in 2013-14. The new estimates of economic growth are even higher than the government’s own earlier projections as well as that of the RBI. The new data comes after the government updated the base year from 2004-05 to 2011-12 to reflect structural changes in the economy. Under the new method, CSO measures GDP at market prices as it is done internationally, instead of at factor cost. India’s economy is officially forecast to grow at 7.4% in the year 2014-15, outpacing that of China’s estimates after the new methodology of calculating the country’s gross domestic product (GDP) made a dramatic turnaround in the growth numbers. The Chinese central bank has forecast the country’s growth at 7.1% this year.

The data furnished by CSO shows that financial, real estate, professional services, trade, hotels, transport, communication and services related to broadcasting, public administration, defence, electricity, gas, water supply and other utility services grew at the rate of over seven percent. The growth in agriculture, forestry and fishing has been estimated to be at 1.1%, mining and quarrying at 2.3%, construction at 4.5% and manufacturing at 6.8%. The advance estimates released by the government further estimates the per capita net national income in 2014-15 to be ₹ 88,538, which is up by 10.1% compared with ₹ 80,388 in 2013-14.

According to the Economic Survey 2014-15 tabled in the Lok Sabha, which took the changed growth computation method forward and said that growth rate of over 8% is expected in the coming year and growth rate at market prices for 2015-16 is expected to be between 8.1-8.5%. Going further, the Survey further said that double-digit economic growth trajectory is now a possibility. While presenting Economic Survey, Finance Minister indicated that a clear political mandate for reform and a benign environment now is expected to propel India on to a double digit trajectory. It states that Indian economy appears to have now gone past the economic slowdown, persistent inflation, elevated fiscal deficit, slackening domestic demand, external account imbalances and oscillating value of the rupee. The survey added that the high growth rate can be expected because of the reforms taken forward, like deregulation of diesel prices, taxing energy products, replacing cooking gas subsidy by direct transfer etc. by the new NDA government at the Centre led by Prime Minister Mr. Narendra Modi. However, a major decline in household physical savings has caused a decline in gross domestic savings to 30.6% in 2013-14 from 31.8% in 2012-13.

Government has also facilitated increasing FDI caps in Defence as well as in the Insurance sector. The Government has taken significant step in revival of the hitherto stagnant mining sector (including the coal) in the country. The process of auction for allotment would usher in greater transparency and boost revenues for the States. Government is also in the process to make land acquisition less onerous, thereby easing the cost of doing business, while ensuring that farmers get fair compensation. But, major challenges remains that the ordinance on Land acquisition, to be translated into legislation approved by the Parliament.

Central Government has Instituted a major program for financial inclusion i.e. the “Pradhan Mantri Jan Dhan Yojana” under which over 12.5 crore new accounts have been opened till mid-February 2015. Securing the political agreement on the goods and services tax (GST) that will allow legislative passage of the constitutional amendment bill. At the same time, the constitutional amendment bill to implement the goods and services tax (GST) also needs to be enshrined in legislation first by Parliament followed by ratification by the States. A single GST rate (across States and products) set at internationally competitive levels with limited exemptions would maximize its pro-growth, pro-compliance, and pro-single market creating potential. While the framework for a modern and comprehensive indirect tax system is being put in place with the GST, parallel efforts are required on the direct tax side. The objective should be to create a competitive, predictable, clean, and exemptions-light tax policy regime that will lower the cost of capital, incentivize savings, and facilitate taxpayer compliance.

The latest indicators, emerging from the revised estimates of national income brought out by the CSO, point to the fact that the revival of growth had started in 2013-14 and attained further vigour in 2014-15. Factors like the steep decline in oil prices, plentiful flow of funds from the rest of the world, and potential impact of the reform initiatives of the new government at the centre along with its commitment to calibrated fiscal management and consolidation augur well for the growth prospects and the overall macroeconomic situation. Encouraged by the greater macro-economic stability and the reformist intent and actions of the government, coupled with improved business sentiments in the country, institutions like the IMF and the World Bank have presented an optimistic growth outlook for India for the year 2015 and beyond.



As per said Economic Survey, the FY15 current account deficit(CAD) estimated at 1.3% of GDP. This fall in the CAD will largely be on account of the drastic fall in crude oil prices. Also, gold imports have not risen as much as the government had estimated. Current Account Deficit has declined from a peak of 6.7% of GDP (in Q3, 2012-13) to less than 1% of GDP in the FY16. The outlook is favourable for the current account and its financing. A likely surfeit, rather than scarcity, of foreign capital will complicate exchange rate management. Risks from a shift in US monetary policy and turmoil in the Eurozone need to be watched but could remain within control.

The Central Government has made the revival of Indian manufacturing a top priority, reflected in his "Make in India" campaign and slogan. The objective is as laudable as the challenges it faces are daunting because Indian manufacturing sector has been stagnant at low levels and facing a lot of challenges i.e. delays in land acquisition, environmental clearances, and variability of input supplies, etc. It is important to take efforts to improve the conditions for labor-intensive manufacturing and at the same time need to be complemented with rapid skill up-gradation because skill-intensive sectors are dynamic sectors in India and sustaining their dynamism will require that the supply of skills keeps pace with the rising demand for these skills; otherwise even these sectors could become uncompetitive. Hence, the Prime Minister's Skill India objective should be accorded high priority along with, and indeed in order to realize, "Make in India".

S&P had raised India's credit rating outlook to "stable" from "negative" in September 2014, citing the prospect of reforms. However, added that the political stability following the general elections last year has created conducive environment for reforms. S&P further added that the government's ability to fulfill its promises on key reforms will therefore be critical. Hope, new Government would take necessary steps to attract the foreign investment and also to enhance in domestic savings. It is a decisive mandate for the new government, which will augur well for spearheading a new paradigm of development with rapid changes in land and labour laws. Policy rate cuts by the RBI and improving business sentiments could also support a revival in investments.

In the last decade, we experienced a period of high growth and low inflation until the global financial crisis in 2008. The crisis adversely impacted the Indian economy given our increasing integration with the global economy. In the post-global crisis period since 2008-09 inflation has emerged as a major public policy concern. The Government and the Reserve Bank of India (RBI) took several policy measures to minimise the spillover of global crisis on Indian economy. In the process growth bounced back but inflation also increased. In last couple of years, while growth has moderated, inflation still remains above comfort levels. However, based on the Economic Survey 2014-15, now inflation showed declining trend during April-December 2014. CPI Inflation likely to remain between 5.0 to 5.5% range in FY16. Further declines in inflation and the resulting monetary easing will provide policy support for growth both by encouraging household spending in interest-sensitive sectors and reducing the debt burden of firms, strengthening their balance sheets. But, it is very unfortunate that almost the entire country witnessed one of the worst unseasonal rains in the March / April, which caused major damage to Rabi crops. The Centre in coordination with the state government would provide all possible help to the farmers.

The risk that the decline in oil prices will reverse itself always exists because of unpredictable geopolitical developments. However, the persistence of moderated oil prices seems highly probable for at least three reasons: weaker global demand, increased supplies, and the global monetary and liquidity environment.

With the easing of inflationary conditions, the RBI has already signalled a shift in the monetary policy stance when it cut policy repo rates by 25 basis points to 7.75% in January 2015. Again, on 4th March 2015 immediately after the Union Budget and a month before a scheduled policy review, the RBI unexpectedly lowered its policy rate by 25 basis points for the second time this year. RBI measures seems backing a government that is pushing to revive economic growth as inflation cools. After 2nd rate cut, the policy repo rate remains at 7.50%. In some ways, further monetary policy easing would entail the policy rate catching up with market rates.

Analysts said the latest rate reduction showed the RBI's trust in the government of Prime Minister Narendra Modi to maintain fiscal discipline even though it will take longer to reach its deficit goals. The budget laid out plans to reduce the fiscal deficit to 3.9% of GDP in FY 2015-16, and bring it down to 3.0% by 2017-18, which is a year later than an earlier road map had targeted. Liquidity conditions have remained broadly balanced so far during 2014-15.

But, below-par monsoon rainfall i.e. 93% of the long period average, as forecasted by the Metrological Department in its first forecast, amplifying worries for policymakers and farmers. Below-par rainfall could also halt the RBI's monetary easing efforts, hurting a fledging economic and industrial recovery.

COMPANY PERFORMANCE- PERFORMANCE HIGHLIGHTS

- Revenue for the financial year ended 31st March 2015 has increased by around 6.98% to ₹ 2384.87 Crore as against ₹ 2229.21 Crore for the previous Financial Year ended 31st March 2014.
- Profit before financial expenses and depreciation for the financial year ended 31st March 2015 has risen by around 23.15% to ₹ 533.63 Crore as compared to ₹ 433.32 Crore for the previous Financial Year ended 31st March 2014.
- PBT (Profit Before Tax) for the financial year ended 31st March, 2015 is higher by around 71.66% at ₹ 257.94 Crore against ₹ 150.26 Crore for the previous Financial Year ended 31st March 2014.

INORGANIC CHEMICALS (SODA ASH) GLOBAL SODA ASH INDUSTRY

Demand-Supply Scenario

Demand

Worldwide average demand for Soda Ash is expected to increase by 3.3% per year between 2014 and 2024, IHS' analysis shows, driven by increased consumption in the recovering construction and automotive industries, with China, the world's largest Soda Ash producer, contributing almost 4% year-on-year growth to 2024. Glass markets, which account for more than half of global demand, are expected to remain the dominant end use for soda ash, while chemicals and detergents will also remain



important downstream consumers. The total world market in 2014 was approximately 56 Million Tons in terms of volume with an estimated capacity of 67 million tons.

The global soda ash market is undergoing significant structural change characterized by shifting capacity since naturally produced soda ash is now overtaking market supply and synthetically produced capacity, except in China and India, is declining. There has been an influx of new supply of natural soda ash from Turkey, which is both cost-competitive and more sustainable than synthetic production. As a result of this cheaper supply, more costly synthetic supply from high-cost producers, particularly in Europe, is being threatened, shut down or idled.

Patterns of trade for soda ash are beginning to experience more seismic adjustments, meanwhile, as higher cost production centers become displaced by cheaper, alternative sources, particularly in Europe and Australia, where domestic output makes way for supply from Turkey and the US, respectively.

SUPPLY

The Chinese soda ash industry remains the largest of any nation and is continuing to expand but faces increasing economic problems that are affecting the financial viability of some operations. China continues to be the largest Soda Ash player in the world, having a capacity of 32 Million MT, which is 48% of the global capacity. As per IHS Chemical report China’s operating rates were around 78% in 2014, reporting a production of 25 million tons and domestic consumption of 24 million tons, the balance is exported.

US producers are enjoying highly competitive production costs. This has led to capacity expansions in US where producers have become increasingly dependent on the export market because of weakness in domestic consumption. US capacity is 12.50 Million MT and they produced 11.5 million tones of soda ash and their annual production represents a 93 operating rate .The US production is stated to have grown by 1.8% in 2014 where as domestic demand for soda ash saw a modest growth of 2% versus 2013. The total domestic consumption was estimated at around 5 million tons and the balance is exported.

The world’s largest deposit of trona is in the Green River Basin of Wyoming in USA having a presence of world’s major companies in the area contributing to the sustained growth of US exports. With abundant reserves, US soda ash players dominate the international trade. US exports appear to be at an all time high and growing steadily with a major surge to Asia and South America. High manufacturing costs in China have given US producers a big edge as well as a strong boost to margins. Natural soda ash is less energy intensive than the synthetic variety and has lower production costs. As such, more than 50% of the natural soda ash produced in US is exported.

INDUSTRY OUTLOOK

The world estimated 2014 distribution of soda ash by end use as under;

| | |
|--|-----|
| Glass | 50% |
| Detergent & Soap formulations | 14% |
| Chemical | 10% |
| Alumina /Metals and mining | 6% |
| Pulp & Paper | 1% |
| Others (Environmental Protection/ Effluent treatment etc) | 19% |

It is clear that the new low-cost Turkish supply with a competitive cost base and low transport costs – relative to the US producers – will continue to influence the market. Although naturally produced soda ash has number of cost benefits over synthetic material in regions where it can be easily extracted and delivered, there is not sufficient supply of natural soda ash to supply the entire global market.

Synthetic soda ash accounts for around three quarters of global consumption and is therefore, here to stay. The future of soda ash consumption is likely to remain dependent on its present key markets, including container and flat glass, detergents, and chemicals, such as sodium dichromate and sodium silicates.

INDIAN SCENARIO

The Indian economy has witness a robust growth in the range of 7.4% in 2014-15. With the global economy expected to recover moderately, particularly on account of performance in some advanced economies, the economy can look forward to better growth prospects beyond 2014-15. According to Economic Survey, the measures taken by the government to improve investment climate and improved governance could push up growth to 8+ % in the coming years. With the improved growth of the Indian economy, Soda Ash demand also witnessed a 6% growth in 2014-15. Other than Glass all other consuming segments led by Detergents recorded higher growth. It is expected that on the back of improved GDP growth projected and growth in Glass (Construction/Automobiles) and Detergents (FMCG penetration and growth) Soda Ash demand will continue to witness a reasonable growth.

The Indian Soda Ash market constitutes of two varieties – Light (used in detergent industry) & Dense (used in Glass industry), with a share of 60% and 40% respectively. Total installed capacity in India was 3.1 Million MT. With an estimated production of about 2.6 Million MT in last financial year (2014-15), the capacity utilization was 85% after accounting for internal consumption almost 0.5 Million MT of domestic demand is met by imports in the port areas of South, East & West of India.

Sourcing of key raw materials like Lime Stone & Salt are posing a major challenge the industry currently as no fresh Lime Stone mines or Land Bank for Salt Works is being allotted by the Govt. of Gujarat.

GHCL SODA ASH BUSINESS

GHCL Limited is a leading Indian producer of soda ash is well-poised to tap opportunities in both the Detergents & the Glass industries. The total soda ash business contributes about 56% of total Indian Stand alone revenue.

In India the company has a significant advantage in maintaining tight control on cost of soda ash due to major captive source on some of the raw materials – Salt, Limestone & Lignite.

GHCL shares highly successful client relationships and is the preferred supplier to all major soda ash consumers; its clients include Hindustan Unilever Limited, Ghari Group, P&G, Fena Group, HNG Group, Gujarat Guardian Limited, Videocon Industries Limited, Piramal Glass Limited, St Gobain Glass, Gold Plus Glass and Phillips.

OPPORTUNITY AND CONCERNS

The Indian industry suffers from the weaknesses of concentration of 95% capacity in Gujarat and the cost of transport to markets



in South and East India, which constitutes about 25% of the National consumption, is high as compared to the ocean freights to South and East India where product is imported from US/ China/Kenya and Europe. Currently around 24% of the Indian demand is being met by cheap imports. Import price variance continues to be extremely high.

GHCL has been able to maintain a domestic market share through a combination of market development, pro-active Direct Customer Relationship management Satisfaction Initiatives (CSI) and the speedy response to the needs of the market place.

TEXTILES – OUTLOOK & GROWTH

Global trade in textile is currently at 550 Billion USD, growing at CAGR of 4%. Indian Textile industry is about 60 Billion USD. The Textile industry in India traditionally, after agriculture, is the only industry that has generated huge employment for both skilled and unskilled labor in textiles. The textile industry continues to be the second largest employment generating sector in India with employment to more than 35 million people. Besides, another 55 million people are engaged in its allied activities. The Indian Textiles Industry is the 2nd largest only after China. The Industry plays a major role in the economy of the country and contributes about 14% to Industrial Production and around 4% to GDP of the country. Further, it also contributes about 17% of the country’s total export earnings. There are 2500 weaving factories and 4125 textile finishing factories across the country.

Textile industry has been growing at 10% over last several years. Government of India has provided a number of export promotion policies for the Textile sector. In addition, States of Gujarat, Maharashtra, Madhya Pradesh have special incentive for textile industry. With Indian Textile industry looking to grow to 140 billion mark by 2025, there are going to be huge opportunities in future for growth in this industry.

Overall the outlook of the Indian Textile Industry looks positive. The Government had set an export target of US\$ 65 billion and creation of 25 million additional jobs has been proposed with a CAGR of 15% during the 12th Five Year Plan (2012-17). Inherent strengths & cost competitiveness of Indian textiles industry is catalyzing major retailers & brands of the world such as Wal-Mart, Target Gap, Marks & Spencer & Tesco to set up their sourcing hubs which augurs well for the sector.

GHCL - TEXTILES

GHCL Limited is one of the largest integrated textile manufacturers in the country with an installed spinning capacity of around 1.75 lakh spindles and 3320 Rotors (Open End) manufacturing 100% cotton and polyester cotton blended yarns, 162 Air Jet looms, 36 million meter of wide width processing capacity, and 600 stitching machines for manufacturing world class quality merchandise. The company’s state-of-art plant at Vapi, Gujarat, integrates weaving, processing and cut & sew facilities. Its spinning plant in South of India is rated as of the most efficient and modern yarn manufacturing facility in India. Excellent product development capabilities has put GHCL in forefront of major markets internationally, mainly North America, Australia, Middle East and Europe.

The revenue of Home Textile division was at 632 crore rupees during financial year 2014-15 compared with 662 crore rupees in the previous year. The reduction was mainly on account of loss of one key account of a retailer in US market which has

since been replaced with new business from other US retailers. Market sentiment in US looks better and we are focusing on that market with large volume programs. There is a lot of interest in US retail to shift some more business to India and that is yet another positive for the Indian Home Textile Industry. Additionally, your company has also made inroads in European Market and has secured large replenishment orders from retailers in Europe. The outlook for the sector is positive and there are huge opportunities for growth.

Due to its sustained marketing efforts, the company has successfully made deep in roads in export market and further secured large replenishment orders from the big Global Retailers in US and Europe like Bed Bath & Beyond, Target, HBC Canada, Sears Canada, K-Mart, Ross Store, TJX Group, Tuesday Morning, QVC, House of Fraser, Fox Home and Miles Home Fashions etc. Market sentiment in US looks better and the Company is focusing on US market with large volume programs. With depreciation in Indian Rupee, tremendous interest has been getting generated in US retail to shift some more business to India which further looked promising for Indian home textile industry going forward. However, pricing pressure and volatility in forex still remain huge challenges, which may keep margins under pressure.

The revenues of the yarn division was at 441 crore rupees during 2014-15, unchanged from the previous year. Despite expansion in the spindle capacity during the year, the performance of the yarn division was lower when compared to growth seen in the previous year mainly due to lower demand of yarn as well as low yarn prices. Although, cotton prices also witnessed downtrend, the reduction in yarn prices was significantly higher than the reduction in cotton prices thereby impacting the performance of yarn business. Going forward, we expect an uptick in demand for yarn as well as prices. Your company is taking effective steps to bring down the cost of production by implementing EHT line (extra high tension line) and new wind mills. The outlook for spinning industry looks better. With stable cotton prices, timely cotton coverage and improved yarn price scenario, we expect a profitable period ahead for the company in this segment.

OPPORTUNITIES, THREATS AND RISK MITIGANTS:

With the moderate growth in Indian Economy as well as reasonable recovery in the US Economy being the largest textile market, there is an opportunity of growth for the Indian Textile Industry. Exports to the US and other countries are likely to gain further momentum in the coming months. The growing middle class population and rise in income levels of half of India’s population particularly in rural areas are the major drivers for the growth of Indian textile industry. Growing at a rapid pace, the Indian Market is being flocked by foreign investors exploring investment purposes and with an increasing trend in the demand for the textile products in the country, a number of new companies and joint ventures are being set up in the country to capture new opportunities in the market, especially after the Government’s initiatives for FDI.

There are significant challenges from other countries in terms of managing the cost and retaining the market share. High interest rates and energy cost continue to affect the whole textiles industry and may affect the profitability and price competitiveness for export as compared to the other countries like Bangladesh, Pakistan, China, Vietnam etc. Inflationary pressures, driven by loose monetary policy and high commodity prices, are lowering real incomes and reducing spending power across the globe, which may cause slowdown in the business.

Shortage of skilled labour as well as grim power situation in Tamil Nadu could affect the operations of Yarn division. This could have a major impact on the performance of the textile division of the Company. GHCL recognizes these challenges and is taking effective steps by way implementing Extra High Tension Line (EHT) and new wind mills to minimize the cost of production to overcome the above. In nearby future, the company is planning further to enhance the volume of production.

Waning investor confidence amidst deteriorating macroeconomic conditions in India kept domestic currency under pressure even during 2014-15. The rupee depreciated by nearly 6% during first half of 2014-15, before staging some recovery in 2015. Hence, the currency fluctuation is another risk, which the entire country has been facing mainly due to sovereign debt crisis in the eurozone, rising bill of import of Crude oil & Gold etc. The last year has been the most volatile year for the external value of the currency. We are taking active advice from experts in mitigating and minimizing foreign exchange fluctuation risk.

INTERNAL CONTROLS AND RISK MANAGEMENT

GHCL has adequate and proper system of internal controls commensurate with its size and business operations at all plants, divisions and the corporate office to ensure that its assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are reliably authorized, accurately recorded and reported quickly. The company has appointed outside internal audit agency to carry out concurrent internal audit at all its locations. The scope of its internal audit program is laid down by the Audit Committee of the Board of Directors. The Audit Committee meets periodically to discuss findings of the internal auditors along with the remedial actions that have been recorded or have been taken by the management to plug weakness of the system. Risk Management and internal audit functions complement each other at GHCL. The company strives to adopt a de-risking strategy in its operations while making growth investments. This involves setting up and monitoring risk on a regular basis.

In addition to the above, the Company has constituted a Risk Management Committee in line with the requirement of Clause 49 of the Listing Agreement. The Company applies Risk Management in a well-defined, integrated framework, which promotes awareness of risks and an understanding of the Company's risk tolerances. The Risk Management Committee monitors the internal control system, designed to identify, assess, monitor and manage risks, associated with the Company.

HUMAN RESOURCE DEVELOPMENT IN GHCL

The Company had 3197 employees on its permanent roll on 31st of March 2015, each committed towards playing their roles and discharging given responsibilities to enable the organisation to meet its objectives. The prime advantage of this company has always been its human capital. Employees, of GHCL, apart from accomplishing their functional activities, are always willing to take an extra step to bring in process improvements, innovation and creativity at work place as well as better cost and time management. Upholding this trait, during the year 2014-15 also, GHCLians were successful in completing many project and process initiatives leading to higher work efficiency in the organisation. The organisation has, continuing its efforts to improve the employability of its people, also ensured to provide all avenues to learn and experiment, also bringing in, through the process, greater job satisfaction and motivation among the workforce.

The company has been pursuing its culture of creativity, innovation and empowerment as it believes that the best in people can be brought out only if they feel free, empowered and encouraged. In year 2014-15 also the HR function started many initiatives in promoting this culture and one of the most important step in that direction was the announcement of GHCL TEA, where TEA stands for Think, Experiment and Adopt. This initiative, with the objective of furthering the creativity and innovation in the organisation, calls upon employees to come out with innovative ideas for the organisation. To appreciate the ideas as well as to objectively evaluate the practicality and impact, executives are invited to present their ideas at all major locations of the company on specially convened SIR Days, where SIR stands for Strategy, Innovation and Research. This means, the initiative aims to combine the two elements of Thinking, Experimenting and Adopting ideas which falls in to one or more areas of Strategy, Innovation or Research to benefit the organisation in future. The executives whose ideas are selected in principle during the SIR days are given time and resources to develop them in to deployable models and in turn they are presented in the annual conclave of Incarnation. The best ideas chosen in the forum of Incarnation are taken up for implementation. During the process, the organisation saw abundance of creative thinking among its people which is really laudable.

On the organisational values, in year 2014-15 too, the company spared no measures in upholding them in all its thoughts, activities and transactions internally or in dealing with its external stakeholders or the society in general. The four core values, Respect, Ownership, Trust and Integrated Teamwork have been the guiding principles for the HR function also while conducting all people related operations and these values have contributed tremendously in creating a unique organisational culture and corporate identity for GHCL. Going further in promoting the core values in the organisation, this year, the organisation has started appreciating individual employees who have continuously exhibited the core value traits or conducted themselves in the most appropriate manner upholding the values. Such employees have been recognised as the Core Value Champions in the organisation. They have become role models for others. To appreciate their commitment, Core Value Champions have been rewarded with token gifts.

With the specific objective of enhancing the overall managerial and leadership capabilities of individual employees Development Centres were conducted during the year. In those Development Centres, individuals were assessed using appropriate assessment tools to identify their strengths and weakness to create better self-awareness leading to better self-development. On the other side, based on the findings, organisation is providing such employees appropriate roles in the organisation as well as other training and development facilities to improve the functional and managerial competencies.

With regard to addressing the training and development needs of employees in general, after extensive deliberations, 8 competencies were identified as vital for the success of the organisation, and all employees are being provided training on these areas. During the year 2014-15 also, various programmes were conducted under this initiative and, such programmes will continue to be provided in the coming years also since it will be an ongoing process. For providing such programmes, the HR Function identifies the best faculty and training agencies based on their credentials and experience in delivering successful programmes in similar organisations. According to the analysis of the feedback received from the participants, the effectiveness



of training faculties, who had conducted programmes in the organisation has been excellent, which translates in to meeting the desired objectives.

As per the ongoing practice, during the year 2014-15 also, the HR function undertook organisation-wide surveys on Core Value Adherence and Employee Engagement to basically ascertain the impact of various ongoing developmental HR and OD initiatives. It was based on such findings, the above mentioned Core Value Champions were identified and appreciated.

While Corporate Social Responsibilities are being discharged in a big way by the specific team established under the GHCL Foundation Trust, during the year 2014-15 the HR Function also organised few programmes on traffic awareness, medical camps etc, volunteered by the employees to benefit the society in general as well as to re-inforce the social commitment of employees as individual citizens of the Country. During the year company has also provided short term training opportunities to students pursuing various professional courses enabling them to have valuable industrial exposure.

Many other programmes for employee rejuvenation and creating stronger inter-personnel relations, team building as well as aimed at further strengthening the bonding across all divisions and locations of the company were organised in year 2014-15 also. These programmes help employees significantly in leading a balanced work life in the organisation. Company at its soda ash plant, has executed long term wage settlement for 5 years i.e. upto March 2020.

GHCL's HR Function remains open to adopting new and innovative HR functions which have been proved effective in successful organisations or develop such initiatives on its own to maintain company's human capital as willing and competent to contribute towards achieving its business objectives. The human resources strategy is always kept aligned with the long term business strategy of the organisation and almost all HR initiatives are developed keeping that aspect in mind. To sum up, the human resources function has been, during the year 2014-15, able to provide basic and developmental HR support to the organisation as well as the individual employees in a very effective way. The HR function is committed to improve all its processes based on the results and feedback and ensure that its manpower will remain its greatest asset.

CSR INITIATIVES

GHCL endeavors to make a positive contribution to surrounding communities by supporting a wide range of socio-economic, educational and health initiatives. We make sure that communities benefit from our company's presence by pro-

actively responding to their needs. Through our programs, we aim to bring about overall development and a perceptible change in the lives of the communities we are associated with.

GHCL Foundation Trust supports more than 40 villages of Sutrapada block of Gir Somnath District, around GHCL's soda ash and limestone mining operations. Last year work was initiated in 15 villages of Bhavnagar, Port Albert Victor (Amreli District) and Bhilad (Valsad District) around the operations of Salt, Lignite and Textile divisions.

GHCL Limited under its CSR efforts has implemented need based development programmes in sector of roof rain water harvesting and coastal area development, agro-based livelihood, irrigation, healthcare, sanitation, education and employment enhancing vocational skills.

Our programs in education, which provides free primary education to children across 5 mining site schools, the learning enhancement programs which improve student learning levels and extending scholarships to children, are helping migrant and disadvantaged children to avail of better quality education. The regular health camps organised by GHCL, the Sunday Clinic and the Mobile Medical Unit has made high quality and affordable health care available to at the doorstep of communities. In addition to conducting exposure visits and crop demonstrations for farmers, providing drip and sprinkler irrigation technologies, distributing and promoting the use of organic manure, this year we partnered with Cotton Connect to enhance the scale and productivity of cotton farming in the region. Our partnership with CSPC and WASMO for the Coastal Area Development Program (CADP) II has made sanitation and drinking water facilities a reality for rural communities and has helped to create water distribution systems in villages. In 2014-15, we established a Vocational Training Centre at Port Victor (Salt division) to improve skills and capabilities of the youth around our industrial premises.

A recent impact assessment report conducted on GHCL's CSR interventions has revealed three major areas of impact. These include Community Well-being through varied development programs, Improvement in natural resources and environment and Strengthened relationships with surrounding communities and employees through increased faith in the company.

We have been working to increase the reach and impact of our efforts in partnership with esteemed organisations and community stakeholders. The work at GHCL Foundation takes an integrated approach to improve living conditions for communities and create a solid foundation for their future.

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

(as required under clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. Company's Philosophy on Code of Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

Your Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

The Governance for your Company means being true to own belief and constantly strengthening and increasing stakeholders' values and return on investment by adopting principles of transparency, accountability and adherence of committed value creation principles. We are firm in the

belief that Corporate Governance means commitment for achievement of value based growth and meeting the commitment within the predefined time frame without compromising with ethical standards, set paradigms, transparency in transactions and fixing of accountability.

2. Board of Directors

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility. Apart from that the Board also discharges its responsibilities / duties as mentioned under the provisions of Clause 49 of the Listing Agreement.

2.1 Composition:

The Composition of the Board as on March 31, 2015 is given herein below:

| COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2015 | | | |
|---|---|-------------------------|---------------------------------------|
| Category | Name of Directors | No. of Directors | % of total number of Directors |
| Promoter - Non Executive Director | Mr. Sanjay Dalmia | 3 | 25% |
| | Mr. Anurag Dalmia | | |
| | Mr. Neelabh Dalmia | | |
| Non Executive - Independent Director | Dr. B C Jain | 6 | 50% |
| | Mr. K C Jani* | | |
| | Mr. G. C. Srivastava | | |
| | Mr. Mahesh Kumar Kheria | | |
| | Mr. Sanjiv Tyagi | | |
| Mr. Lavanya Rastogi** | | | |
| Nominee Director - Representing Lending Institutions | Mrs. Padma Vinod Betai – Nominee IDBI*** | 1 | 8.33% |
| Managing Director / Executive Director | Mr. R S Jalan – Managing Director | 2 | 16.67% |
| | Mr. Raman Chopra – CFO & Executive Director (Finance) | | |
| | TOTAL NO. OF DIRECTORS | 12 | 100% |

Note:

- * The Board of Directors had appointed Mr. K C Jani as an Additional Director under category of Independent Director with effect from September 18, 2014.
- ** The Board of Directors had appointed Mr. Lavanya Rastogi, Independent Director of the Company to fill the casual vacancy caused due to resignation of Mr. Surendra Singh with effect from November 24, 2014.
- *** As informed in the previous Annual Report, IDBI Bank Ltd. had nominated Mr. D C Jain in place of Mr. Ajoy Nath Jha as a Nominee Director of the Company w.e.f. April 2, 2014. Further, during the year, IDBI Bank Ltd. changed its nominee and nominated Mrs. Padma Vinod Betai in place of Mr. D C Jain. Accordingly, the Board of Directors had appointed Mrs. Padma Vinod Betai as a Nominee Director of the Company w.e.f. September 6, 2014. The appointment of Mrs. Padma Vinod Betai fulfils the requirement of Clause 49 and also the Companies Act, 2013 regarding appointment of at least one woman director.

The Board of GHCL Limited is having an optimum combination of executive and non-executive directors and the Board consists of 12 Directors, 10 of whom are Non-Executive Directors including one woman director. The Chairman of the Company is a Non -Executive Director and promoter of the Company and hence the requirement that at least one – half of the Board shall consist of

Independent Directors is complied with as the Company has 6 Independent Directors. All of the Non-Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, budget, the annual financial plan, significant contracts and capital investment along with strategic decisions like Restructuring of Business, Debt and Human Resources etc. Wherever appropriate, the Board delegates its authority to Committees of Directors like Banking & Operations Committee, Project Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Audit Committee, CSR Committee, Business Strategy & Planning Committee, Risk Management Committee and Compliance Committee. Information is provided to the Board in advance of every meeting and the Chairman ensures that all Directors are properly briefed on the matters being discussed. The Board reviews compliance reports of applicable laws in the Board meetings and also deliberates the compliance of code of conduct for Board Members and Senior Management.

With an objective to ensure maximum presence of our Independent Directors in the Board Meeting, dates of the

Board Meeting are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda is permitted after obtaining permission of the Chairman of the meeting. During the financial year ended March 31, 2015, five Board Meetings were held on May 28, 2014, July 31, 2014, October 18, 2014, November 24, 2014 and January 27, 2015. In order to facilitate our Institutional Directors to submit reports to their institutions, your company provides soft copy of all presentations made to the Board immediately after the Board Meeting / Committee meeting. The gap between any two Meetings is not more than 120 days, ensuring compliance with the requirement of Clause 49 of the Listing Agreement and the Companies Act 2013. The attendance of Directors at the Board Meeting held during the financial year ended March 31, 2015 is given herein below:

| SL. NO. | NAME | DATE OF BOARD MEETING & ATTENDANCE | | | | | AGM ATTENDANCE (August 21, 2014) |
|---------|--|------------------------------------|---------------|------------------|-------------------|------------------|-------------------------------------|
| | | MAY 28, 2014 | JULY 31, 2014 | OCTOBER 18, 2014 | November 24, 2014 | JANUARY 27, 2015 | |
| 1 | Mr. Sanjay Dalmia | Yes | No | No | No | No | No |
| 2 | Mr. Anurag Dalmia | Yes | Yes | Yes | Yes | Yes | No |
| 3 | Mr. Neelabh Dalmia | Yes | Yes | Yes | Yes | Yes | Yes |
| 4 | Dr. B C Jain | Yes | Yes | Yes | Yes | Yes | Yes |
| 5 | Mr. Surendra Singh ¹ | Yes | Yes | N/A | N/A | N/A | Yes |
| 6 | Mr. G. C. Srivastava | Yes | Yes | Yes | Yes | Yes | No |
| 7 | Mr. S. H. Ruparell ² | No | No | N/A | N/A | N/A | No |
| 8 | Mr. D C Jain – Nominee IDBI Bank ³ | Yes | Yes | N/A | N/A | N/A | N/A |
| 9 | Smt. Padma Vinod Betai– Nominee IDBI Bank ³ | N/A | N/A | Yes | No | Yes | N/A |
| 10 | Mr. R. M. V. Raman – Nominee EXIM Bank ⁴ | Yes | N/A | N/A | N/A | N/A | N/A |
| 11 | Mr. Mahesh Kumar Kheria | Yes | Yes | Yes | No | Yes | No |
| 12 | Mr. Sanjiv Tyagi | Yes | Yes | Yes | Yes | Yes | Yes |
| 13 | Mr. K C Jani ⁵ | N/A | N/A | Yes | Yes | Yes | N/A |
| 14 | Mr. Lavanya Rastogi ⁶ | N/A | N/A | N/A | Yes | Yes | N/A |
| 15 | Mr. R. S. Jalan | Yes | Yes | Yes | Yes | Yes | Yes |
| 16 | Mr. Raman Chopra | Yes | Yes | Yes | Yes | Yes | Yes |

Note:

- Mr. Surendra Singh had resigned from the directorship of the Company w.e.f. October 4, 2014.
- Mr. S. H. Ruparell has resigned from the directorship of the Company w.e.f. September 15, 2014.
- IDBI Bank Ltd. had nominated Mr. D C Jain in place of Mr. Ajoy Nath Jha as a Nominee Director of the Company w.e.f. April 2, 2014. Further, during the year, IDBI Bank Ltd. changed its nominee and nominated Mrs. Padma Vinod Betai in place of Mr. D C Jain. Accordingly, the Board of Directors had appointed Mrs. Padma Vinod Betai as a Nominee Director of the Company w.e.f. September 6, 2014.
- Exim Bank had withdrawn its nominee and accordingly directorship of Mr. R M V Raman was ceased w.e.f. June 13, 2014
- The Board of Directors had appointed Mr. K C Jani as an Additional Director under category of Independent Director with effect from September 18, 2014.
- The Board of Directors had appointed Mr. Lavanya Rastogi, Independent Director of the Company to fill the casual vacancy caused due to resignation of Mr. Surendra Singh with effect from November 24, 2014. Mr. Lavanya attended meeting of the Board of Directors held on November 24, 2014 as an invitee to the meeting.
- The word N/A denotes that person was not a member of the Board of the Company at the date of the relevant Board Meeting.
- Mr. Neelabh Dalmia and Mr. Raman Chopra are Directors retiring by rotation and are eligible for re-appointment. Further, the Company is also placing proposal for appointment of Mr. K C Jani, independent director. Information as required under Clause 49(VIII)(C) of the Listing Agreement is annexed to the notice of the AGM.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (II) (D) (2) of the Listing Agreement) across all the Companies in which he/she is a Director. The necessary disclosure regarding Directorship and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2015 and the same is reproduced herein below:

| Sl. No. | Name of the Director | Director Identification Number (DIN) | No. of Directorship in other Indian Public Limited Companies* | No. of committee positions held as Chairman in other Public Companies** | No. of Committee positions held as Member in other Public Companies** |
|---------|-------------------------|--------------------------------------|---|---|---|
| 1 | Mr. Sanjay Dalmia | 00206992 | - | - | - |
| 2 | Mr. Anurag Dalmia | 00120710 | - | - | - |
| 3 | Mr. Neelabh Dalmia | 00121760 | - | - | - |
| 4 | Dr. B C Jain | 00319666 | - | - | - |
| 5 | Mr. K C Jani | 02535299 | - | - | - |
| 6 | Mrs. Padma Vinod Betai | 00937921 | 1 | - | 1 |
| 7 | Mr. Mahesh Kumar Kheria | 00161680 | - | - | - |
| 8 | Mr. G. C. Srivastava | 02194331 | 1 | - | - |
| 9 | Mr. Lavanya Rastogi | 01744049 | 3 | - | - |
| 10 | Mr. Sanjiv Tyagi | 00225812 | 3 | - | - |
| 11 | Mr. R S Jalan | 00121260 | - | - | - |
| 12 | Mr. Raman Chopra | 00954190 | 1 | - | - |

Note:

* For the purpose of considering the limit of the number of directorship and chairman/member of committees, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded which is in line with the requirement of relevant conditions of Corporate Governance. Director's shareholding is given in an annexure to the Board's report.

** For the purpose of reckoning the limit of committees, only chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee has been considered.

During the financial year ended March 31, 2015, the Company has not entered into any material transactions with its Non-Executive Directors except related party transactions which are reported in annual report. The Company has also received declaration from Independent Directors confirming their independence, accordingly requirement of Clause 49 are duly complied with.

The Audit Committee of the Board of the Company has reviewed the financial statements of its subsidiaries.

At present, Company do not have any operating subsidiary in India hence, provisions related to appointment of an Independent Director of the Company on the Board of the Indian Subsidiaries is not applicable to the Company.

2.2 DIRECTORS' PROFILE:

The brief profile of each Director of the Company is given below:

Mr. Sanjay Dalmia:

Mr. Sanjay Dalmia (DOB - March 17, 1944) is Non-executive Chairman (Promoter) of the Company. Mr. Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He is also the Chairman of the Project Committee and a member of Nomination & Remuneration Committee of the Company.

Mr. Anurag Dalmia:

Mr. Anurag Dalmia (DOB - May 11, 1956) is a Non-executive Director (Promoter) of the Company. Mr. Dalmia is an eminent Industrialist and has also representing PHD Chambers of Commerce and Industry and Confederation of Indian Textile Industry. Mr. Dalmia is the Chairman of Business Strategy & Planning Committee and also a member of the Project Committee of the Company.

Mr. Neelabh Dalmia:

Mr. Neelabh Dalmia (DOB – August 16, 1983) is a Non-executive Director (Promoter) of the Company. He is Bachelor of Science in Business from Indiana University, Kelly School of Business, Bloomington, Indiana with majors in Finance and Entrepreneurship. He had also completed Masters of Business Administration (MBA) from Kelley School of Business, Indiana University, USA. He is a member of Audit Committee, Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Compliance Committee, Business Strategy & Planning Committee and Banking and Operations Committee of the Company.

Mrs. Padma Vinod Betai

Mrs. Padma Vinod Betai (DOB – September 7, 1964) is a Nominee Director of the Company representing IDBI Bank Limited. She is a Director of the Company since September 6, 2014. Mrs. Betai is Fellow member of Institute of Chartered Accountants of India (ICAI) and her area of specialization is Banking and Finance. She is a member of Project Committee of the Company.

Dr. B C Jain

Dr. B C Jain (DOB – October 8, 1938) is a Non-Executive Independent Director of the Company. He is a Director of the Company since April 19, 1986. Dr. Jain is LL.B, ACCS, Ph. D. and Fellow member of Institute of Chartered Accountants of India (ICAI) and his area of specialization is Finance, Banking and Accounting. He was on the Board of Union Bank of India, Central Bank of India and Bank of India. He has also been the Central Council Member of ICAI and the Member of Peer Review Board of ICAI. He is also Joint Secretary of Uttar Pradesh Cricket Association.

Dr. Jain is the Chairman of Audit Committee and a member of Nomination and Remuneration Committee of the Company.

Mr. G C Srivastava

Mr. G C Srivastava (DOB – September 20, 1947) is a Non-Executive Independent Director of the Company. He is a Director of the Company since May 10, 2008. Mr. Srivastava is an ex-IRS. He had joined Indian Revenue Service in 1971 and retired on September 30, 2007 as Director General of International Taxation. He is having very rich experience in Tax and Accounting. Mr. Srivastava is a member of the Audit Committee of the Company.

Mr. Mahesh Kumar Kheria

Mr. Mahesh Kumar Kheria (DOB – July 18, 1955) is a Non-Executive Independent Director of the Company. He is a Director of the Company since February 27, 1998. Mr. Kheria is a graduate in commerce and his area of specialization is Finance & Marketing. He has very wide areas of industrial experience and very long association with the Company. Mr. Kheria is the Chairman of the Stakeholders Relationship Committee, a member of the Audit Committee and also the Risk Management Committee of the Company. Mr. Kheria is also the Ombudsperson to administer and effectively implement the “Whistle Blower Policy” of the Company.

Mr. Sanjiv Tyagi

Mr. Sanjiv Tyagi (DOB – February 25, 1959) is a Non-Executive Independent Director of the Company. He is a Director of the Company since April 30, 2009. He is a graduate in arts and PG Diploma in Hotel Management from the prestigious Oberoi School of Hotel Management. He had worked with Oberoi Group, Holiday Inn, Radisson, Unitech etc. He has very rich experience in the Industry and his area of specialization is Management. Mr. Tyagi is the Chairman of CSR Committee and also a member of Nomination and Remuneration Committee of the Company.

Mr. K C Jani

Mr. K C Jani (DOB – January 18, 1954) is a Non-Executive Independent Director of the Company. The Board of Directors had appointed Mr. K C Jani as an Additional Director under category of Independent Director with effect from September 18, 2014. Mr. Jani is B. E (Chemical) and served as an Executive Director of IDBI Bank Limited until April 2014. He has very wide experience in the Banking industry and his area of specialization is Banking and Finance. He is the Chairman of Nomination and Remuneration Committee of the Company.

Mr. Lavanya Rastogi

Mr. Lavanya Rastogi (DOB – March 8, 1981) is a Non-Executive Independent Director of the Company. The Board of Directors had appointed Mr. Lavanya Rastogi, Independent Director of the Company to fill the casual vacancy caused due to resignation of Mr. Surendra Singh with effect from November 24, 2014. Mr. Lavanya is an alumnus of Harvard Business School, and as a thought leader in the field of entrepreneurship, leadership and global economy. Mr. Lavanya Rastogi is currently the CEO and Chief Mentor OSSCube, a global leader in Technology Solutions, headquartered in USA. In 2009 Academy for Global Business Advancement (AGBA) awarded him the “Distinguished Young Entrepreneur Award”. He is active

face in many trade association and industry chambers including NASSCOM, North Carolina Technology Association (NCTA), FICCI, Austin Technology Council (ATC), Entrepreneurs' Organization (EO), India American Chamber of Commerce (IACCGH), World Affairs Council of Houston, etc. He is a member of Business Strategy & Planning Committee of the Company.

Mr. R S Jalan

Mr. R S Jalan (DOB - October 10, 1957) is Managing Director of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Corporate Finance and Textiles. Mr. R S Jalan has around three decades of Industrial experience. He is the Chairman of Compliance Committee and also a member of Stakeholders Relationship Committee, Banking & Operations Committee, CSR Committee, Business Strategy & Planning Committee and Risk Management Committee of the Company.

Mr. Raman Chopra

Mr. Raman Chopra (DOB – November 25, 1965) is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having wide experience in Corporate Finance and Textiles. Presently, he is in charge of Financial & Secretarial functions covering financial accounting, management accounting, taxation, secretarial, legal, IT and corporate finance areas. Mr. Chopra has more than 27 years of Industrial experience. Before elevated to Executive Director (Finance) with effect from April 1, 2008, he was CFO of the Company from October 30, 2007. Before taking charge of finance, he had successfully established the Home Textile plant at Vapi. He is a member of Compliance Committee, Stakeholders Relationship Committee, Banking & Operations Committee, Business Strategy & Planning Committee and Risk Management Committee of the Company.

3. Committees of the Board

(i) Audit Committee

The Board of Directors had constituted the Audit Committee as early as in 2000 and as on March 31, 2015 there were four non-executive directors including three Independent Directors having expertise in financial and accounting areas. Mr. Bhuvneshwar Mishra, Secretary of the Company acts as Secretary to the Committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors.

Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and the guidelines set out in the Listing Agreement with the Stock Exchanges. During the year, the Board have reconstituted the Audit Committee in their meeting held on May 28, 2014 and October 18, 2014 and

accordingly adequate intimation was given to the Stock Exchanges in this regard.

Terms of Reference:

The scope of activities of the Audit Committee includes the following:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee and also approval for payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- c. Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, focusing primarily on;
 - Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with listing and other legal requirements concerning financial statements.
 - Disclosure of any related party transactions.
- d. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- f. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- g. Approval or any subsequent modification of transactions of the company with related parties;
- h. Scrutiny of inter-corporate loans and investments;
- i. Valuation of undertakings or assets of the company, wherever it is necessary;
- j. Evaluation of internal financial controls and risk management systems;
- k. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.
- l. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- m. Discussion with internal auditors any significant findings and follow up there on.
- n. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- o. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- p. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- q. To review the functioning of the Whistle Blower mechanism;
- r. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- s. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- t. Recommending to the Board, the appointment / re-appointment of the Cost Auditors and Secretarial Auditor.
- u. Any other activities as per the requirement of Clause 49 of the Listing Agreement and the Companies Act, 2013.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meeting held after the Audit Committee Meetings for deliberation and the full minutes of the same are placed before the following Board Meeting for record. The Chairman of the Audit Committee apprises the Board on the recommendations made by the Committee. Further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit. Dates of the Audit Committee Meetings are fixed in advance and agenda along with explanatory notes are circulated at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

During the financial year ended March 31, 2015, the Audit Committee of the Board met four times and as

per requirement of the Listing Agreement, the gap between any two meetings of the Audit Committee is not more than 120 days, ensuring compliance with the requirement of Clause 49 of the Listing Agreement and the Companies Act 2013. The adequate quorums were present at every Audit Committee Meeting.

The Composition of Audit Committee and attendance of members at the meetings are given herein below:

| Category | Name of the Audit Committee members | | | | |
|--|--|--|---|--|------------------------------|
| | Dr. B C Jain -Chairman of the Committee | Mr. Neelabh Dalmia | Mr. D C Jain* | Mr. G C Srivastava | Mr. Mahesh Kumar Kheria** |
| Independent Director (Expertise in Finance, Banking & Accounting) | Non-executive Director (Expertise in Finance & Industry) | Nominee Director- IDBI Bank Ltd(Corporate finance, risk management & personal banking) | Independent Director (Expertise in Tax & Accounting) | Independent Director (Expertise in Finance & Marketing) | |
| Date of the Meeting | | | | | |
| May 28, 2014 | Yes | Yes | Yes | Yes | N/A |
| July 31, 2014 | Yes | Yes | Yes | Yes | N/A |
| October 18, 2014 | Yes | Yes | N/A | Yes | N/A |
| January 27, 2015 | Yes | Yes | N/A | Yes | Yes |
| Whether attended Last AGM (Yes/No) | Yes | Yes | N/A | No | No |

* Mr. D C Jain was member of the Audit Committee till May 28, 2014 and thereafter he attended the Audit Committee meeting held on July 31, 2014 as an invitee.

** The Board of Directors in its meeting held on October 18, 2014 had reconstituted the Audit Committee and inducted Mr. Mahesh Kumar Kheria as a member to the Audit Committee. Thereafter Mr. Kheria attended the meeting of Audit Committee held on January 27, 2015.

Note:

Managing Director, Executive Director (Finance), Statutory Auditors and concerned employees for Internal Audit/ accounts were invitees to the Audit Committee Meetings whenever required.

The Company has complied with the requirements of Clause 49 III (A) as regards composition of the Audit Committee. Dr. B C Jain, Chairman of the Audit Committee is a qualified Chartered Accountant and an expert in Finance, Banking and Accounting. He was present in the 31st Annual General Meeting held on August 21, 2014 to answer the queries of shareholders.

As required under Clause 49(III) (E) of the Listing Agreement, the Audit Committee had reviewed the following information:

Management Discussion and Analysis of financial condition and results of operations.

Statement of significant related party transactions submitted by management.

Management letter(s)/letters of Internal control, weaknesses issued by the Statutory Auditors.

Internal Auditor's Reports relating to internal control weaknesses.

Appointment, removal and terms of remuneration of the Chief internal auditors.

(ii) Nomination & Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Nomination & Remuneration Committee of the Company was constituted as early as in 1995. Nomination & Remuneration Committee of the Board has been constituted as per Section 178 of the Companies Act, 2013 and the guidelines set out in the Listing Agreement with the

Stock Exchanges. As on March 31, 2015, Nomination & Remuneration Committee comprises of four non-executive directors including three Independent Directors and also the Chairman of this Committee is an Independent Director. During the year, the Board have reconstituted the Nomination & Remuneration Committee in their meeting held on May 28, 2014 and October 18, 2014 and accordingly adequate intimation was given to the Stock Exchanges in this regard.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board had reconstituted the Nomination & Remuneration Committee in their meeting held on May 28, 2014 and accordingly Mr. Sanjay Dalmia, Chairman of the Board, who was also Chairman of this Committee, has become a Member of the Committee. Also in that meeting, Mr. Surendra Singh, an Independent Director, had been appointed as Chairman of the Committee. After resignation of Mr. Surendra Singh, the Board of Directors again reconstituted the Nomination & Remuneration Committee in its meeting held on October 18, 2014 and appointed Mr. K C Jani, an Independent Director, as Chairman of the Committee.

In line with the requirement of Section 178(2) of the Companies Act, 2013 read with Clause 49 of Listing Agreement (Corporate Governance), the Nomination and Remuneration Committee shall be responsible for following activities:

1. To identify persons who are qualified:
 - a. to become directors; and
 - b. who may be appointed in senior management in accordance with the criteria laid down by the company. The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
2. To recommend to the Board the appointment and removal of person identified under point (1) above;
3. To carry out evaluation of every director’s performance.
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
5. To devise a policy on Board diversity.
6. Any other activities as per the requirement of Clause 49 of the Listing Agreement and the Companies Act, 2013.

The Nomination & Remuneration Committee sets the overall policy on remuneration and the other terms of employment of Executive Directors of the Company as well as the sitting fee and commission to the Non- Executive Directors within the overall ceiling fixed by members of the Company and recommends the same for the approval of the Board. The Committee recommends remuneration package of Executive Directors to the Board by reference to individual performance, experience and market conditions with a view to provide a remuneration package which is appropriate for the responsibilities involved. In reviewing the overall remuneration of the

Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company. The Committee also has ultimate control over the GHCL Employees Stock Option Trust and regulates its affairs through appointed Trustees. The Nomination & Remuneration Committee monitors the affairs of the GHCL Employees Stock Option Trust and directs the Trustees for discharge of their duties from time to time.

Further, in compliance of SEBI Circulars issued on January 17, 2013, May 13, 2013 and November 29, 2013, GHCL Employees Stock Option Trust had sold its entire shareholding except the shares which are part of litigation and the same shall be accounted for depending upon the outcome of the litigations. As per direction of the above SEBI circulars, Employees Stock Option Scheme ceased effective from July 1, 2014. However, the Trust will continue for the limited purpose of litigation.

The executive summary of the Nomination & Remuneration Committee Meeting is placed before the immediate next Board Meeting held after the Nomination & Remuneration Committee, for deliberation and the full minutes of the same are placed before the following Board Meeting for record. Dates of the Nomination & Remuneration Committee Meeting are fixed in advance and agenda and explanatory notes are circulated to the Directors at least seven days before the meeting.

During the financial year ended March 31, 2015, the Nomination & Remuneration Committee met on May 28, 2014 and November 7, 2014. The Nomination & Remuneration Committee of the Board comprises of Non-Executive Directors and the details of meeting attended by the Directors are as follows:

| COMPOSITION AND ATTENDANCE OF MEMBERS AT THE NOMINATION & REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2015 | | | | | |
|--|--|--|--|---|--|
| Category of Director | Name of the Nomination & Remuneration Committee Members | | | | |
| | Mr. K C Jani – Chairman of the Committee | Mr. Sanjay Dalmia | Dr. B C Jain | Mr. Sanjiv Tyagi | Mr. Surendra Singh |
| | Non-Executive - Independent Director (Expertise Corporate Finance, Restructuring of liabilities) | Non-Executive Director (Industrialist) | Non - Executive - Independent Director (Expertise in Finance Banking & Accounting) | Non -Executive - Independent Director (Expertise in Management) | Non-Executive - Independent Director (Ex-IAS & Expert in Corporate Governance, Industrial Policy and General Administration) |
| Date of the Meeting | | | | | |
| May 28, 2014 | N/A | Yes | Yes | Yes | Yes |
| November 7, 2014 | Yes | No | Yes | Yes | N/A |
| Whether attended Last AGM (Yes/ No) | NA | No | Yes | Yes | Yes |

Remuneration Policy:

The Nomination & Remuneration Policy of the Company has been posted on the website of the Company. Committee considers the following guidelines which are essential to follow while formulating the Remuneration Policy:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to directors, key managerial personnel, senior management 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:

Payment of remuneration to the Managing Director and Whole Time Director(s) are governed by the Uniform Remuneration Package approved by the Board and the Shareholders. Their Remuneration structure comprises salary / commission linked to profits, perquisites and allowances, contribution to Provident Fund and Superannuation Fund and premium on Gratuity Policy etc.

The Non - Executive Directors do not draw any remuneration from the Company other than the sitting fee and such commission as may be determined by the Board from time to time within the overall approval given by the shareholders and pursuant to the relevant provisions of the Companies Act, 2013. The commission payable to the Non - Executive Directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which is within the limit of 1% of net profit for the year, calculated as per the provisions of the Companies Act, 2013. The actual amount of commission payable to each Non - Executive Director is decided by the Board, upon recommendation of the Remuneration Committee, on the following criteria:-

- Number of board meeting, audit committee meeting, nomination & remuneration committee meeting, project committee meeting, CSR committee meeting, risk management committee meeting and business strategy & planning committee meeting attended by Director during the financial year;
- Overall contribution and roll outside the Meeting;
- Role and responsibilities towards growth of the Company.

Details of remuneration, commission and sitting fee paid/payable to the Directors of the Company for the financial year ended March 31, 2015 are given below:

| Non-Whole time Directors | | (in ₹) | |
|--|------------------|--------------------|--|
| Name | Sitting Fees | Commission | |
| Mr. Sanjay Dalmia | 40,000 | 4,56,667 | |
| Mr. Anurag Dalmia | 1,20,000 | 22,16,667 | |
| Mr. Neelabh Dalmia | 2,20,000 | 24,83,333 | |
| Dr. B. C. Jain | 2,20,000 | 24,83,333 | |
| Mr. Surendra Singh | 60,000 | 8,96,667 | |
| Mr. S. H. Ruparell | -- | -- | |
| Mr. G. C. Srivastava | 1,80,000 | 24,50,000 | |
| Mr. D C Jain/ Mrs. Padma Vinod Betai – Nominee IDBI Bank * | 1,00,000 | 18,22,500 | |
| Mr. R. M. V. Raman – Nominee EXIM Bank* | 20,000 | 4,40,000 | |
| Mr. Mahesh Kumar Kheria | 1,00,000 | 18,22,500 | |
| Mr. Sanjiv Tyagi | 1,60,000 | 22,50,000 | |
| Mr. K C Jani | 80,000 | 13,36,667 | |
| Mr. Lavanya Rastogi | 20,000 | 4,40,000 | |
| TOTAL | 13,20,000 | 1,90,98,334 | |

Note:

Commission payable to all or any one of the Non Whole Time Directors shall in aggregate not exceed 1% per annum of the net profit of the Company calculated under the provisions of the Companies Act, 2013.

* Commission and Sitting fee paid to the Institutions which they represent.

| Managing Director / Whole Time Director | | | (in ₹) |
|--|------------------------------|--------------------|--------------------|
| Name | Salary and other perquisites | Commission | Total |
| Mr. R S Jalan, Managing Director | 2,29,87,065 | 2,14,00,000 | 4,43,87,065 |
| Mr. Raman Chopra, CFO & Executive Director (Finance) | 1,22,79,175 | 1,26,00,000 | 2,48,79,175 |
| Total | 3,52,66,240 | 3,40,00,000 | 6,92,66,240 |

- a) The agreement with the Whole Time Directors is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving six calendar months prior notice in writing to the other party.
- b) Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund, LTA paid and premium on Gratuity Policy.

(iii) Stakeholders Relationship Committee:

The Board had constituted the Stakeholders Relationship Committee. The committee expedite the process of redressal of complaints like non-transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. The committee regularly viewed the complaints filed online at SEBI Complaints Redressal System (SCORES) and action taken report (ATR) thereon. Generally the Committee meet once in a week to expedite all matters relating to Shareholders / Investors Grievances received and pending during the previous week. Total forty nine meetings of the Stakeholders Relationship Committee held during the financial year ended March 31, 2015.

The composition of Committee as on March 31, 2015 is as under:

| Sl. No. | Name of Directors | Status |
|---------|-------------------------|----------|
| 1 | Mr. Mahesh Kumar Kheria | Chairman |
| 2 | Mr. Neelabh Dalmia | Member |
| 3 | Mr. R S Jalan | Member |
| 4 | Mr. Raman Chopra | Member |

The Company consider its shareholders as 'owners' and take all effective steps to resolve their complaints

as soon as possible. All complaints are resolved within 15 days except those which are of legal nature. The Company received 38 shareholders complaints from Stock Exchanges and/or SEBI that inter-alia include non-receipt of dividend, share transfer (including Demat etc.) and non - receipt of annual report. The Complaints were duly attended and the Company has furnished necessary documents / information to the shareholders.

Status of total complaints received (including 28 complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2015:

| Sl. No. | Type of Complaints | No. of Complaints pending as on March 31, 2014 | Total No. of Complaints received during the financial year ended March 31, 2015 | Total No. of Complaints resolved during the financial year ended March 31, 2015 | No. of Complaints pending as on March 31, 2015 |
|---------|--|--|---|---|--|
| 1 | Non-receipt of dividend | 0 | 206 | 205 | 1* |
| 2 | Share transfer including Demat request | 0 | 23 | 23 | 0 |
| 3 | Non receipt of Annual Report | 0 | 31 | 31 | 0 |
| | Total | 0 | 260 | 259 | 1 |

* There is only one complaint pending as on March 31, 2015. We don't have any complaint pending before any court, however, if there are any which are not known to company at this stage, will be resolved as soon as it will be known to the company and adequate representation will be made before the court / forum where it is pending.

The Stakeholders Relationship Committee reviews the summary of the complaints received and appropriate action is taken promptly. No requests for share transfer or payment of dividend are pending except those that are disputed or sub-judice.

Mr. Bhuvneshwar Mishra, General Manager & Company Secretary of the Company is the Secretary to the Committee and also the Compliance Officer of the Company.

(iv) Banking and Operations Committee

The Board had constituted the Banking and Operations Committee to expedite the day to day functioning and exercise of delegated powers of the Board. This Committee meets as per the requirement of business, to expedite all matters relating to operations and granting authority for various functional requirements such as issue of Power of Attorney, arranging / negotiating of term loans, working capital loan, short term loan, dealings with Central / State Governments including their agents and various statutory / judicial / regulatory / local / commercial / excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company in line with the delegated authority of Board of Directors from time to time.

The composition of the Banking and Operations Committee as on March 31, 2015 is as under:

| Sl. No. | Name | Status |
|---------|---|--------|
| 1 | Mr. Neelabh Dalmia – Director | Member |
| 2 | Mr. R S Jalan – Managing Director | Member |
| 3 | Mr. Raman Chopra – Executive Director (Finance) | Member |

(v) Project Committee

This Committee was constituted to review and recommend proposals relating to new projects, expansion, modernization, diversification, acquisitions, various kind of compromise, arrangement or amalgamation, restructuring of business of the Company and/or its subsidiaries. During the year, the Board have reconstituted the Project Committee in their meeting held on October 18, 2014 and appointed Mrs. Padma Vinod Betai, Nominee Director, as a member of the Committee and accordingly adequate intimation was given to the Stock Exchanges in this regard.

During the financial year ended March 31, 2015, the Project Committee met only once on October 1, 2014. The Project Committee of the Board comprises of following four Directors and the details of meeting attended by the Directors are as follows:

| COMPOSITION AND ATTENDANCE OF MEMBERS AT THE PROJECT COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2015 | | | | |
|--|---|---|--|---|
| Category of Director | Name of the Project Committee Members | | | |
| | Mr. Sanjay Dalmia – Chairman of the Committee | Mr. Anurag Dalmia | Mr. Neelabh Dalmia | Mrs. Padma Vinod Betai |
| | Non- Executive Director (Industrialist) | Non- Executive Director (Industrialist) | Non-executive Director (Expertise in Finance & Industry) | Nominee Director (Expertise in Banking & Finance) |
| Date of the Meeting | | | | |
| October 1, 2014 | No | Yes | Yes | N/A |

(vi) Corporate Social Responsibility (CSR) Committee

The Board of Directors had voluntarily constituted the Corporate Social Responsibility (CSR) Committee in their meeting held on January 28, 2013. But, now it has become mandatory to have CSR Committee. This Committee was constituted to strengthen and monitor CSR policy of the Company. Further, CSR Committee of the Board meets the criteria prescribed by Section 135 of the Companies Act,

2013, which states that every CSR Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an Independent Director.

During the financial year ended March 31, 2015, the CSR Committee met only once on May 27, 2014. The CSR Committee of the Board comprises of following three Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2015

| Name of the CSR Committee Members | | | |
|-----------------------------------|---|--|---|
| Category of Director | Mr. Sanjiv Tyagi - Chairman of the Committee | Mr. Neelabh Dalmia | Mr. R S Jalan |
| | Non- Executive - Independent Director (Expertise in Management) | Non-executive Director (Expertise in Finance & Industry) | Managing Director (Specialization in Operations, Finance, Marketing & HR) |
| Date of the Meeting | | | |
| May 27, 2014 | Yes | Yes | Yes |

(vii) Compliance Committee

The Board of Directors had constituted the Compliance Committee in their meeting held on October 18, 2014 and accordingly intimation was given to the Stock Exchanges in this regard. This Committee was mainly constituted as per the guidance note on Clause 36 of the Listing Agreement issued by the NSE / BSE. This guidance note was framed in line with the proposal of SEBI suggesting amendment in Clause 36 of Listing Agreement. As per the guidance note, every listed company is required to constitute a Committee of its Board of Directors or Operating Committee of Senior level executive or Key Managerial Personnel.

The Board had constituted the Compliance Committee

would be authorized to take a view on:

- the materiality of an event that qualifies for disclosure under Clause 36 of Listing agreement;
- to decide the appropriate time at which such disclosure is to be filed; and
- details that may be filed in the best interest of the present and potential investors.

During the financial year ended March 31, 2015, the Compliance Committee met only twice on October 20, 2014 and March 12, 2015. The Compliance Committee of the Board comprises of following members including three Directors & one Company Secretary and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE COMPLIANCE COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2015

| Name of the Compliance Committee Members | | | | |
|--|---|--|------------------------------------|---------------------------------------|
| | Mr. R S Jalan - Chairman | Mr. Neelabh Dalmia | Mr. Raman Chopra | Mr. Bhuneshwar Mishra |
| Category of Members | Managing Director (Specialization in Operations, Finance, Marketing & HR) | Non-executive Director (Expertise in Finance & Industry) | CFO & Executive Director (Finance) | General Manager and Company Secretary |
| Date of the Meeting | | | | |
| October 20, 2014 | Yes | Yes | Yes | Yes |
| March 12, 2015 | Yes | Yes | Yes | Yes |

(viii) Business Strategy & Planning Committee

During the year, the Board of Directors have constituted the "Business Strategy & Planning Committee" in their meeting held on January 27, 2015. The Committee was constituted to evaluate & explore various options for growth / expansion in Soda Ash, Home Textiles and Spinning Divisions of the Company. In order to achieve desired level of milestones, the Board felt necessary to have dedicated team who can give their focussed attention for the proposed scope of work.

The Business Strategy & Planning Committee of the Board comprises of five Directors comprises of Executive & Non-executive Directors. The composition of the Business Strategy & Planning Committee as on March 31, 2015 is as under:

| Sl. No. | Name | Status |
|---------|---|----------|
| 1 | Mr. Anurag Dalmia – Non-executive Director | Chairman |
| 2 | Mr. Neelabh Dalmia – Non-executive Director | Member |
| 3 | Mr. Lavanya Rastogi – Independent Director | Member |
| 4 | Mr. R S Jalan – Managing Director | Member |
| 5 | Mr. Raman Chopra – CFO & Executive Director (Finance) | Member |

(ix) Risk Management Committee

In compliance with the provisions of Clause 49 (VI) of the Listing Agreement read with other applicable provisions, if any, the Board of Directors have constituted the Risk Management Committee. The Company satisfies the requirement of Clause 49, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be

members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors. The Company is having well defined Risk Management Policy and Risk Management Framework. Risk Management Policy of the Company has been posted on the website of the Company.

The Risk Management Committee will, periodically, review the various risks associated with the Company and report the same to the Audit Committee and the Board of Directors, on a quarterly basis.

The composition of the Risk Management Committee as on March 31, 2015 is as under:

| Sl. No. | Name | Status |
|---------|---|----------|
| 1 | Mr. Mahesh Kumar Kheria – Independent Director | Chairman |
| 2 | Mr. Neelabh Dalmia – Non-executive Director | Member |
| 3 | Mr. R S Jalan – Managing Director | Member |
| 4 | Mr. Raman Chopra – CFO & Executive Director (Finance) | Member |

4. General Body Meeting:

a) Annual General Meetings

The last three Annual General Meetings (AGM) of the Company were held within the Statutory Time period and the details of the same are reproduced herein below:

| Financial Year | Date | Time | Venue |
|----------------|--------------------|---------|--|
| 2013-14 | August 21, 2014 | 9:30AM | The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006 |
| 2012-13 | September 26, 2013 | 9:30AM | The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006 |
| 2011-12 | September 20, 2012 | 9.30 AM | The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006 |

b) Special Resolutions:

The information regarding Special Resolution passed in the previous three Annual General Meetings are as follows:

| AGM | Date of AGM | Information regarding Special Resolutions |
|----------------------|--------------------|--|
| 31 st AGM | August 21, 2014 | Authorisation to borrow money exceeding aggregate of the Paid up Capital and Free Reserves of the company* |
| 30 th AGM | September 26, 2013 | No Special Resolution |
| 29 th AGM | September 20, 2012 | No Special Resolution |

* In 31st AGM of the Company held on August 21, 2014, all the resolutions were ordinary resolutions except item no.11 which was special resolution.

c) Extraordinary General Meeting (EGM)

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2014-15, 2013-14 and 2012-13.

d) Postal Ballot

No Special Resolution was passed in the last year through postal ballot and no Special Resolution is proposed to be conducted through postal ballot. Hence, the provisions relating to postal ballot are not required to be complied with.

e) Special Resolution related to the item no. 11 of the Notice of the 31st Annual General Meeting were passed with the requisite majority by combined result of the e-voting and polls through ballot paper by the shareholders.

5. Disclosures:

5.1 Disclosure on materially significant related party transactions

No transactions of a material nature have been entered into by the Company with its promoters, Directors, or the management or relatives etc. that may have potential conflict of interest of the Company. However, the management furnishes the details of related party transactions on quarterly basis before the Audit Committee / Board of Directors meetings, which are in conformity with the accounting standards. The particulars of transactions between the Company and the related parties for the year ended March 31, 2015, are disclosed in the notes to the accounts in this Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

5.2 Disclosure of accounting treatment in preparation of financial statements

GHCL Limited has followed the Accounting Standards notified in the Companies (Accounting Standards) Rules 2006, in the preparation of its financial statements.

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

GHCL Limited has complied with all the requirement of regulatory authorities. No penalties/strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on the matter related to capital markets, during the last three years except the following:

- i) As reported in the previous annual report, Company and its officials had challenged the order of SEBI's Adjudication Officer (AO) dated October 25, 2013. Hon'ble SAT had granted partial relief to the promoter entities by reducing the penalty but did not accept the appeal of the company and its officials, in its order dated July 31, 2014. Following the direction of SAT, company, its officials and promoters have made the payment to SEBI.
- ii) In other matter also, which were earlier reported in the previous annual report, related to AO order

dated August 6, 2013 in which AO had imposed a penalty of ₹ 1.25 crore against Company. The Company was not in agreement with AO's order, hence aforesaid order was challenged before Hon'ble Securities Appellate Tribunal (SAT). Hon'ble SAT vide its order dated October 30, 2014 set aside the penalty of ₹ 1.25 crore imposed on the Company and accordingly appeal were allowed.

5.4 Vigil mechanism / Whistle Blower Policy

Clause 49 of Listing Agreement & Sub-section (9 & 10) of Section 177 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, inter-alia, provides, for all listed companies to establish a vigil mechanism called "Whistle Blower Policy" for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

As a conscious and vigilant organization, GHCL Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and a fearless working environment, GHCL Limited has established the "Whistle Blower Policy", which is effective from October 1, 2014. Mr. Mahesh Kumar Kheria, Independent Director of the Company and also a member of the Audit Committee is Ombudsperson. The Whistle Blower policy and establishment of Vigil Mechanism have been appropriately communicated within the Company. The Whistle Blower Policy is also posted on the website of the Company.

The purpose of the policy is to create a fearless environment for the directors and employees to report any instance of unethical behaviour, actual or suspected fraud or violation of GHCL's code of conduct or Ethics Policy to the Ombudsperson. It protects directors and employees wishing to raise a concern about serious irregularities within the Company. The details of Ombudsperson is given below:

Name : Mr. Mahesh Kumar Kheria
 Email ID : mkheria@rediffmail.com
 Mobile No. : 09313743974
 Address : D-110, Sector-40, Noida-201301

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he or she can make a direct appeal to the Chairman of the Audit Committee.

5.5 Details of compliance with mandatory requirements and adoption of the non- mandatory requirements of Clause 49 of the Listing Agreement

The Company is in compliance with the mandatory requirements of Clause 49 of the Listing Agreement.

The status of compliance with non-mandatory recommendations of the Clause 49 of the Listing Agreement are as under:

- a) **Non-Executive Chairman's Office:** A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense

and also allowed reimbursement of expenses incurred in performance of his duties. The Company is having non-executive Chairman. The Company does not incur expenses for maintaining Chairman's office.

- b) **Shareholders' Rights:** As the half-yearly (including quarterly) financial performance are published in the news papers and are also posted on the Company's website. The Company also used to report significant events to the stock exchanges from time to time. Hence, the same are not being sent to the shareholders.
- c) **Audit Qualifications:** During the period under review, there is no audit qualifications in the Company's financial statements. GHCL continues to adopt best practices to ensure a regime of unqualified financial statements.
- d) **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non-executive Director and his position is separate from that of the Managing Director / CEO of the Company.
- e) **Reporting of Internal Auditor:** The Company is having independent Internal Auditors (separate from the employees) for all the division. The Internal Auditors used to send their reports to the CFO / person authorised for this person and in turn the reports were circulated to the members of the Audit Committee for their perusal.

6. Code for Prevention of Insider Trading Practices

In compliance with the SEBI regulation on prevention of Insider Trading, the Company has placed a comprehensive code of conduct for its directors, designated employees of the Company and their dependent family members. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. Subsequent to the year end, the Company has already approved its revised code in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015.

7. Code of Conduct:

GHCL Limited has well defined policy framework which lays down procedures to be adhered to by all Board Members and Senior Management for ethical professional conduct. The Code outlines fundamental ethical considerations as well as specified considerations that need to be maintained for professional conduct. The Annual Report contains the declaration to this effect that the Code of Conduct has been complied by the Board Members and Senior Management. The Code of Conduct is also posted on the website of the company www.ghcl.co.in

8. Functional website of the Company as per Clause 54 of the Listing Agreement

Pursuant to the requirement of Clause 54 of the Listing Agreement, the Company maintains a functional website of the Company and website address of the Company is www.ghcl.co.in. Website of the Company provides the basic information about the Company e.g. details of its business, financial information, shareholding pattern etc. and the Company is regularly updating the Information provided on its website.

9. Reconciliation of Share Capital Audit (earlier known as Secretarial Audit)

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depositories

Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

10. Means of communications:

| PUBLICATION OF UNAUDITED QUARTERLY / HALFYEARLY RESULTS AND RELATED MATTERS | | | | | | | |
|---|---|--|---------------------------|------------------|------------------|--------------|---|
| Sl. No. | Particulars | | Quarter - I | Quarter - II | Quarter - III | Quarter - IV | Financial Year ended March 31, 2015 (Audited) |
| 1 | English Newspapers in Which quarterly results were published / to be published | The Economic Times (Ahmedabad edition) | August 1, 2014 | October 20, 2014 | January 28, 2015 | May 23, 2015 | May 23, 2015 |
| | | The Hindu - Business Line | August 1, 2014 | October 20, 2014 | January 28, 2015 | May 23, 2015 | May 23, 2015 |
| 2 | Vernacular Newspapers in which quarterly results were published / to be published | The Economic Times – Gujarati | August 1, 2014 | October 20, 2014 | January 28, 2015 | May 25, 2015 | May 25, 2015 |
| | | Jai Hind – Gujarati | -- | -- | -- | May 23, 2015 | May 23, 2015 |
| 3 | Website Address of the Company on which financial results are posted | www.ghcl.co.in | | | | | |
| 4 | Website Address of the Stock Exchange(s) on which financial results are posted. | | Quarter - I | Quarter - II | Quarter - III | Quarter - IV | Financial Year ended March 31, 2015 (Audited) |
| | Name of Stock Exchange(s) | Website Address(es) | Date of Filing of Results | | | | |
| | National Stock Exchange of India Limited (NSE) | www.nseindia.com | July 31, 2014 | October 18, 2014 | January 27, 2015 | May 22, 2015 | May 22, 2015 |
| | BSE Limited (BSE) | www.bseindia.com | July 31, 2014 | October 18, 2014 | January 27, 2015 | May 22, 2015 | May 22, 2015 |
| 5 | SEBI SCORES | SEBI had commenced processing of investor complaints in a centralized web based complaints redress system 'SCORES'. This enables the investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. This would also enable the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form. | | | | | |

11. Management Discussion and Analysis Report form part of this Annual Report

The complete reports on Management Discussion and Analysis report are placed in the separate section of the Annual Report.

12. General shareholder's Information:

| Sl. No. | Particulars | Details | | |
|---------|--|--|------------|---|
| 1 | Annual General Meeting | Thursday, July 23, 2015 | 9.30 AM | The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380006 |
| 2 | Financial Calendar | | | |
| | Financial Reporting for - Quarter - I (ending June 30, 2015) | By 2 nd week of August 2015 | | |
| | Financial Reporting for - Quarter - II (ending September 30, 2015) | By 2 nd week of November 2015 | | |
| | Financial Reporting for - Quarter - III (ending December 31, 2015) | By 2 nd week of February 2016 | | |
| | Financial Reporting for - Quarter - IV (ending March 31, 2016) | By 4 th week of May 2016 | | |
| 3 | Date of Book Closure | Friday, July 17, 2015 to Thursday, July 23, 2015 (both days inclusive) | | |
| 4 | Dividend Payment Date | Dividend of ₹ 2.20 per share (i.e. 22%) will be paid on or after Monday, July 27, 2015, if approved by the members in the ensuing Annual General Meeting | | |
| 5 | Listing on Stock Exchanges | Name & Address of Stock Exchanges | Stock Code | ISIN WITH NSDL & CDSL |
| | | BSE Limited, (BSE) Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001 | 500171 | INE 539 A01019 |
| | | National Stock Exchange of India Limited, (NSE) "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051 | GHCL | INE 539 A01019 |

| Sl. No. | Particulars | Details |
|---------|--|--|
| | | The Company had filed application for voluntarily delisting of its equity shares from Ahmedabad Stock Exchange Limited (ASEL). The company had received approval for delisting of its equity shares, from ASEL vide their Ref. No.: 516 dated January 23, 2015. Accordingly, as per said approval, equity shares of GHCL Limited were delisted from ASEL with effect from January 27, 2015. |
| 6 | Listing fees: | Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2015 |
| 7 | Details of Registrar and Share Transfer Agent | Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : mt.helpdesk@linkintime.co.in) |
| 8 | Outstanding GDRs / ADRs / Warrants or any convertible instruments: | Not applicable |
| 9 | Address for Correspondence | Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : mt.helpdesk@linkintime.co.in) For General Correspondence: GHCL Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-39324100, Fax: 079-26423623 (Email : secretarial@ghcl.co.in) |
| 10 | Dematerialization of Shares and Liquidity: | 95.92% of the Company's total equity shares representing 9,59,36,121 shares were held in dematerialized form as on March 31, 2015. The trading in the Company's shares is permitted only in dematerialized form with effect from October 28, 2000 as per notification issued by SEBI. |
| 11 | As required under Clause 49 (VIII) (E) of Listing Agreement, particulars of Directors seeking appointment/ re appointment are given in Notice to the ensuing Annual General Meeting. | |

13. Corporate Benefits to Shareholders

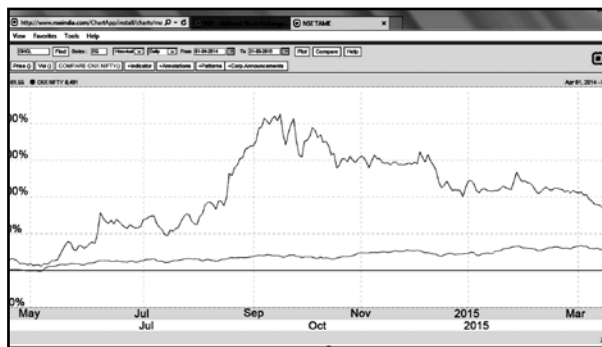
| Dividend declared for last 10 years | | |
|-------------------------------------|----------|-------------------------|
| Financial Year | Dividend | Dividend (₹ per Share) |
| 2004-05 | 20.00% | 2.00 |
| 2005-06 | 24.00% | 2.40 |
| 2006-07 | 27.00% | 2.70 |
| 2007-08 | 24.00% | 2.40 |
| 2008-09 | 20.00% | 2.00 |
| 2009-10 | 20.00% | 2.00 |
| 2010-11 | 20.00% | 2.00 |
| 2011-12 | 20.00% | 2.00 |
| 2012-13 | 20.00% | 2.00 |
| 2013-14 | 20.00% | 2.00 |

Equity share of paid up value of ₹ 10 per share

14. Month-wise stock market data (BSE & NSE) relating to equity shares of the company for the financial year ended March 31, 2015

| Month of the financial year 2014-15 | MARKET PRICE DATA | | | | | |
|-------------------------------------|-------------------|-------|-----------------|-------------|-------|-----------------|
| | BSE, MUMBAI | | | NSE, MUMBAI | | |
| | Share Price | | Traded Quantity | Share Price | | Traded Quantity |
| | High | Low | | High | Low | |
| April 2014 | 41.30 | 33.70 | 958464 | 41.20 | 33.70 | 2343294 |
| May 2014 | 48.50 | 35.90 | 1749366 | 48.45 | 35.80 | 4353745 |
| June 2014 | 62.00 | 44.10 | 4711726 | 61.95 | 44.05 | 12348069 |
| July 2014 | 65.50 | 48.50 | 5017040 | 65.40 | 48.50 | 14737269 |
| August 2014 | 92.90 | 59.65 | 11167296 | 93.00 | 59.55 | 29472632 |
| September 2014 | 107.10 | 85.25 | 6434589 | 107.40 | 85.20 | 18576864 |
| October 2014 | 100.80 | 79.15 | 1292246 | 101.30 | 79.10 | 3800255 |
| November 2014 | 89.90 | 80.90 | 854592 | 90.00 | 80.60 | 2206669 |
| December 2014 | 93.00 | 67.80 | 1074228 | 93.00 | 66.80 | 4111105 |
| January 2015 | 84.00 | 69.30 | 1440290 | 84.00 | 69.05 | 5682670 |
| February 2015 | 77.00 | 68.50 | 627037 | 77.00 | 68.65 | 1778753 |
| March 2015 | 72.20 | 55.00 | 733094 | 75.00 | 55.10 | 2474087 |

15. Performance in comparison to broad based indices such as NSE



16. Shareholders Reference

Unclaimed Dividend

Pursuant to Section 205A of the Companies Act, 1956 (corresponding to Section 124 of the Companies Act, 2013), unclaimed dividend for the financial year 2006-07 (15 months) have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial year 2006-07. The Company used to send individual reminders to all the members at their registered address whose dividend have remained unclaimed, before transferring the monies to the IEPF. The information on unclaimed dividend is also posted on the website of the Company.

The dividend for the following years remaining unclaimed for seven years, will be transferred by the Company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant (s) or have not received the same are requested to seek issue of duplicate warrant (s) by writing to Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) confirming non – encashment / non - receipt of dividend warrant (s).

| Financial Year | Date of AGM | Due for Transfer to IEPF |
|----------------|-------------|--------------------------|
| 2007-08 | 12-09-2008 | September 2015 |
| 2008-09 | 31-12-2009 | December 2016 |
| 2009-10 | 09-09-2010 | September 2017 |
| 2010-11 | 02-09-2011 | September 2018 |
| 2011-12 | 20-09-2012 | September 2019 |
| 2012-13 | 26-09-2013 | September 2020 |
| 2013-14 | 21-08-2014 | August 2021 |

| DISTRIBUTION OF SHAREHOLDING AS ON 31 ST MARCH 2015 | | | | | |
|--|-------|----------------------|--------------------------|---------------|-------------------|
| No. of Shares held of ₹ 10 each between | | No. of share holders | % of total share holders | No. of shares | % of total shares |
| From | To | | | | |
| 1 | 500 | 51417 | 87.21% | 8194179 | 8.19% |
| 501 | 1000 | 3972 | 6.74% | 3377874 | 3.38% |
| 1001 | 2000 | 1754 | 2.97% | 2761926 | 2.76% |
| 2001 | 3000 | 558 | 0.95% | 1443947 | 1.44% |
| 3001 | 4000 | 258 | 0.44% | 936958 | 0.94% |
| 4001 | 5000 | 258 | 0.44% | 1229095 | 1.23% |
| 5001 | 10000 | 341 | 0.58% | 2517386 | 2.52% |
| 10001 | Above | 396 | 0.67% | 79557921 | 79.54% |
| | | 58954 | 100.00% | 100019286 | 100.00 |

SHAREHOLDING PATTERN AS ON 31ST MARCH 2015

| Category | No. of shares held | % of shareholding |
|---|--------------------|-------------------|
| A Promoters & Promoters Group Holding | | |
| 1 Promoters | | |
| Indian Promoters | 12716705 | 12.71% |
| Foreign Promoters | 5507900 | 5.51% |
| 2 Others | | |
| Trust | 152000 | 0.15% |
| Sub-Total | 18376605 | 18.37% |
| B Non-promoters Holding | | |
| 3 Institutional Investors | | |
| Mutual Funds and UTI | 16913 | 0.02% |
| Banks, Financial Institutions | 3275156 | 3.27% |
| Insurance Companies | 3070015 | 3.07% |
| FIs | 13316171 | 13.31% |
| Foreign Mutual Fund | 68407 | 0.07% |
| Sub-Total | 19746662 | 19.74% |
| 4 Non-institutional Investors | | |
| Bodies Corporate | 29589166 | 29.58% |
| Indian public (Individuals & HUF) | 30082920 | 30.08% |
| NRIs, OCBs, Foreign Companies & Foreign portfolio Investors (i.e. Corporate and Individual) | 1796779 | 1.80% |
| Directors & relatives | 105943 | 0.11% |
| Others (Trusts & Clearing Members) | 321211 | 0.32% |
| Sub-Total | 61896019 | 61.89% |
| Grand Total | 100019286 | 100.00% |

PLANT LOCATIONS:

- Soda Ash Plant** Village: Sutrapada Near Veraval, Dist. Gir Somnath – 362 275, Gujarat
- Salt Works & Refinery** (a) Ayyakaramulam, Kadinalvayal - 614 707. Distt Nagapattinam, Tamilnadu
(b) Nemeli Road Thiruporur - 603 110, Tamilnadu
- Textile Division** (a) Samayanallur P.O, Madurai-625 402.
(b) Thaikesar Alai P.O, Manaparai-621 312
(c) S. No. 191, 192, Mahala Falia, Village Bhilad, Vapi - 396191 Valsad District, Gujarat, India
- Energy Division** (a) Muppandal, Irukkandurai Village Sankaneri Post Radhapuram Taluk, Tirunelveli District Tamilnadu
(b) Chinnaputhur village, Dharapuram Taluk, Erode District, Tamil Nadu
(c) Tirumanagalakurichi Village, Kayathar, Kovilpatti Taluk, Tuticorin Dist, Tamil Nadu

**DECLARATION**

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the financial year ended March 31, 2015.

For GHCL LIMITED

sd/-

R S Jalan
Managing Director

sd/-

Raman Chopra
CFO & Executive Director (Finance)

CERTIFICATE UNDER CLAUSE 49(IX)**The Board of Directors****GHCL Ltd.**

We the undersigned certify to the Board that:

- a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2015 and that to the best of our knowledge and belief :
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with 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 of 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 the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee-
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For GHCL LIMITED

sd/-

R S Jalan
Managing Director
Date: May 22, 2015

sd/-

Raman Chopra
CFO & Executive Director (Finance)

AUDITORS' CERTIFICATE

To the Members of
GHCL LIMITED

We have examined the compliance of conditions of corporate governance by GHCL Limited ('the Company'), for the financial year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of 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 Agreement.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of

JAYANTILAL THAKKAR & CO
Chartered Accountants
(Firm Reg. No. 104133W)

(C. V. THAKKER)
Partner
Membership No: 006205

Place : New Delhi
Date : 22nd May, 2015

For and on behalf of

RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm Reg. No. 120294W)

(RAHUL DIVAN)
Partner
Membership No: 100733

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

[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
GHCL Limited
Ahmedabad
Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GHCL Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31 March 2015 ('Audit Period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2015 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not applicable to the Company during the Audit Period**);
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (e) The Securities and Exchange Board of India (Issue

- and Listing of Debt Securities) Regulations, 2008;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the Audit Period**).

(vi) No law is applicable specifically to the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Not notified hence not applicable to the Company during the audit period**).
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges.

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

I 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 directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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 applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

1. Company has voluntarily applied for delisting from Ahmedabad Stock Exchange – approval has been received and filed with NSE and BSE
2. Subsidiary Company of GHCL, Indian England N.V has been put under liquidation with effect from 10th March 2015 and dissolution announcement for Indian England N. V has been published in the Dutch Newspaper on 25th March 2015.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
GHCL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GHCL Limited ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such

For and on behalf of
JAYANTILAL THAKKAR & CO
Chartered Accountants (Firm Reg. No. 104133W)

(C.V. THAKKER)
Partner (Membership No: 006205)

Place : New Delhi
Date : 22nd May, 2015

controls. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The company has adequate internal financial controls and in our opinion the same are operating effectively.
- (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, 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 financial statements - Refer Note 2.26 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of
RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants (Firm Reg. No. 120294W)

(RAHUL DIVAN)
Partner (Membership No: 100733)

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Annexure referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date.)

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management according to a programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (ii) (a) As explained to us, physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. Discrepancies noticed on verification of inventory as compared to book records were not material and these have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties as covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a) and (b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control systems.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Companies Act, 2013, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March, 2015 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to ₹ 2949.06 lakhs that have not been deposited on account of matters pending before the appropriate authority are as under:

| Sr. No. | Name of the statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in Lakhs) |
|---------|----------------------|---|--------------------------------|------------------------------------|---------------------|
| 1 | Income Tax Act, 1961 | Depreciation, Write off of loans of Subsidiaries | ITAT, Ahmedabad | F.Y. 2007-2008, F.Y. 2009-10 | 803.01 |
| | | Write off of loans of Subsidiaries, Corporate Guarantee, Foreign Sales Commission | CIT (Appeal), Ahmedabad | F.Y. 2006-2007, F.Y. 2009-10 | 313.82 |

| Sr. No. | Name of the statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount (₹ in Lakhs) |
|---------|--|---|--|--|---------------------|
| 2 | Central Excise Act, 1944 | CENVAT credit & Non Payment of Service Tax | High Court Chennai | 2001-02 | 3.44 |
| | | | High Court Gujarat | 2012-13 | 449.92 |
| | | | Customs, Excise and Service Tax Appellate Tribunal | 2002-03, 2005-06, 2008-09, 2009-10 & 2010-11 | 192.59 |
| | | | Commissioner (Appeals) | 2008-09 to 2012-13 | 972.76 |
| 3 | Tamil Nadu General Sales Tax Act, 1959 | Exemption from Sales Tax | High Court Chennai | 2004-05 & 2005-06 | 7.36 |
| 4 | Tamil Nadu VAT Act, 2006 | Disallowance of ITC | Commissioner (Appeals) | 2009-10 to 2012-13 | 3.61 |
| 5 | Urban Land Tax Act 1966 | Urban Land Tax | High Court Chennai | 1981 to 2014 | 74.05 |
| 6 | Bombay Tenancy & Agricultural Land Tax Act, 1948 | Non-Agriculture conversion Premium for Land | High Court Ahmedabad | 2005-06 | 121.17 |
| 7 | The Employee's State Insurance Act, 1948 | Contribution Demand | ESI Court, Madurai | Various Years | 6.02 |
| | | | Supreme Court | 1985-86 | 1.31 |

(c) The amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

- (viii) The Company neither has any accumulated losses at the end of the financial year nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.
- (x) Based on our examination of the records, we are of the opinion that the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interest of the Company.
- (xi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xii) To the best of our knowledge, and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
JAYANTILAL THAKKAR & CO
 Chartered Accountants
 (Firm Reg. No. 104133W)

(C.V. THAKKER)
 Partner (Membership No: 006205)

For and on behalf of
RAHUL GAUTAM DIVAN & ASSOCIATES
 Chartered Accountants
 (Firm Reg. No. 120294W)

(RAHUL DIVAN)
 Partner (Membership No: 100733)

Place : New Delhi
 Date : 22nd May, 2015

BALANCE SHEET AS AT 31ST MARCH 2015

| | Note | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--------------------------------|------|------------------------------------|------------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 2.1 | 10,001.93 | 10,001.93 |
| Reserves and Surplus | 2.2 | 66,971.35 | 75,977.70 |
| | | 76,973.28 | 85,979.63 |
| NON-CURRENT LIABILITIES | | | |
| Long-term borrowings | 2.3 | 78,374.62 | 72,332.69 |
| Deferred Tax Liability (Net) | 2.4 | 17,272.72 | 16,202.03 |
| Other Long Term liabilities | 2.5 | 467.69 | 577.16 |
| Long-term provisions | 2.6 | 378.39 | 168.14 |
| | | 96,493.42 | 89,280.02 |
| CURRENT LIABILITIES | | | |
| Short-term borrowings | 2.7 | 45,416.46 | 49,477.56 |
| Trade payables | 2.8 | 39,193.21 | 41,704.83 |
| Other current Liabilities | 2.9 | 16,876.37 | 17,520.03 |
| Short-term Provisions | 2.10 | 4,127.83 | 3,836.98 |
| | | 1,05,613.87 | 1,12,539.40 |
| Total | | 2,79,080.57 | 2,87,799.05 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed Assets | | | |
| Tangible assets | 2.11 | 1,93,203.57 | 1,86,674.46 |
| Intangible assets | 2.11 | 31.55 | 80.43 |
| Capital Work-in-Progress | | 701.46 | 1,245.65 |
| | | 1,93,936.58 | 1,88,000.54 |
| Non-current Investments | 2.12 | 157.98 | 558.33 |
| Long-term loans and advances | 2.13 | 1,308.74 | 2,375.52 |
| Other non-current assets | 2.14 | 46.92 | 54.68 |
| CURRENT ASSETS | | | |
| Current Investments | 2.12 | - | 200.00 |
| Inventories | 2.15 | 41,733.12 | 40,418.08 |
| Trade receivables | 2.16 | 26,751.29 | 29,786.91 |
| Cash and cash equivalents | 2.17 | 3,199.06 | 3,905.91 |
| Short-term loans and advances | 2.18 | 11,946.88 | 22,499.08 |
| | | 83,630.35 | 96,809.98 |
| Total | | 2,79,080.57 | 2,87,799.05 |

**SIGNIFICANT ACCOUNTING POLICES AND NOTES 1 & 2
 ON ACCOUNTS**
The Notes referred to above form an integral part of the standalone financial statements

| As per our report attached | | For and on behalf of the Board | |
|----------------------------|---------------------------------|--------------------------------|-------------------------------------|
| For and on behalf of | For and on behalf of | | |
| Jayantilal Thakkar & Co. | Rahul Gautam Divan & Associates | Sanjay Dalmia | Dr. B. C. Jain |
| Chartered Accountants | Chartered Accountants | Chairman | Director |
| (C. V. Thakker) | (Rahul Divan) | R. S. Jalan | Raman Chopra |
| Partner | Partner | Managing Director | CFO & Executive Director - Finance |
| | | | Bhawneshwar Mishra |
| | | | General Manager & Company Secretary |

 Place : New Delhi
 Date : 22nd May 2015

 Place : New Delhi
 Date : 22nd May 2015

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2015

| | Note | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|---|---------|---|---|
| INCOME | | | |
| Revenue from operations (Gross) | 2.19 | 2,53,857.31 | 2,36,961.32 |
| Less: Excise Duty | | 16,496.33 | 14,540.44 |
| Revenue from operations(Net) | | 2,37,360.98 | 2,22,420.88 |
| Other Income | 2.20 | 1,125.72 | 499.88 |
| TOTAL REVENUE | | 2,38,486.70 | 2,22,920.76 |
| EXPENSES | | | |
| Cost of Material consumed | 2.43(i) | 90,391.75 | 88,860.02 |
| Purchase of Stock-in-trade | | 6,215.12 | 3,334.94 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 2.21 | (1,276.78) | (1,013.47) |
| Employees benefits expenses | 2.22 | 12,587.08 | 12,199.30 |
| Others expenses | 2.23 | 77,206.11 | 76,207.66 |
| | | 1,85,123.28 | 1,79,588.45 |
| Profit Before Finance costs and Depreciation and Amortisation expenses | | 53,363.42 | 43,332.31 |
| Finance costs | 2.24 | 16,383.56 | 17,052.75 |
| Profit Before Depreciation and Amortisation expenses | | 36,979.86 | 26,279.56 |
| Depreciation and Amortisation expenses | 2.11 | 8,445.31 | 10,094.42 |
| Less: Transferred from Business Development Reserve | | - | 1,937.65 |
| | | 8,445.31 | 8,156.77 |
| | | 28,534.55 | 18,122.79 |
| Exceptional Items | 2.28 | (2,740.10) | (3,097.20) |
| Profit Before Tax | | 25,794.45 | 15,025.59 |
| Tax expenses | | | |
| - Current Tax | | 6,421.28 | 3,667.40 |
| - Less : MAT credit entitlement | | - | 145.64 |
| | | 6,421.28 | 3,521.76 |
| - Deferred Tax (Net) | 2.4 | 1,070.69 | (125.37) |
| Profit For The Year after Tax | | 18,302.48 | 11,629.20 |
| Earnings per Share(Rupees) - Basic / Diluted | 2.25 | 18.43 | 11.57 |

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS 1 & 2

The notes referred to above form an integral part of the standalone financial statements

| As per our report attached | | For and on behalf of the Board | |
|---|--|---|---|
| For and on behalf of Jayantilal Thakkar & Co. Chartered Accountants | For and on behalf of Rahul Gautam Divan & Associates Chartered Accountants | Sanjay Dalmia Chairman | Dr. B. C. Jain Director |
| (C. V. Thakker) Partner | (Rahul Divan) Partner | R. S. Jalan Managing Director | Raman Chopra CFO & Executive Director - Finance |
| | | | Bhuvneshwar Mishra General Manager & Company Secretary |
| Place : New Delhi Date : 22nd May 2015 | | Place : New Delhi Date : 22nd May 2015 | |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|---|---|---|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before tax and Extraordinary items | 28,534.55 | 18,122.79 |
| Adjustment for : | | |
| Depreciation / Amortisation | 8,445.31 | 8,156.77 |
| Unrealised Exchange (Gain) / Loss | 253.54 | (407.63) |
| Interest Income | (86.64) | (102.87) |
| Income From Dividend | (3.32) | (6.21) |
| Prior Period Adjustments | 8.70 | 16.75 |
| (Profit)/Loss on Sales / Discarding of Fixed Assets (Net) | (433.05) | 26.08 |
| Profit on Sale of Investments (Net) | (210.55) | (141.41) |
| Financial Expenses (Net) | 16,470.20 | 17,155.62 |
| Operating Profit before Working Capital Changes | 52,978.74 | 42,819.89 |
| Adjustments for : | | |
| [i] Trade & Other Receivables | | |
| • (Increase) / decrease in Trade receivables | 2,948.19 | (5,677.86) |
| • (Increase) / decrease in Long term Loans and Advances | 149.28 | (753.81) |
| • (Increase) / decrease in Short term Loans and Advances | (15,849.42) | (21,895.33) |
| • (Increase) / decrease in other Non - Current Assets | 7.76 | 327.57 |
| [ii] Trade & Other payables | | |
| • Increase / (decrease) in Trade payables | (2,684.54) | 3,705.15 |
| • Increase / (decrease) in Long term provisions | 210.25 | 61.19 |
| • Increase / (decrease) in Short term provisions | (17.16) | 117.57 |
| • Increase / (decrease) in other current liabilities | (1,083.54) | 1,944.20 |
| • Increase / (decrease) in other long term liabilities | (109.47) | 247.19 |
| [iii] (Increase) / decrease in in Inventories | (1,315.04) | (1,310.97) |
| Cash Generated from Operations | 35,235.05 | 19,584.79 |
| Direct taxes paid | (6,243.37) | (3,742.11) |
| Net cash from Operating Activities | 28,991.68 | 15,842.68 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (13,758.25) | (8,294.54) |
| Sale of Fixed Assets | 532.62 | 18.74 |
| Purchase of non current Investments | 0.00 | (0.40) |
| Purchase of current Investments | (34,350.05) | (13,972.52) |
| Sale of current Investments | 34,760.60 | 13,913.93 |
| Interest Received | 86.64 | 18.11 |
| Dividend Received | 3.32 | 6.21 |
| Net cash used in Investing Activities | (12,725.12) | (8,310.47) |



| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|--|---|---|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term borrowings | 35,488.53 | 35,350.28 |
| Repayments against Long Term Borrowings | (29,446.60) | (25,225.61) |
| Short Term Borrowings (Net) | (4,061.10) | 3,091.24 |
| Interest and Finance Charges Paid | (16,614.48) | (17,378.00) |
| Dividend and tax thereon paid | (2,339.76) | (2,333.27) |
| Net Cash from Financing Activities | (16,973.42) | (6,495.36) |
| Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C) | (706.85) | 1,036.85 |
| Cash and Cash Equivalents at beginning of year | 3,905.91 | 2,869.06 |
| Cash and Cash Equivalents at end of year | 3,199.06 | 3,905.91 |

| As per our report attached | | For and on behalf of the Board | |
|---|--|---|--|
| For and on behalf of Jayantilal Thakkar & Co. Chartered Accountants | For and on behalf of Rahul Gautam Divan & Associates Chartered Accountants | Sanjay Dalmia Chairman | Dr. B. C. Jain Director |
| (C. V. Thakker) Partner | (Rahul Divan) Partner | R. S. Jalan Managing Director | Raman Chopra CFO & Executive Director - Finance |
| | | | Bhwneshwar Mishra General Manager & Company Secretary |
| Place : New Delhi Date : 22nd May 2015 | | Place : New Delhi Date : 22nd May 2015 | |

NOTE 1 : NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention (except for revaluation of certain fixed assets in earlier years) in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013.

Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting year. Difference between the actual results and estimates are recognised in the year in which the results are known/ materialised.

Revenue Recognition

Sales represent value of goods sold and revenue from trade related activities as reduced by quality claims and rebates but includes excise duty and export benefits under DFIA Scheme and Focus Product Scheme.

Fixed Assets and Depreciation

Fixed Assets are recorded at cost net of CENVAT, VAT and subsidies less depreciation and impairment loss, if any. In earlier years, some of the fixed assets have been revalued at their respective fair market value and such assets are stated at revalued amount. Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line method commencing from the date the assets is available to the company for its use. Leases relating to land are amortized equally over the period of lease. Leased mines are depreciated over the estimated useful life of the mine or lease period, whichever is lower. Assets acquired during the year whose cost does not exceed ₹ 10,000 are fully depreciated in the year of acquisition. The Management estimates the useful lives for the others fixed assets as follows.

| | |
|------------------------|-------------|
| Building | 30-60 years |
| Plant and Machinery * | 15-25 years |
| Office equipment | 5 years |
| Computers equipment | 3-6 years |
| Furniture and fixtures | 10 years |
| Vehicles | 8-10 years |
| Intangible assets | 3 years |

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Government Grants

Cash Subsidies relating to specific fixed assets are recorded as deduction from the cost of the assets concerned in arriving at its book value.

Impairment of Assets

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset at an arm's length transaction between knowledgeable willing parties, less the costs of disposal.

Investments

Investments are classified into current and long term investments. Current investments are stated at the lower of cost or fair value. Long term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long term investments. Investments in subsidiary companies are of long term strategic value and except as already provided, diminution, if any, in the value of these investments is temporary in nature.

Inventories

Inventories comprising Raw Materials and Finished Goods are stated at cost or net realizable value, whichever is lower. Cost of

Raw Materials is arrived at mainly on weighted average basis for every month. The cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable and excise duty.

Stock-in-process is valued at cost determined by taking material cost, labour charges, and direct expenses.

Stores and Spares are stated at cost less provision, if any, for obsolescence. The cost of Loose Tools is written off equally over three years.

Foreign Currency Transactions

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.

Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of monetary items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.

Non-monetary foreign currency items are carried at cost. Any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss .

Foreign currency monetary assets and liabilities other than net investments in non integral foreign operations are translated at the exchange rate prevailing on the Balance Sheet date. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss except for the exchange difference arising on translation of long term foreign currency monetary items as at the balance sheet date, which are being amortised over the maturity period of the said long term foreign currency monetary items.

Exchange difference arising on a monetary item that, in substance, forms part of an enterprise's net investments in a non-integral foreign operation are accumulated in a Foreign Currency Translation Reserve.

Derivative Instruments

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its firm commitments and highly probable transactions. Derivative contracts which are closely linked to the underlying transactions are recognised in accordance with the contract terms. All other contracts are marked-to-market at the reporting date and resultant losses are recognised in the financial statements and the net gains, if any, however are ignored.

Retirement Benefits

Contribution payable to recognized Provident Fund and Superannuation Scheme which are defined contribution scheme is charged to the Statement of Profit and Loss. Gratuity and Leave Encashment which are defined benefits are accrued based on actuarial valuation as at the Balance Sheet date. The Company has opted for a Group Gratuity Scheme and the contribution is charged to the Statement of Profit and Loss each year.

Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortization/depreciation.

On amalgamation/acquisition the excess of consideration over the value of net assets acquired is treated as goodwill arising on amalgamation and is written off over a period of five years.

Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. The capitalization rate is the weighted average of the borrowing cost applicable to the borrowings of the Company that are outstanding during the year. All other borrowing costs are recognized as an expense in the year in which they are incurred.

Leases

Leases entered into before 1st April, 2001 are treated as operating leases and lease rentals paid are charged to Statement of Profit and Loss. Leases entered into on or after 1st April, 2001 are accounted for in accordance with Accounting Standard -19.

Taxation

Income Tax expenses comprises of current tax and deferred tax charge or credit. The deferred tax assets and/ or liabilities are calculated by applying tax rates and tax laws that have been enacted at the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation (due to amalgamation) under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing difference are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to re-assess realization.

Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard - 29 Provisions, Contingent Liabilities and Contingent Assets, provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company.

NOTES FORMING PART OF THE BALANCE SHEET
NOTE 2.1 : SHARE CAPITAL

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| SHARE CAPITAL | | |
| Authorised | | |
| 175,000,000 Equity Shares of ₹10/- each | 17,500.00 | 17,500.00 |
| | <u>17,500.00</u> | <u>17,500.00</u> |
| Issued, Subscribed and Paid up | | |
| 100,019,286 Equity Shares of ₹ 10/- each fully paid up | 10,001.93 | 10,001.93 |
| | <u>10,001.93</u> | <u>10,001.93</u> |

Additional Notes :

- a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| Equity shares | 31.03.2015 | | 31.03.2014 | |
|------------------------------------|---------------|-------------|---------------|-------------|
| | No. of Shares | (₹ in Lacs) | No. of Shares | (₹ in Lacs) |
| At the beginning of the year | 10,00,19,286 | 10,001.93 | 10,00,19,286 | 10,001.93 |
| Add: Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 10,00,19,286 | 10,001.93 | 10,00,19,286 | 10,001.93 |

- b) Rights, Preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation on the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

- c) Shareholder's holding more than 5 % Shares as on Balance Sheet date: NIL
NIL
 As per the records of the Company, including its register of shareholders/members and others declarations received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

NOTE 2.2 : RESERVES AND SURPLUS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| CAPITAL RESERVE | | |
| Cash subsidy | 25.69 | 25.69 |
| Surplus on re-issue of forfeited Shares | 15.50 | 15.50 |
| Forfeiture of Preferential Convertible Warrants | 715.73 | 715.73 |
| | <u>756.92</u> | <u>756.92</u> |
| BUSINESS DEVELOPMENT RESERVE | | |
| As per last Balance Sheet | 32,193.40 | 61,810.52 |
| Less: Diminution in value of Investment/ Advances/ Receivables from Subsidiaries | (23,891.55) | (27,679.47) |
| Less: Depreciation Transferred to Statement of Profit and Loss as reduction from depreciation | - | (1,937.65) |
| Less: Write back on Sales of Revalued Assets | (785.59) | - |
| | <u>(24,677.14)</u> | <u>32,193.40</u> |
| | 7,516.26 | |
| CAPITAL REDEMPTION RESERVE | | |
| As per last Balance Sheet | 1,000.00 | 1,000.00 |
| FOREIGN CURRENCY TRANSLATION RESERVE | | |
| As per last Balance Sheet | 111.74 | 491.54 |
| Adjustment during the year | (111.74) | (379.80) |
| | <u>-</u> | <u>111.74</u> |

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| SECURITIES PREMIUM RESERVE | | |
| As per last Balance Sheet | 1,815.04 | 1,815.04 |
| GENERAL RESERVE | | |
| As per last Balance Sheet | 9,815.94 | 8,653.02 |
| Add: Transfer From Statement of Profit and Loss | - | 1,162.92 |
| | 9,815.94 | 9,815.94 |
| SURPLUS IN THE STATEMENT OF PROFIT AND LOSS | | |
| As per last Balance Sheet | 30,284.66 | 22,218.30 |
| Add: Profit For The Year after Tax | 18,302.48 | 11,629.20 |
| Prior period adjustments | 8.70 | 16.75 |
| Excess/ (Short) provision for Tax for earlier years | 119.72 | (76.31) |
| Amount Available For Appropriation | 48,715.56 | 33,787.94 |
| APPROPRIATIONS | | |
| Transfer to General Reserve | - | 1,162.92 |
| Proposed Dividend on Equity Shares | 2,200.42 | 2,000.39 |
| Tax on Dividend | 447.95 | 339.97 |
| | 2,648.37 | 3,503.28 |
| | 46,067.19 | 30,284.66 |
| Total | 66,971.35 | 75,977.70 |

NOTE 2.3 : LONG TERM BORROWINGS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| FROM BANKS / FINANCIAL INSTITUTIONS | | |
| Secured Loan | | |
| Rupee Term Loans | 78,374.62 | 65,830.64 |
| Unsecured Loan | | |
| Other Loans from banks | - | 6,502.05 |
| Total | 78,374.62 | 72,332.69 |

Notes:

Rupee Term Loans from Banks / Institutions have been secured against :-

- Loan aggregating to ₹ 6960.26 Lacs is secured by extension of first charge on pari passu basis, by way of equitable mortgage on immovable properties of the Soda Ash Division situated at Sutrapada, Veraval, Gujarat and extension of hypothecation charge on movable fixed assets, both present and future of the company's Soda Ash division situated at village – Sutrapada, Veraval in Gujarat with other term lenders of the said project. The remaining tenure of the loans is 1 to 3 years.
- Loan aggregating to ₹ 11212.33 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 4 to 10 years.
- Loan aggregating to ₹ 23641.18 Lacs is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 5 years.
- Loan aggregating to ₹ 1012.20 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on fixed assets of the Textile Division situated at Vapi, Gujarat and hypothecation of movable fixed assets both present and future of the Company's Textile Division at Vapi, Gujarat with other term lenders of the said project. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 1 year.
- Loan aggregating to ₹ 4175.38 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 4 to 10 years.
- Loan aggregating to ₹ 5523.40 Lacs is secured by way of first pari passu charge on movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 2 to 3 years.

- g) Loan aggregating to ₹ 928.12 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu and hypothecation of specified movable assets, both present and future of the Company's Textile Division. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 1 to 2 years.
- h) Loan aggregating to ₹ 7632.46 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 4 to 9 years.
- i) Loan aggregating to ₹ 12081.00 Lacs is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 1 to 5 years.
- j) Loan aggregating to ₹ 7000.00 Lacs is secured by first exclusive charge on movable fixed assets of Textile Division situated at Paravai and Manaparai, Tamil Nadu, both present and future, excluding assets exclusively charged to other lenders. The remaining tenure of the loan is 6 years.
- k) Loan aggregating to ₹ 1771.00 Lacs is secured by an exclusive first charge on movable and immovable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 10 years.
- l) Loan aggregating to ₹ 5000.00 Lacs is secured by extension of first charge on movable fixed assets of Edible Salt division situated at Chennai and Industrial Salt Division situated at Bhavnagar and exclusive first charge on the factory land and building situated at Thiruporur village, Chengalpattu Taluka, Kancheepuram District, Chennai. The remaining tenure of the loan is 5 years.
- m) Out of all the aforesaid secured Loans appearing in note 2.3 (a) to 2.3 (l) totaling ₹ 86937.33 Lacs, an amount of ₹ 8562.71 Lacs is due for payment in next 12 months and accordingly reported under note no 2.9 under the head " Other Current Liabilities" as 'current maturities of Long Term Debt'.

NOTE 2.4 : DEFERRED TAX LIABILITIES (NET)

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---------------------------------------|------------------------------------|------------------------------------|
| Deferred tax liability on account of: | | |
| i) Depreciation | 18,153.71 | 18879.08 |
| Total (A) | 18,153.71 | 18879.08 |
| Deferred tax assets on account of: | | |
| i) Employee Benefit | 323.60 | 323.60 |
| ii) Disallowance u/s 40 (a) | 365.28 | 331.29 |
| iii) Carry forward loss as per IT Act | 169.95 | - |
| iv) Deferred Revenue Expenditure | 22.16 | 22.16 |
| Total (B) | 880.99 | 677.05 |
| Total (A-B) | 17,272.72 | 16,202.03 |

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set-off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

NOTE 2.5 : OTHER LONG TERM LIABILITIES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|-----------------------------|------------------------------------|------------------------------------|
| Trade Deposits from Dealers | 373.50 | 449.70 |
| Security Deposits | 94.19 | 127.46 |
| Total | 467.69 | 577.16 |

NOTE 2.6 : LONG TERM PROVISIONS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|-----------------------------------|------------------------------------|------------------------------------|
| Mines Restoration Expenditure: | | |
| Opening Provision | 168.14 | 106.95 |
| Add: Provision during the year | 212.80 | 77.49 |
| Less: Utilisation during the year | (2.55) | (16.30) |
| Total | 378.39 | 168.14 |

The Company provides for the estimated expenditure required to restore quarries and mines. The total estimate of restoration expenses is apportioned over the period of estimated mineral reserves and a provision is made based on minerals extracted during the year. The total estimate of restoration expenses is reviewed periodically, on the basis of technical estimates.

NOTE 2.7 : SHORT TERM BORROWINGS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| SECURED LOANS REPAYABLE ON DEMAND | | |
| Working Capital Loans from Banks | 45,416.46 | 49,477.56 |
| Total | 45,416.46 | 49,477.56 |

- 1) Working Capital Loans are secured by way of hypothecation of stock-in-trade and book debts of Soda Ash / Home Textile Division / Edible Salt / Textile Divisions and second charge on fixed assets of Soda Ash Division / Home Textile Division and Textile Division, both present and future.
- 2) Specified movable assets referred to in the above notes include all movable assets of Soda Ash Division, Home Textile Division and Textile Division both present and future but subject to prior charge created and / or that may be created in favour of Company's Bankers on stock-in-trade for securing borrowing for working capital.

NOTE 2.8 : TRADE PAYABLES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| Sundry Creditors for Goods and Expenses | 39,151.32 | 41,627.00 |
| Sundry Creditors- Micro, Small & Medium Enterprises* | 41.89 | 77.83 |
| Total | 39,193.21 | 41,704.83 |

* There are no interests due or outstanding to Micro, Small & Medium Enterprises beyond the due date.

NOTE 2.9 : OTHER CURRENT LIABILITIES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| Current maturities of long term debt | 8,562.71 | 9,120.26 |
| Interest accrued but not due on borrowings | 77.13 | 123.56 |
| Interest accrued and due on borrowings | 1,068.52 | 1,020.94 |
| Sundry Creditors for Capital Expenditure | 1,199.64 | 753.52 |
| Advances from Customers | 276.62 | 432.81 |
| * Investor Education & Protection Fund in respect of Unclaimed Dividend | 257.12 | 257.70 |
| Other liabilities | | |
| Accrued salaries and benefits | 1,894.08 | 1,302.51 |
| Withholding and other taxes payable | 903.40 | 718.50 |
| Provision for Expenses | 2,017.92 | 2,665.76 |
| Other payable | 619.23 | 1,124.47 |
| Total | 16,876.37 | 17,520.03 |

* The figure reflects the position as of 31st March, 2015. The actual amount to be transferred to the Investor Education & Protection Fund in this respect shall be determined on the due date.

NOTE 2.10 : SHORT TERM PROVISIONS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|------------------------------------|------------------------------------|------------------------------------|
| Provision for employees' benefits | | |
| Unavailed leave | 1,051.22 | 956.20 |
| Bonus/gratuity | 413.74 | 527.30 |
| Others | | |
| Proposed Dividend on Equity Shares | 2,200.42 | 2,000.39 |
| Provision for | | |
| Tax on Dividend | 447.95 | 339.97 |
| Wealth Tax | 14.50 | 13.12 |
| Total | 4,127.83 | 3,836.98 |

NOTE 2.11 : FIXED ASSETS

(₹ In Lacs)

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|--------------------------------|---------------------|---------------------------------------|---------------------|-----------------------------|------------------------------------|---------------------|---------------------|---------------------|
| | As at 01-04-2014 | Additions (Deletions) | As at 31-03-2015 | As at 01-04-2014 | Additions (Deletions) | As at 31-03-2015 | As at 31-03-2015 | As at 31-03-2014 |
| (A) TANGIBLE ASSETS | | | | | | | | |
| Freehold Land | 38,632.63 | 162.00 (851.88) | 37,942.75 | - | - | - | 37,942.75 | 38,632.63 |
| Leasehold Land | 38,732.43 | - | 38,732.43 | 3,007.34 | 485.55 | 3,492.89 | 35,239.54 | 35,725.09 |
| Buildings | 20,151.73 | 2,139.22 | 22,290.95 | 5,913.06 | 952.22 | 6,865.28 | 15,425.67 | 14,238.67 |
| Plant and Machinery | 1,73,591.58 | 10,637.68 (407.37) | 1,83,821.89 | 80,628.57 | 5,460.53 (364.77) | 85,724.33 | 98,097.56 | 92,963.01 |
| Wind Turbine Generators | 4,044.93 | 2,677.81 | 6,722.74 | 1,969.72 | 161.45 | 2,131.17 | 4,591.57 | 2,075.21 |
| Furniture and Fixtures | 748.24 | 35.16 (0.14) | 783.26 | 393.86 | 91.88 (0.14) | 485.60 | 297.66 | 354.38 |
| Office Equipments | 1,528.82 | 116.05 (123.47) | 1,521.40 | 968.27 | 426.92 (121.49) | 1,273.70 | 247.70 | 560.55 |
| Vehicles | 481.21 | 41.29 (10.22) | 512.28 | 198.44 | 74.88 (6.28) | 267.04 | 245.24 | 282.77 |
| Leased Mines | 6,202.17 | - | 6,202.17 | 4,665.98 | 588.81 | 5,254.79 | 947.38 | 1,536.19 |
| Salt Works Reservoirs and Pans | 6,530.40 | - | 6,530.40 | 6,224.44 | 137.46 | 6,361.90 | 168.50 | 305.96 |
| Sub Total (A) | 2,90,644.14 | 15,809.21 (1,393.08) | 3,05,060.27 | 1,03,969.68 | 8,379.70 (492.68) | 1,11,856.70 | 1,93,203.57 | 1,86,674.46 |
| (B) INTANGIBLE ASSETS | | | | | | | | |
| Goodwill | 262.32 | - | 262.32 | 262.32 | - | 262.32 | - | - |
| Software | 674.94 | 16.73 (1.63) | 690.04 | 594.57 | 65.58 (1.63) | 658.52 | 31.52 | 80.37 |
| Trade mark | 0.10 | - | 0.10 | 0.04 | 0.03 | 0.07 | 0.03 | 0.06 |
| Sub Total (B) | 937.36 | 16.73 (1.63) | 952.46 | 856.93 | 65.61 (1.63) | 920.91 | 31.55 | 80.43 |
| Grand Total (A+B) | 2,91,581.50 | 15,825.94 (1,394.71) | 3,06,012.73 | 1,04,826.61 | 8,445.31 (494.31) | 1,12,777.61 | 1,93,235.12 | 1,86,754.89 |
| Previous Year | 2,82,709.08 | 10,112.39 (1,239.97) | 2,91,581.50 | 95,633.45 | 10,094.42 (901.26) | 1,04,826.61 | 1,86,754.89 | |

- Building include a sum of ₹ 497.80 Lacs being cost of office premises acquired on ownership basis.
- Leased mines represent expenditure incurred on development of mines.
- Cash Subsidy amounting to ₹ 823.35 Lacs (previous year ₹ 823.35 Lacs) relating to Home Textile division at Vapi has been reduced from respective Fixed Assets.
- As per transitional provision under Schedule-II when the remaining useful life of the assets is nil, the residual of those assets has been charged to Statement of Profit and Loss amounting to ₹ 656.12 Lacs in the year.
- During the year, the management based on internal and external technical evaluation and due to Schedule II of the Companies Act, 2013 reassessed the remaining useful life of assets with effect from 1st April 2014. Accordingly the useful lives of certain assets required a change from the previous estimate

The existing and revised useful lives are as below:

| Category of assets | Earlier useful life Years | Current useful life Years |
|-------------------------------|---------------------------|---------------------------|
| Building | 30-60 | 30-60 |
| Plant and Machinery | 19-21 | 15-25 |
| Computer and Office equipment | 6-21 | 3-5 |
| Furniture and fixture | 16 | 10 |
| Vehicle | 9-11 | 8-10 |

- Deletion of Free Hold Land includes ₹ 785.59 Lacs (Previous Year ₹ Nil) being revaluation amount of land of Sree Meenakshi Mills Division at Madurai sold during the year.

NOTE 2.12 : NON CURRENT INVESTMENTS /CURRENT INVESTMENTS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) | |
|--|------------------------------------|------------------------------------|--------|
| NON CURRENT INVESTMENTS | | | |
| Investment in Equity Instruments | | | |
| OTHER THAN TRADE | | | |
| Quoted (at cost) | | | |
| 41,500 Equity Shares of HDFC Bank Limited of ₹ 2/- each fully paid up | 0.83 | 0.83 | |
| 68,598 Equity Shares of IDBI Limited of ₹ 10/- each fully paid up | 49.34 | 49.34 | |
| 2,595 Equity Shares of Dena Bank of ₹ 10/- each fully paid up | 0.70 | 0.70 | |
| 272,146 Equity Shares of GTC Industries Limited of ₹ 10/- each fully paid up | 495.01 | 495.01 | |
| 4,500 Equity Shares of Canara Bank of ₹ 10/- each fully paid up | 1.58 | 1.58 | |
| 100 Equity Shares of TCP Ltd of ₹ 10/- each fully paid up | 0.40 | 0.40 | |
| | 547.86 | 547.86 | |
| SHARES IN ASSOCIATE COMPANY | | | |
| Unquoted (at cost unless stated otherwise) | | | |
| 5200 Equity Shares of ₹ 10/- each fully paid up of DM Solar Farm Pvt Ltd | 0.52 | 0.52 | |
| | 0.52 | | |
| SHARES IN SUBSIDIARY COMPANIES | | | |
| Unquoted (at cost unless stated otherwise) | | | |
| 45380 Equity Shares of Euro 1 each fully paid of Indian England B.V (written off during the year) | - | 0.49 | |
| 750 Equity Shares of \$ 10 each fully paid of Grace Home Fashion LLC | 3.64 | 3.64 | |
| 50,000 Equity Shares of Rosebys Interiors India Limited ₹ 10/- each fully paid up (written off during the year) | - | 5.00 | |
| | 3.64 | 9.13 | |
| Investment in Government securities | | | |
| Unquoted (at cost unless stated otherwise) | | | |
| 7 year National Savings Certificates (Pledged with Government Authorities) | 0.82 | 0.82 | |
| Total(A) | 552.84 | 558.33 | |
| CURRENT INVESTMENTS - (UNQUOTED) | | | |
| (At lower of cost and fair value- fully paid) | | | |
| Investment in Mutual Funds | | | |
| 14648 units of SBI Premier Liquid Fund | - | 200.00 | |
| Total(B) | - | 200.00 | |
| Less: Permanent diminution in the value of investment written off | 394.86 | - | |
| Total(A+B) | 157.98 | 758.33 | |
| | As at 31.03.2015 | As at 31.03.2014 | |
| | Book Value | Market Value | |
| Quoted | 153.00 | 591.18 | 547.86 |
| Others | 4.98 | - | 210.47 |
| | 157.98 | 758.33 | |

NOTE 2.13 : LONG-TERM LOANS AND ADVANCES (UNSECURED-CONSIDERED GOOD)

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received - Considered Good | - | 35.87 |
| Advances against capital expenditure | 435.16 | 1,352.66 |
| Security Deposits | 873.58 | 986.99 |
| Total | 1,308.74 | 2,375.52 |

NOTE 2.14 : OTHERS NON-CURRENT ASSETS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| Long Term Trade Receivable (Unsecured, considered good) | 46.92 | 54.68 |
| Total | 46.92 | 54.68 |

NOTE 2.15 : INVENTORIES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| Inventory (as taken, valued and certified by the Management) | | |
| At cost or net realisable value which ever is lower | | |
| Raw materials | 18,861.71 | 20,234.43 |
| Finished goods | 9,429.93 | 8,111.43 |
| Stock in process | 4,205.44 | 4,755.97 |
| Stock in trade | 605.24 | 96.43 |
| Stores and spares | 8,630.80 | 7,219.82 |
| Total | 41,733.12 | 40,418.08 |

NOTE 2.16 : TRADE RECEIVABLES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| Trade Receivable (Unsecured, considered good unless stated otherwise) | | |
| Outstanding over six months from due date | | |
| Considered good | 9.09 | 386.79 |
| Trade Receivable | 26,742.20 | 29,400.12 |
| Total | 26,751.29 | 29,786.91 |

NOTE 2.17 : CASH AND CASH EQUIVALENTS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| Cash and cash equivalents | | |
| (a) Cash -on- hand | 27.52 | 15.06 |
| (b) Balances with Banks | | |
| On current Account | 2,800.31 | 3,517.58 |
| On unpaid dividend account | 257.12 | 257.70 |
| Others bank balances | | |
| Banks deposits with original maturity for more than 12 months | 12.15 | 59.50 |
| Margin money deposite | 101.96 | 56.07 |
| Total | 3,199.06 | 3,905.91 |

NOTE 2.18 : SHORT-TERM LOANS AND ADVANCES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received - Considered Good | 5,426.12 | 7,584.37 |
| Duty Drawback / FPS receivable on Export | 3,663.35 | 2,763.41 |
| Loan to Employee Stock Option Scheme Trust | 680.52 | 680.52 |
| Due from Subsidiary Companies | 931.27 | 10,278.79 |
| Interest Accrued on Investments | 1.37 | 0.56 |
| Balances with Customs, Port Trust, Central Excise etc. | 724.95 | 613.95 |
| Income Tax paid / TDS (net of provisions of ₹ 9943.03 Lacs Previous Year ₹ 3521.75 lacs) | 519.30 | 577.48 |
| Total | 11,946.88 | 22,499.08 |

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS
NOTE 2.19 : REVENUE FROM OPERATIONS

| | | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|--|----------------|---|---|
| Revenue from operations | 2.43(g) | | |
| Sales of Products | | | |
| Finished Goods | | 2,45,048.66 | 2,30,561.59 |
| Traded Goods | | 6,609.26 | 3,852.19 |
| Sales of Services | | 996.78 | 1,208.81 |
| Other operating revenue | | | |
| Waste & Scrap sales | | 1,202.61 | 1,338.73 |
| Revenue from operations (Gross) | | 2,53,857.31 | 2,36,961.32 |
| Less: Excise Duty | | 16,496.33 | 14,540.44 |
| Revenue from operations (Net) | Total | 2,37,360.98 | 2,22,420.88 |

NOTE 2.20 : OTHER INCOME

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|--|---|---|
| Interest on Investment | 8.19 | 2.63 |
| Dividend Income (Non Current Investment) | 3.32 | 6.21 |
| Interest on Income Tax Refund | 116.00 | - |
| Profit on sale of Assets (net) | 433.05 | - |
| Profit on sale of Investment (net) (Current Investment) | 210.55 | 141.41 |
| Bad debts written off recovered | 173.08 | 4.25 |
| Sundry Balances Written back (net) | 20.68 | 117.38 |
| Rent Income (Tax Deducted at Source NIL Previous year ₹ 1.20 Lacs) | 24.68 | 12.07 |
| Provision for Doubtful Debts written back | - | 85.60 |
| Other non-operating income | 136.17 | 130.33 |
| Total | 1,125.72 | 499.88 |

NOTES 2.21 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

| | | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹. in Lacs) |
|--|----------------|---|--|
| Opening stock | 2.43(b) | | |
| Finished Goods | | 8,111.43 | 8,633.66 |
| Stock in trade | | 96.43 | - |
| Stock in Process | | 4,755.97 | 3,316.70 |
| | (A) | 12,963.83 | 11,950.36 |
| Closing stock | 2.43(h) | | |
| Finished Goods | | 9,429.93 | 8,111.43 |
| Stock in trade | | 605.24 | 96.43 |
| Stock in Process | | 4,205.44 | 4,755.97 |
| | (B) | 14,240.61 | 12,963.83 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | (A-B) | (1,276.78) | (1,013.47) |

NOTES 2.22 : EMPLOYEES BENEFITS EXPENSES

| | | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|------------------------------------|--------------|---|---|
| Salaries, Wages and Bonus | | 10,661.62 | 10,242.94 |
| Contribution to PF and other funds | | 1,083.85 | 1,089.49 |
| Staff Welfare | | 501.61 | 558.87 |
| Commission to Whole time Directors | | 340.00 | 308.00 |
| | Total | 12,587.08 | 12,199.30 |

NOTES 2.23 : OTHERS EXPENSES

| | | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|------------------------------|--|---|---|
| Repairs and Maintenance | | | |
| Machinery | | 2,268.08 | 2,038.09 |
| Building | | 170.90 | 129.28 |
| Others | | 443.91 | 334.68 |
| | | 2,882.89 | 2,502.05 |
| Stores and Spares | | 5,519.42 | 4,378.02 |
| Power, Fuel and Water | | 38,957.16 | 38,538.06 |
| Other Manufacturing Expenses | | 7,947.90 | 8,427.98 |
| Packing Expenses | | 8,196.10 | 7,032.69 |
| Cash Discount | | 1,764.54 | 1,571.85 |
| Freight and Forwarding | | 4,414.19 | 3,800.33 |
| Commission on Sales | | 1,202.55 | 1,256.13 |
| Sales Promotion Expenses | | 689.92 | 736.81 |
| Travelling & Conveyance | | 1,074.33 | 910.97 |
| Rent and Lease Rent | | 570.81 | 568.82 |

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|--|---|---|
| Rates and Taxes (includes ₹ 14.50 Lacs, previous year ₹ 13.12 Lacs) for Wealth Tax | 154.51 | 237.23 |
| Insurance | 664.67 | 643.24 |
| Loss on Exchange (net) | 321.92 | 2,788.31 |
| Commission to Non Whole time Directors (includes service tax of ₹ 8.03 Lacs, previous year ₹ 7.63 Lacs) | 199.01 | 142.63 |
| Communication Expenses | 176.35 | 157.89 |
| Legal & Professional Expenses | 904.40 | 1,016.85 |
| Bad Debts / Irrecoverable amounts written off | 49.68 | 389.26 |
| Donation | 10.52 | 11.85 |
| CSR Expenditure | 298.49 | 214.50 |
| Deficit on Sale/Discarding of Fixed Assets (Net) | - | 26.08 |
| Excise Duty | 119.31 | (181.88) |
| Miscellaneous Expenses | 1,087.44 | 1,037.99 |
| Total | 77,206.11 | 76,207.66 |

NOTES 2.24 : FINANCE COSTS

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|---|---|---|
| Interest - Fixed Loans | 11,085.00 | 10,630.74 |
| - Others | 3,388.09 | 3,382.79 |
| Loss on foreign currency transactions and translation (net) | 980.12 | 2,136.54 |
| Other borrowing costs | 1,162.41 | 1,302.84 |
| | 16,615.62 | 17,452.91 |
| Less : Interest and Financial charges capitalised | 145.42 | 297.29 |
| Less : Interest from Subsidiary Company | - | 84.76 |
| Less : Interest Income Others | 86.64 | 18.11 |
| | 232.06 | 400.16 |
| Total | 16,383.56 | 17,052.75 |

NOTES 2.25 : EARNING PER SHARE(EPS)

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|--|---|---|
| Basic /Diluted EPS | | |
| Earnings per Share has been computed as under: | | |
| Profit after Taxation (₹ in Lacs) | 18,302.48 | 11,629.20 |
| (Less)/Add : Prior year Adjustment | 128.42 | (59.56) |
| | 18,430.90 | 11,569.64 |
| The weighted average number of Equity Shares for Basic /Diluted EPS | 10,00,19,286 | 10,00,19,286 |
| Earnings per share (Face value of ₹ 10/- per share) (A) / (B) | 18.43 | 11.57 |

| | As at 31st March, 2015 (₹ in Lacs) | As at 31st March, 2014 (₹. in Lacs) |
|---|--|---|
| 2.26 a) Estimated value of contracts remaining to be executed on Capital Account and not provided for | 2,183.95 | 1,971.42 |
| b) Contingent Liabilities : | | |
| (i) Guarantees issued by banks | 1,956.65 | 1,423.60 |
| (ii) Bills discounted with banks (since realized) | 2,407.26 | 2,951.42 |
| (iii) Claims against the Company not acknowledged as debts | | |
| - Income Tax & Wealth Tax | 1,116.82 | 803.00 |
| - Sales Tax / VAT | 14.97 | 11.35 |
| - Excise & Service Tax | 8,659.99 | 8,198.83 |
| - Other claims | 4,350.01 | 3,191.00 |
| (iv) Corporate guarantee to Bank on behalf of subsidiaries of the Company | 7,275.44 | 34,291.50 |
| c) Export Obligation on duty free imports | 27,150.25 | 11,115.74 |

2.27 In Accordance with the Scheme of Arrangement duly approved by Hon'ble High Court of Gujarat vide its order dated 30th November 2009, the Company has taken the following effects in the current financial statements for the year ended 31 March 2015:-

- a) The company has provided for diminution / impairment of ₹ 23,891.55 Lacs (previous year ₹ 27,679.47 Lacs) in the value of investments in and loans & advances to and receivables from subsidiaries and the same has been charged to Business Development Reserve as per Scheme.

2.28 Exceptional items are in respect of :

- (a) Write off amounting to ₹ 2345.24 Lacs towards Loan given to and Investment made in Indian England N.V. (Wholly Owned subsidiary) of the company, as the subsidiary has been put under Liquidation during the year.
- (b) Write off amounting to ₹ 394.86 Lacs due to permanent diminution in the investment in shares made in GTC Industries Limited based on the difference in the average purchase price and current market value.

2.29 The following changes have taken place during the year with regard to Subsidiary Companies

| a) Liquidation of the company | Country | Date of Liquidation |
|---|----------------|----------------------------|
| GHCL Rosebys Limited | UK | 6th May 2014 |
| Indian Wales N.V. | Netherlands | 23rd January 2015 |
| b) Current position of the subsidiaries which under are Liquidation / have filed for administration are as under: | | |
| Textile & Design Limited | UK | 25th September, 2009 |
| Rosebys Interiors India Limited | India | 15th July, 2014 |
| Indian England N.V. | Netherlands | 10th March 2015 |
| c) Subsequent to Balance Sheet date, Teliforce Holding India Limited, a subsidiary in Cyprus has been voluntarily dissolved on 28th April 2015. | | |

2.30 In accordance with the requirements of Accounting Standard - 19, Leases future obligation/rights as at Balance Sheet date for lease arrangements amount to

| | Receivable | | Payable | |
|-------------------------------------|---|---|---|---|
| | For the Year Ended 31st March, 2015 | For the Year Ended 31st March, 2014 | For the Year Ended 31st March, 2015 | For the Year Ended 31st March, 2014 |
| Due within one year | - | 54.68 | 279.04 | 293.15 |
| Due within the following four years | - | 110.78 | 625.17 | 578.38 |
| Due after five years | - | - | 31.04 | 24.00 |

2.31 Prior Period Item of ₹ 8.70 Lacs (Previous year ₹ 16.75 Lacs) is on account of excess provision for expenses of earlier year.

2.32 As per Accounting Standard-15 "Employee Benefits", the disclosures of Employee Benefits as defined in the Accounting Standard are given below :

Defined Contribution Plan

Provident Fund and Superannuation Fund are Defined Contribution Plan. Contribution paid for Provident Fund and Superannuation Fund are recognised as expense for the year :

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|--|--|---|
| Employer's contribution to Provident Fund/Pension Scheme | 642.28 | 597.83 |
| Employer's contribution to Superannuation Fund | 112.73 | 156.93 |

The Company's Provident Fund is exempt under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for grant of exemption stipulate that the employer shall make good, deficiency if any, in the interest rate declared by the trust vis-à-vis statutory rate.

Defined Benefit Plan
Gratuity (Funded)

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Leave Encashment (Unfunded)

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|--|--|---|
| Liability at the beginning of the year | 947.67 | 787.59 |
| Paid during the year | 126.62 | 100.32 |
| Provided during the year | 223.80 | 260.40 |
| Liability at the end of the year | 1,044.85 | 947.67 |

Reconciliation of opening and closing balances of the present value of defined benefit obligation in respect of Gratuity Fund

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|---|--|---|
| Particulars | | |
| Obligation at year beginning | 2,964.34 | 2,532.52 |
| Service cost | 176.91 | 164.40 |
| Interest cost | 278.06 | 208.93 |
| Actuarial gain/(loss) | (206.42) | (218.49) |
| Benefits paid | (183.10) | (160.00) |
| Obligation at year end | 3,442.63 | 2,964.34 |
| Change in plan assets | | |
| Plans assets at year beginning, at fair value | 2,794.87 | 2,236.16 |
| Expected return on plan assets | 243.15 | 194.55 |
| Actuarial gain/(loss) | 104.36 | 64.16 |
| Contributions | 400.00 | 300.00 |
| Benefits paid | (183.10) | - |
| Plan Assets at year end, at fair value | 3,359.28 | 2,794.87 |
| Reconciliation of the present value of the obligation and the fair value of the plan asset | | |
| Fair value of the plan assets at the end of the year | 3,359.28 | 2,794.87 |

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|--|---|---|
| Present value of the defined benefit obligation at the end of the year | 3,442.63 | 2,964.34 |
| Assets recognised in the Balance Sheet | (83.35) | (169.47) |
| Gratuity cost for the year | | |
| Service cost | 176.91 | 164.40 |
| Interest cost | 278.06 | 208.93 |
| Expected return on plan assets | 243.15 | 194.55 |
| Actuarial gain/(loss) | (102.06) | (154.33) |
| Net Gratuity cost | 313.88 | 333.11 |
| Investment details of plan assets | | |
| % of the Plan Assets invested in debt instruments | 92.10% | 94.73% |
| % of the Plan Assets invested in equity | 7.90% | 5.27% |
| Assumptions | | |
| Mortality Table -LIC | 2006-08 (Ultimate) | 2006-08 (Ultimate) |
| Interest rate | 7.99% | 9.38% |
| Estimated rate of return on plan assets | 7.99% | 8.70% |
| Estimated future salary growth | 8.00% | 8.00% |

2.33 Related Party Transactions

a Subsidiaries & Associate :

Dan River Properties LLC
 Grace Home Fashions LLC
 Textile & Design Limited (under Liquidation since 25th September, 2009)
 Rosebys Interiors India Limited (under Liquidation since 15th July, 2014)
 Indian England N.V. (under Liquidation since 10th March 2015)
 Indian Wales N.V. (Liquidated on 23rd January 2015)
 Teliforce Holding India Limited (Liquidated on 28th April, 2015)
 DM Solar Farm Pvt Limited

b Key Management Personnel:

Mr. R. S. Jalan, Managing Director
 Mr. Raman Chopra, CFO & Executive Director - Finance
 Mr. Bhuwadeshwar Mishra, General Manager & Company Secretary

c Relative of Key Management Personnel:

Mrs. Sarita Jalan, w/o Mr. R. S. Jalan
 Ravi Shanker Jalan, HUF
 Mrs. Bharti Chopra, w/o Mr. Raman Chopra
 Mrs. Vandana Mishra, w/o Mr. Bhuwadeshwar Mishra

d Enterprises over which Key Management Personnel are able to exercise significant influence

Dalmia Centre for Research & Development
 GHCL Foundation Trust
 Sachin Holdings P Ltd.

Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2015

| Sr. No. | Description | For the Year Ended 31st March, 2015 | For the Year Ended 31st March, 2014 |
|---------|---|--|--|
| a) | Transactions with Subsidiaries & Associate | | |
| 1. | Purchase of Electricity | 109.61 | 133.19 |
| | DM Solar Farm Pvt Limited | 109.61 | 133.19 |
| 2. | Sales of Goods | 19,792.98 | 29,430.14 |
| | Grace Home Fashions LLC | 19,792.98 | 29,430.14 |

| Sr. No. | Description | For the Year Ended 31st March, 2015 | For the Year Ended 31st March, 2014 |
|-----------|--|--|--|
| 3. | Net Payment/(Receipt) of Loans & Advances | 16,995.52 | 25,756.60 |
| | Rosebys Interiors India Limited | 479.42 | 551.37 |
| | Dan River Properties LLC | (159.87) | (169.86) |
| | Teliforce Holding India Limited | - | 534.22 |
| | Indian England N.V. | 16,675.97 | 678.32 |
| | Indian Wales N.V. | - | 24,162.55 |
| 4. | Interest Received | - | 84.76 |
| | Indian England N.V. | - | 84.76 |
| 5. | Investment in Equities | (5.49) | (0.45) |
| | Rosebys Interiors India Limited | (5.00) | - |
| | Indian England N.V. | (0.49) | - |
| | Teliforce Holding India Limited | - | (0.45) |
| 6. | Loans & Advances Recoverable at the year end | 931.27 | 10,278.79 |
| | Rosebys Interiors India Limited | - | 7,150.96 |
| | Dan River Properties LLC | 931.27 | 1,091.15 |
| | Indian England N.V. | - | 2,036.68 |
| 7. | Balance of Investment in Equities at the year end* | 4.16 | 9.65 |
| | Indian England N.V. | - | 0.49 |
| | Grace Home Fashions LLC | 3.64 | 3.64 |
| | Rosebys Interiors India Limited | - | 5.00 |
| | DM Solar Farm Pvt Limited | 0.52 | 0.52 |
| 8. | Balance receivable at the year end | 7,057.33 | 13,469.65 |
| | Grace Home Fashions LLC | 7,057.33 | 13,469.65 |
| b) | Transactions with Key Management Personnel | | |
| 1. | Remuneration | 715.29 | 667.34 |
| | Mr. R. S. Jalan, Managing Director | 437.27 | 402.02 |
| | Mr. Raman Chopra, CFO & Executive Director - Finance | 243.39 | 232.23 |
| | Mr. Bhuvneshwar Mishra, General Manager & Company Secretary | 34.63 | 33.09 |
| 2. | Dividend on Shares | 1.02 | 1.02 |
| | Mr. R. S. Jalan, Managing Director | 1.02 | 1.02 |
| c) | Transactions with Relative of Key Management Personnel | | |
| 1. | Leasing & Hire purchase transactions | 12.18 | 4.74 |
| | Mrs. Sarita Jalan, w/o Mr R.S. Jalan | 4.62 | - |
| | Mrs. Bharti Chopra, w/o Mr. Raman Chopra | 5.40 | 3.30 |
| | Mrs. Vandana Mishra, w/o Mr. Bhuvneshwar Mishra | 2.16 | 1.44 |
| 2. | Dividend on Shares | 0.12 | 0.12 |
| | Ravi Shanker Jalan, HUF (*0=₹ 200) | *0.00 | *0.00 |
| | Mrs. Bharti Chopra, w/o Mr. Raman Chopra | 0.12 | 0.12 |
| d) | Transactions with Enterprises over which significant influence exercised by Directors | | |
| 1. | Purchase of Goods | 1.87 | 2.15 |
| | Dalmia Centre for Research & Development | 1.87 | 2.15 |
| 2. | Royalty paid | 6.00 | 6.00 |
| | Dalmia Centre for Research & Development | 6.00 | 6.00 |
| 3. | CSR Contribution | 290.00 | 214.50 |
| | GHCL Foundation Trust | 290.00 | 214.50 |
| 4. | Leasing & Hire Purchase Transactions | 1.98 | - |
| | Sachin Holdings P. Ltd. | 1.98 | - |

* Balances of Investment and Loan and Advance are after writing off of ₹ 5.49 Lacs (Previous year ₹ 0.45 Lacs) and ₹ 26,343.03 Lacs (Previous year ₹ 28,225.45).

2.34 Disclosure as per Clause 32 of the Listing Agreement.

- i) Loans and Advances in the nature of Loans given to Subsidiaries

| Name of the Company | Relationship | Amount o/s as at 31st March, 2015 | Max. Balance outstanding | Investment outstanding during the year |
|---------------------------------|--------------|--------------------------------------|-----------------------------|--|
| | | ₹ in Lacs | ₹ in Lacs | ₹ in Lacs |
| Dan River Properties LLC | Subsidiary | 931.27 | 1,091.15 | - |
| Rosebys Interiors India Limited | | - | 7,630.38 | - |
| Indian England N.V. | | - | 18,712.66 | - |

- ii) Loans and Advances in the nature of Loans where there is no interest comprise employee loans of ₹ 134.62 Lacs (previous year ₹ 168.93 Lacs).

2.35 Capital Work in Progress includes Incidental Expenditure during Project Implementation/Expansion

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|--|---|---|
| Insurance | - | 0.15 |
| Legal and Professional Expenses | 0.25 | - |
| Financial Charges | 45.24 | - |
| Interest Charges | 100.07 | 242.93 |
| Total Preoperative Expenses | 145.56 | 243.08 |
| Add : Preoperative expenses incurred up to previous year | 42.36 | 108.43 |
| | 187.92 | 351.51 |
| Less : Capitalised during the year | 157.18 | 309.15 |
| Balance | 30.74 | 42.36 |

2.36 Raw material and Power & Fuel costs include expenditure on captive production of Salt, Limestone, Briquette and Lignite as under:

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|---|---|---|
| Manufacturing Expenses | 17,632.38 | 16,923.97 |
| Stores and spares consumed | 198.02 | 149.04 |
| Power and Fuel | 451.08 | 390.21 |
| Excise Duty, Cess and Royalty | 654.98 | 550.28 |
| Repairs and maintenance | | |
| Building | 39.43 | 12.51 |
| Plant and machinery | 84.23 | 71.62 |
| Earth work | 212.01 | 109.47 |
| Others | 28.76 | 36.44 |
| Salaries and Wages | 904.15 | 778.94 |
| Traveling & Conveyance | 75.25 | 67.92 |
| Lease Rent | 76.60 | 83.33 |
| Rates and taxes | 12.39 | 29.60 |
| Insurance | 49.53 | 46.19 |
| Misc. Expenses (Including Deferred Revenue & Intangible Expenses) | 128.23 | 126.36 |
| Less: Interest on Investments (other than trade) | (1.89) | (0.96) |
| Other Misc. Income | (142.80) | (73.55) |
| Total | 20,402.35 | 19,301.37 |

2.37 Payment to Auditors

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|---|--|--|
| a) To Statutory Auditors as (excluding service tax) | | |
| Auditors | 28.00 | 28.00 |
| Fees for Limited Review | 12.00 | 12.00 |
| Fee for tax financial statements | 2.75 | 1.75 |
| Certification fees and Others | 5.13 | 2.78 |
| Out of pocket expenses | 0.69 | 0.65 |
| Total | <u>48.57</u> | <u>45.18</u> |
| b) To Cost Auditors (excluding service tax) | | |
| Audit Fee | 2.13 | 2.30 |
| Out of pocket expenses | 0.04 | 0.03 |
| Total | <u>2.17</u> | <u>2.33</u> |

2.38 Managerial Remuneration

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|--|--|--|
| a) Whole time Directors | | |
| Salaries | 302.55 | 265.31 |
| Contribution to Provident and Superannuation funds | 16.71 | 29.97 |
| Perquisites | 27.51 | 25.65 |
| Gratuity & Leave Encashment | 5.89 | 5.32 |
| Commission | 340.00 | 308.00 |
| b) Other Directors (excluding service tax) | | |
| Sitting Fees | 13.20 | 11.80 |
| Commission | 190.98 | 135.00 |
| | <u>896.84</u> | <u>781.05</u> |
| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |

2.39 Expenditure in Foreign Currencies

| | | |
|---------------------------------|-----------------|----------|
| Foreign Travel | 99.38 | 100.67 |
| Commission on Export Sales | 415.16 | 193.52 |
| Interest and Commitment Charges | 1,638.50 | 1,904.51 |
| Others | 524.40 | 474.46 |

2.40 Remittances during the year in foreign currency on account of

| | | |
|--|------------------|-----------|
| Dividend for the financial year ended | 2013-14 | 2012-13 |
| Dividends to non-resident shareholders (₹ In Lacs) | 120.27 | 121.02 |
| Number of non-resident shareholders | 719 | 628 |
| Number of Shares | 60,13,508 | 60,51,208 |

2.41 Earnings in Foreign exchange

| | | |
|--|------------------|-----------|
| Export of Finished Goods on FOB basis | 53,796.77 | 59,751.87 |
| Recovery towards Freight etc. on Exports | 89.69 | 351.57 |

| | For the Year Ended 31st March, 2015 (₹ in Lacs) | For the Year Ended 31st March, 2014 (₹ in Lacs) |
|---|---|---|
| 2.42 Value of imports on CIF basis | | |
| Raw Materials and Utilities | 20,760.83 | 20,277.44 |
| Components and spare parts | 568.02 | 364.76 |
| Capital Goods | 1,458.75 | 761.98 |
| Trading Goods | 4,621.06 | 1,183.88 |

2.43 Quantitative information in respect of Company's operations
(a) Capacity (as certified by the Management)

| | UNIT | For the Year Ended 31st March, 2015 | | For the Year Ended 31st March, 2014 | |
|-------------------------|--------------|--|----------|--|----------|
| | | Installed | Licensed | Installed | Licensed |
| Soda Ash | MT | 8,50,000 | N.A. | 8,50,000 | N.A. |
| Refined Salt | MT | 72,000 | N.A. | 72,000 | N.A. |
| Yarn - Spindles | Nos. | 1,75,488 | N.A. | 1,48,760 | N.A. |
| Sodium bicarbonate | MT | 27,000 | N.A. | 27,000 | N.A. |
| Wind Turbine Generators | MW Per Hour | 13 | N.A. | 8 | N.A. |
| Cloth Looms | Nos. | 162 | N.A. | 162 | N.A. |
| Cloth Processing | MTRS. ('000) | 34,000 | N.A. | 34,000 | N.A. |

(b) Opening Stock

| | UNIT | For the Year Ended 31st March, 2015 | | For the Year Ended 31st March, 2014 | |
|----------------|--------------|--|-----------------|--|-----------------|
| | | Quantity | ₹ in Lacs | Quantity | ₹ in Lacs |
| Soda Ash | MT | 5,053 | 652.87 | 14,896 | 1,774.31 |
| Yarn | MT | 457 | 1,075.69 | 333 | 643.37 |
| Cloth | MTRS. ('000) | 422 | 647.34 | 894 | 1,625.49 |
| Bed Sheet Sets | MTRS. ('000) | 2,988 | 5,552.28 | 2,046 | 4,382.75 |
| Others | | N.A. | 183.25 | N.A. | 207.74 |
| | | | 8,111.43 | | 8,633.66 |

(c) Production

| | | | |
|-----------------------------------|--------------|----------|----------|
| Soda Ash - (Gross) | MT | 7,38,768 | 7,11,528 |
| Refined Salt | MT | 58,091 | 47,240 |
| Yarn | MT | 21,082 | 19,212 |
| Cloth - Job work + Own Production | MTRS. ('000) | 39,587 | 41,808 |
| Bicarb - (Produced from Soda Ash) | MT | 23,894 | 21,827 |
| Bed Sheet Sets - Job Work | MTRS. ('000) | 25,124 | 25,334 |

(d) Purchase of Trading Goods

| | | |
|-----------|----------|----------|
| ₹ In Lacs | 6,215.12 | 3,334.94 |
|-----------|----------|----------|

(e) Purchase

| | | | |
|----------------|--------------|--------|--------|
| Yarn | MT | 66 | 268 |
| Cloth | MTRS. ('000) | 16,349 | 16,360 |
| Bed Sheet Sets | MTRS. ('000) | - | 125 |

(f) Consumption for internal use*

| | | | |
|----------|--------------|--------|--------|
| Soda Ash | MT | 49,657 | 50,177 |
| Yarn | MT | 4,577 | 3,255 |
| Cloth | MTRS. ('000) | 52,072 | 53,512 |

| | UNIT | For the Year Ended 31st March, 2015 | | For the Year Ended 31st March, 2014 | |
|--------------------------|--------------|--|--------------------|--|--------------------|
| | | Quantity | ₹ in Lacs | Quantity | ₹ in Lacs |
| (g) Sales | | | | | |
| Soda Ash | MT | 6,86,000 | 1,43,398.93 | 6,71,194 | 1,26,934.89 |
| Yarn | MT | 16,516 | 30,201.78 | 16,101 | 32,594.92 |
| Cloth | MTRS. ('000) | 3,814 | 3,141.27 | 5,128 | 4,420.98 |
| Bed Sheet Sets | MTRS. ('000) | 24,702 | 59,414.81 | 24,517 | 61,176.09 |
| Others | | N.A. | 17,700.52 | N.A. | 11,834.44 |
| | | | <u>2,53,857.31</u> | | <u>2,36,961.32</u> |
| (h) Closing Stock | | | | | |
| Soda Ash | MT | 8,164 | 1,113.76 | 5,053 | 652.87 |
| Yarn | MT | 512 | 1,073.98 | 457 | 1,075.69 |
| Cloth | MTRS. ('000) | 472 | 733.77 | 422 | 647.34 |
| Bed Sheet Sets | MTRS. ('000) | 3,410 | 6,312.13 | 2,988 | 5,552.28 |
| Others | | N.A. | 196.29 | N.A. | 183.25 |
| | | | <u>9,429.93</u> | | <u>8,111.43</u> |

* Including transit differences and process wastage.

| | | | | | |
|---|--------------|-----------|------------------|-----------|------------------|
| (i) Consumption of Raw Materials and Consumables | | | | | |
| Salt | MT | 14,00,557 | 10,292.00 | 13,26,195 | 8,942.07 |
| Lime Stone | MT | 14,48,236 | 10,401.07 | 14,75,407 | 8,704.91 |
| Coke | MT | 1,01,609 | 12,045.26 | 99,249 | 12,579.67 |
| Cotton & Staple Fiber | MT | 26,648 | 28,210.18 | 21,577 | 25,625.51 |
| Yarn | MT | 692 | 3,201.94 | 1,131 | 3,051.95 |
| Fabric | MTRS. ('000) | 15,226 | 20,294.71 | 16,043 | 24,547.40 |
| Others | | N.A. | 5,946.59 | N.A. | 5,408.51 |
| | | | <u>90,391.75</u> | | <u>88,860.02</u> |

The Consumption of Lime Stone and Cotton & Staple Fiber is net of undersize realization/sales of ₹ 1,177.76 Lacs (previous year ₹ 782.78 Lacs) & ₹ 1,785.92 Lacs (previous year ₹ 1,078.73 Lacs) respectively.

| | For the Year Ended 31st March, 2015 | | For the Year Ended 31st March, 2014 | |
|---|--|----------------|--|----------------|
| | Value of Consumption | % AGE | Value of Consumption | % AGE |
| (j) Consumption of Raw Materials & Stores and Spares | | | | |
| Raw Materials : | | | | |
| Imported | 5,680.74 | 6.28% | 7,303.76 | 8.22% |
| Indigenous | 84,711.01 | 93.72% | 81,556.26 | 91.78% |
| | <u>90,391.75</u> | <u>100.00%</u> | <u>88,860.02</u> | <u>100.00%</u> |
| Stores and Spares : | | | | |
| Imported | 402.93 | 7.30% | 404.57 | 9.24% |
| Indigenous | 5,116.49 | 92.70% | 3,973.45 | 90.76% |
| | <u>5,519.42</u> | <u>100.00%</u> | <u>4,378.02</u> | <u>100.00%</u> |

2.44 Impairment of Assets

In pursuance of Accounting Standard - 28, the Company has reviewed its carrying cost of assets with value in use (determined based on future earnings) / net selling price (determined based on valuation). Based on such review, management is of the view that in the current financial year impairment of assets is not considered necessary.

2.45 ESOS Trust owns total 20,46,195 shares, out of which 15,79,922 shares were illegally sold by a party against which ESOS Trust has initiated legal proceedings and 4,66,273 shares are held by Stock Exchange based on an arbitration award. Pending final decision on these shares held by Trust, the Trust will continue for the limited purpose of litigation.

2.46 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act 2013 , a CSR committee has been formed by the company. The area for CSR activities are drinking water / sanitation, infrastructure for roof rain water harvesting, coastal area development projects, agriculture, agro based livelihood, irrigation, animal husbandry, healthcare, education/ literacy enhancement, employment enhancing vocational skill etc. The funds were primarily allocated to a corpus and utilised throughout the year on the activities which are specified in Schedule VII of the Companies Act, 2013.

| S no | Particulars | ₹ in Lacs | | |
|---------|---|---------------|------------------------|---------------|
| | | In cash | Yet to be paid in cash | Total |
| (a) | Gross amount required to be spent by the company during the year | | | 226.51 |
| (b) | Amount spent during the year | | | |
| | (1) Construction / acquisition of any asset | - | - | - |
| | (2) On purpose other than (1) above | 298.49 | - | 298.49 |
| | Total | 298.49 | - | 298.49 |

2.47 The previous year's/corresponding period's figures have been regrouped / reclassified.

Signature to Note 1 to 2

As per our report attached

For and on behalf of
Jayantilal Thakkar & Co.
Chartered Accountants

For and on behalf of
Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of the Board
Sanjay Dalmia
Chairman
Dr. B. C. Jain
Director

(C. V. Thakker)
Partner

(Rahul Divan)
Partner

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director - Finance

Bhwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date : 22nd May 2015

Place : New Delhi
Date : 22nd May 2015

Form AOC-1 Part "A" Subsidiaries
Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

| S.No. | Particulars | (Figures in ₹ In Lacs) | | |
|-------|---|--------------------------|--------------------------|--------------------------|
| | | Particulars | | |
| i. | Name of Subsidiary | Indian England N.V. | Indian Wales N.V. | Grace Home Fashion LLC |
| ii. | Reporting period for the subsidiary concerned, | 10th March 2015 | 10th July 2014 | 31st March 2015 |
| iii. | Reporting Currency and Exchange rate as on the last date of the relevant financial year/Period. | USD 1 USD = INR 62.77 | USD 1 USD = INR 60.20 | USD 1 USD = INR 62.51 |
| iv. | Share Capital | 26.83 | 35.45 | 3.64 |
| v. | Reserve & Surplus | -26.83 | -35.45 | 42.77 |
| vi. | Total Assets | - | - | 13,166.28 |
| vii. | Total Liabilities | - | - | 13,119.87 |
| viii. | Investments | - | - | - |
| ix. | Turnover | - | - | 31,908.11 |
| x. | Profit before Taxation | 18,523.91 | -0.69 | 0.01 |
| xi. | Provision for taxation | - | - | 1.15 |
| xii. | Profit after Taxation | 18,523.91 | -0.69 | -1.14 |
| xiii. | Proposed Dividend | - | - | - |
| xiv. | % of Shareholding | 100.00% | 100.00% | 100.00% |

Form AOC-1 Part "B" Associates
Statement Pursuant to sub-section (3) of section 129 of Companies Act 2013, related to Associate Companies

| S. No. | Name of Associate | DM Solar Farm Pvt. Limited |
|--------|--|----------------------------|
| 1 | Latest Audited Balance Sheet date | 31st March 2014 |
| 2 | Shares of Associate held by the company on the year end | |
| | No. | 5,200 |
| | Amount of Investment in Associates | 52,000 |
| | Extend of Holding % | 26% |
| 3 | Description of how there is significant influence | Due to Holding of 26% |
| 4 | Reason why the associate is not consolidated | Non materiality |
| 5 | Net worth attributable to Shareholding as per latest audited Balance Sheet | N/A |
| 6 | Profit / Loss for the year | |
| | i. Considered in Consolidation | NIL |
| | ii. Not Considered in Consolidation | -9,90,486 |

For and on behalf of the Board

 Sanjay Dalmia
 Chairman

 Dr. B.C. Jain
 Director

 R.S. Jalan
 Managing Director

 Raman Chopra
 CFO & Executive Director (Finance)

 Place : New Delhi
 Date : 22nd May 2015

 Bhuvneshwar Mishra
 General Manager & Company Secretary

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors
GHCL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GHCL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated 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 and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of 3 subsidiaries, whose financial statements reflect total assets of ₹ 13166 Lacs as at 31st March, 2015, total revenues of ₹ 31908 Lacs and net cash flows amounting to ₹ 61.94 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, the comments in the Annexure to the auditors' report of the Holding company on the matters specified in paragraphs 3 and 4 of the Order are applicable. The comments in the Annexure for an associate company are not available.
2. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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, in our opinion and to the best of our information and according to the explanations given to us :
 - i. The consolidated financial statements disclose the impact of pending litigations on its financial position in its financial statements - Refer Note 2.26 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

For and on behalf of
JAYANTILAL THAKKAR & CO
Chartered Accountants
(Firm Reg. No. 104133W)

(C.V. THAKKER)
Partner
Membership No: 006205

For and on behalf of
RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants
(Firm Reg. No. 120294W)

(RAHUL DIVAN)
Partner
Membership No: 100733

Place : New Delhi
Date : 22nd May, 2015

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015

| | Note | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--------------------------------|------|------------------------------------|------------------------------------|
| EQUITY AND LIABILITIES | | | |
| SHAREHOLDERS' FUNDS | | | |
| Share Capital | 2.1 | 10,001.93 | 10,001.93 |
| Reserves and Surplus | 2.2 | 67,014.15 | 48,726.13 |
| NON-CURRENT LIABILITIES | | | |
| Long-term borrowings | 2.3 | 78,374.62 | 88,511.38 |
| Deferred Tax Liability (Net) | 2.4 | 17,272.71 | 16,202.03 |
| Other Long Term liabilities | 2.5 | 467.69 | 608.01 |
| Long-term provisions | 2.6 | 378.39 | 168.14 |
| CURRENT LIABILITIES | | | |
| Short-term borrowings | 2.7 | 45,416.46 | 50,505.06 |
| Trade payables | 2.8 | 39,193.21 | 55,762.17 |
| Other current Liabilities | 2.9 | 22,895.26 | 27,083.70 |
| Short-term Provisions | 2.10 | 4,127.83 | 3,836.98 |
| Total | | 2,85,142.25 | 3,01,405.53 |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Fixed Assets | | | |
| Tangible assets | 2.11 | 1,93,355.94 | 1,86,856.41 |
| Intangible assets | 2.11 | 31.55 | 80.43 |
| Capital Work-in-Progress | | 701.46 | 1,245.65 |
| | | 1,94,088.95 | 1,88,182.49 |
| Non-current Investments | 2.12 | 154.34 | 549.20 |
| Long-term loans and advances | 2.13 | 1,308.74 | 2,375.52 |
| Other non-current assets | 2.14 | 46.92 | 54.68 |
| CURRENT ASSETS | | | |
| Current Investments | 2.12 | - | 200.00 |
| Inventories | 2.15 | 48,739.44 | 54,387.13 |
| Trade receivables | 2.16 | 24,434.70 | 38,121.10 |
| Cash and cash equivalents | 2.17 | 3,391.03 | 4,172.15 |
| Short-term loans and advances | 2.18 | 12,978.13 | 13,363.26 |
| Total | | 2,85,142.25 | 3,01,405.53 |

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS 1&2

The Notes referred to above form an integral part of the Consolidated financial statements

| As per our report attached | | For and on behalf of the Board | |
|---|--|---|--|
| For and on behalf of Jayantilal Thakkar & Co. Chartered Accountants | For and on behalf of Rahul Gautam Divan & Associates Chartered Accountants | Sanjay Dalmia Chairman | Dr. B. C. Jain Director |
| (C. V. Thakker) Partner | (Rahul Divan) Partner | R. S. Jalan Managing Director | Raman Chopra CFO & Executive Director - Finance |
| | | | Bhwneshwar Mishra General Manager & Company Secretary |
| Place : New Delhi Date : 22nd May 2015 | | Place : New Delhi Date : 22nd May 2015 | |

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

| | Note | For the Year Ended 31 March 2015 (₹ in Lacs) | For the Year Ended 31 March 2014 (₹ in Lacs) |
|---|------|--|--|
| INCOME | | | |
| Revenue from operations (Gross) | 2.19 | 2,53,857.31 | 2,39,304.67 |
| Less: Excise Duty | | 16,496.33 | 14,540.44 |
| Revenue from operations(Net) | | 2,37,360.98 | 2,24,764.23 |
| Other Income | 2.20 | 1,125.72 | 500.76 |
| TOTAL REVENUE | | 2,38,486.70 | 2,25,264.99 |
| EXPENDITURE | | | |
| Cost of Material consumed | | 90,391.75 | 88,860.02 |
| Purchase of Stock-in-trade | | 6,215.12 | 9,085.96 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 2.21 | (4,467.98) | (10,642.47) |
| Employees benefits expenses | 2.22 | 12,625.51 | 12,199.30 |
| Others Expenses | 2.23 | 79,318.10 | 81,561.41 |
| Loss on Conversion into INR (nett) | | 446.58 | 359.16 |
| | | 1,84,529.08 | 1,81,423.38 |
| Profit Before Finance costs and Depreciation and Amortisation expenses | | 53,957.62 | 43,841.61 |
| Finance costs | 2.24 | 17,042.40 | 18,318.50 |
| Profit Before Depreciation and Amortisation expenses | | 36,915.22 | 25,523.11 |
| Depreciation and Amortisation expenses | 2.11 | 8,491.82 | 10,111.49 |
| Less: Transferred from Business Development Reserve | | - | 1,937.65 |
| | | 8,491.82 | 8,173.84 |
| Exceptional Items | | (2,740.10) | (3,097.20) |
| Profit Before Tax | | 25,683.30 | 14,252.07 |
| Tax expenses | | | |
| - Current Tax | | 6,422.43 | 3,670.97 |
| - Less : MAT credit entitlement | | - | 145.64 |
| - Deferred Tax (Net) | 2.4 | 1,070.68 | (125.37) |
| Profit For The Year after Tax | | 18,190.19 | 10,852.11 |
| Share in Profit from Associates | | - | - |
| Net Profit For The Year after Tax | | 18,190.19 | 10,852.11 |
| Earnings per Share (Rupees) - Basic /Diluted | 2.25 | 18.32 | 10.79 |

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS

The Notes referred to above form an integral part of the Consolidated financial statements

| As per our report attached | | For and on behalf of the Board | |
|---|--|---|---|
| For and on behalf of Jayantilal Thakkar & Co. Chartered Accountants | For and on behalf of Rahul Gautam Divan & Associates Chartered Accountants | Sanjay Dalmia Chairman | Dr. B. C. Jain Director |
| (C. V. Thakker) Partner | (Rahul Divan) Partner | R. S. Jalan Managing Director | Raman Chopra CFO & Executive Director - Finance |
| | | | Bhuwneshwar Mishra General Manager & Company Secretary |
| Place : New Delhi Date : 22nd May 2015 | | Place : New Delhi Date : 22nd May 2015 | |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

| | For the Year Ended 31 March 2015 (₹ in Lacs) | For the Year Ended 31 March 2014 (₹ in Lacs) |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/(Loss) before tax and Extraordinary items | 28,423.40 | 17,349.27 |
| Adjustment for : | | |
| Depreciation / Amortisation | 8,491.82 | 8,173.84 |
| Effects of Exchange Rate change | 324.80 | 2,788.97 |
| Interest Income | (86.64) | (18.11) |
| Income From Dividend | (3.32) | (6.21) |
| Prior Period Adjustments | 8.70 | 17.12 |
| Loss on Sales / Discarding of Fixed Assets (Net) | (433.05) | 26.08 |
| Profit on Sale of Investments (Net) | (210.55) | (141.41) |
| Financial Expenses (Net) | 17,129.04 | 18,336.61 |
| | 25,220.80 | |
| Operating Profit before Working capital Changes | 53,644.20 | 46,526.16 |
| Adjustments for : | | |
| [i] Trade & Other Receivables | | |
| * (Increase) / decrease in Trade receivables | 6,321.54 | (9,522.09) |
| * (Increase) / decrease in Long term Loans and Advances | 149.28 | (753.81) |
| * (Increase) / decrease in Short term Loans and Advances | (16,822.30) | 7,339.32 |
| [ii] Trade & Other payables | | |
| * Increase / (decrease) in Trade payables | (2,684.54) | 8,428.48 |
| * Increase / (decrease) in Long term provisions | 210.25 | 61.19 |
| * Increase / (decrease) in Short term provisions | (17.16) | 117.68 |
| * Increase / (decrease) in other current liabilities | 1,654.95 | 7,594.29 |
| * Increase / (decrease) in other long term liabilities | (109.47) | 278.04 |
| [iii] (Increase) / decrease in Inventories | 5,500.07 | (11,108.84) |
| Cash generated from Operations | 47,846.82 | 48,960.42 |
| Direct taxes paid | (6,244.52) | (3,742.11) |
| Net cash generated from Operating Activities | 41,602.30 | 45,218.31 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (13,775.18) | (8,459.14) |
| Sale of Fixed Assets | 532.62 | 18.74 |
| Purchase of non current Investments | - | (0.40) |
| Purchase of current Investments | (34,350.05) | (13,972.52) |
| Sale of current Investments | 34,760.60 | 13,913.93 |
| Effects of Exchange Rate change | - | (3,195.94) |
| Interest Received | 86.64 | 18.11 |
| Dividend Received | 3.32 | 6.21 |
| Net cash used from Investing Activities | (12,742.05) | (11,671.01) |



| | For the Year Ended 31 March 2015 (₹ in Lacs) | For the Year Ended 31 March 2014 (₹ in Lacs) |
|--|--|--|
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long Term borrowings | 35,488.53 | 35,350.28 |
| Repayments against Long Term Borrowings | (42,114.56) | (49,832.16) |
| Short Term Borrowings (Net) | (4,061.10) | 3,091.24 |
| Interest and Finance Charges Paid | (16,614.48) | (18,559.00) |
| Dividend and tax thereon paid | (2,339.76) | (2,333.27) |
| Net Cash used from Financing Activities | (29,641.37) | (32,282.91) |
| Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C) | (781.12) | 1,264.39 |
| Cash and Cash Equivalents at beginning of year | 4,172.15 | 2,907.76 |
| Cash and Cash Equivalents at end of year | 3,391.03 | 4,172.15 |

As per our report attached

For and on behalf of the Board

For and on behalf of
Jayantilal Thakkar & Co.
Chartered Accountants

For and on behalf of
Rahul Gautam Divan & Associates
Chartered Accountants

Sanjay Dalmia
Chairman

Dr. B. C. Jain
Director

(C. V. Thakker)
Partner

(Rahul Divan)
Partner

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director - Finance

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date : 22nd May 2015

Place : New Delhi
Date : 22nd May 2015

NOTE : NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF CONSOLIDATION

- a. GHCL Limited together with its subsidiaries and its interest in Associates (Collectively "The Group") is engaged in the business of manufacturing and trading of Inorganic Chemicals, Home Textiles and Wind Power Generation.
- b. The consolidated financial statements of the Group have been combined on a line- by- line basis by adding together book value of like items of assets, liabilities, income and expenses in accordance with Accounting Standard on "Consolidated Financial Statements" (AS - 21) and Accounting for "Investment in Associates Consolidated Financial Statements" (As-23).
- c. The list of subsidiary companies which are included in the consolidation with the respective country of incorporation and the Group's holding therein are given below:

| | NAME OF THE COMPANY | COUNTRY OF INCORPORATION | Direct % of Holding | |
|---|---------------------------------|--------------------------|------------------------|------------------------|
| | | | As at 31st March, 2015 | As at 31st March, 2014 |
| 1 | Rosebys Interiors India Limited | India | NIL | 96.45 |
| 2 | Indian England N.V. | Netherlands | | NIL |
| 3 | Indian Wales N.V. | | | |
| 4 | Grace Home Fashions LLC | USA | 100 | |

- d. Following subsidiaries of the Company, are under administration/closure as on 31st March 2015

| | Name of Subsidiaries | Date | Status |
|---|---------------------------------|----------------------|-------------------|
| 1 | Indian Wales N.V. | 23rd January 2015 | Dissolved |
| 2 | Telforce Holding India Limited | 29th January 2014 | Under Liquidation |
| 3 | Indian England N.V. | 10th March 2015 | |
| 4 | Rosebys Interiors India Limited | 15th July 2014 | |
| 5 | Textile & Design Limited | 25th September, 2009 | |

Subsequent to the Balance Sheet date, Telforce Holding India Limited, a subsidiary in Cyprus has been voluntarily dissolved on 28th April 2015.

Closure - The financial results of these companies are consolidated upto the date of closure.

Indian Wales N.V. 10th July 2014

Indian England N.V. 10th March 2015

- e. The accounts of Grace Home Fashions LLC which is not required to be audited under domestic law or whose audited accounts are not required to be prepared upto the reporting date of parent company are drawn on the basis of financial statements certified by the Management.
- f. All material inter- company balances and transactions are eliminated on consolidation.
- g. The excess of value of investments in the subsidiary companies over its share of the net assets of the subsidiary companies, at the date on which the investments in the subsidiary companies are made, is recognised as "goodwill" being an asset in the consolidated financial statements. The net asset value, considered for the purpose of goodwill in respect of trenches of investment, is the value as at the date of the first investment for acquiring subsidiary company. Goodwill arising out of consolidation is impaired during the year.
- h. Minority interest in the net assets of the subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the date of investments attributable to their equity.
- i. Revenue and expenses are translated into Indian Rupee at average rate for the year of the respective financial year of the companies . Fixed Assets, Share Capital and Reserves as at date of acquisition of subsidiary companies are translated into Indian Rupee on the prevailing rate on the same day. All other assets and liabilities are translated into Indian Rupee at the rate of exchange prevailing as at Balance Sheet date. All overseas subsidiary except Grace Home Fashions LLC, USA, is considered as non-integral part of the company's business under AS-11 and accordingly the gain/loss on account of exchange difference is treated under Foreign Currency Translation Reserve. The gain/loss on translation of Grace Home Fashions LLC has been recognised in the Statement of Profit and Loss.
- j. Investment in Associates are accounted for using equity method in accordance with AS-23. For this purpose investment are initially recorded at cost. Any goodwill/ capital reserve arising at the time of acquisition are identified and carrying amount of investment are adjusted thereafter for the post acquisition share of profit or losses. Adjustment for any change in equity that has not been included in through the consolidated profit and loss account. The corresponding debit/credit are made in the

relevant head of the equity interest in the Consolidated Balance Sheet. Due to the unavailability of the financial statements of the associates, DM Solar Farm Pvt Ltd as at 31st March 2015, the same is not included in the Consolidated financial statements. This non-inclusion will not have a material impact on the Consolidated financial statements

- k. Consolidated Financial Statements have been prepared using uniform accounting policies for all major transactions and other events in similar circumstances except the policies adopted by the subsidiaries based on local laws which are given below :-
1. The parent and the subsidiaries write off Intangible Assets over different number of years.
 2. Parent and subsidiaries provide depreciation at different rates on Tangible Assets.
 3. The parent and the subsidiaries follow their local guidelines for accounting the leases.
 4. Foreign subsidiary companies recognize tax liabilities and assets in accordance with the applicable local legislation.
 5. The parent and subsidiaries follow different method of valuation of inventory.

It is not practicable to adopt uniform accounting policies in respect of the aforesaid items. The proportion of these items vis-a-vis results/assets of the Group is not significant.

2 SIGNIFICANT ACCOUNTING POLICIES

- a. Investments other than in Subsidiaries have been accounted as per Accounting Standard 13 - "Accounting for Investments".
- b. **Other Significant accounting policies**
Other Significant accounting policies are set out under "Significant Accounting Policies" as given in the standalone financial statements of the parent company.

Notes forming part of the Consolidated Balance Sheet

Note 2.1 : SHARE CAPITAL

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| SHARE CAPITAL | | |
| Authorised | | |
| 175,000,000 Equity Shares of ₹10/- each | 17,500.00 | 17,500.00 |
| | <u>17,500.00</u> | <u>17,500.00</u> |
| Issued, Subscribed and Paid up | | |
| 100,019,286 Equity Shares of ₹ 10/- each fully paid up | 10,001.93 | 10,001.93 |
| | <u>10,001.93</u> | <u>10,001.93</u> |

Additional Notes :

- a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year

| Equity shares | 31.03.2015 | | 31.03.2014 | |
|------------------------------------|---------------|-------------|---------------|-------------|
| | No. of Shares | (₹ in Lacs) | No. of Shares | (₹ in Lacs) |
| At the beginning of the year | 10,00,19,286 | 10,001.93 | 10,00,19,286 | 10,001.93 |
| Add: Issued during the year | - | - | - | - |
| Outstanding at the end of the year | 10,00,19,286 | 10,001.93 | 10,00,19,286 | 10,001.93 |

- b) Rights, Preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per equity share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend. In the event of liquidation on the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

- c) Shareholder's holding more than 5 % Shares as on Balance Sheet date: NIL NIL

As per the records of the Company, including its register of shareholders/members and others declarations received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

Note 2.2 : RESERVES AND SURPLUS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| CAPITAL RESERVE | | |
| Cash subsidy | 25.69 | 25.69 |
| Surplus on re-issue of forfeited Shares | 15.50 | 15.50 |
| Forfeiture of Preferential Convertible Warrants | 715.73 | 715.73 |
| | 756.92 | 756.92 |
| BUSINESS DEVELOPMENT RESERVE | | |
| As per last Balance Sheet | 20,124.38 | 30,066.36 |
| Less: Diminution in value of Investment/ Advances/ Receivables from Subsidiaries | (5,257.18) | (8,004.33) |
| Less: Adjustment consequent to liquidation of subsidiaries | (6,565.35) | - |
| | 8,301.85 | 22,062.03 |
| Less: Depreciation Transferred to statement of Profit and Loss as reduction from depreciation | - | (1,937.65) |
| Less: Write back on Sales of Revalued Assets | (785.59) | - |
| | 7,516.26 | 20,124.38 |
| CAPITAL REDEMPTION RESERVE | | |
| As per last Balance Sheet | 1,000.00 | 1,000.00 |
| FOREIGN CURRENCY TRANSLATION RESERVE | | |
| As per last Balance Sheet | 111.74 | (3,443.06) |
| Adjustment during the year | (111.74) | 3,554.80 |
| | - | 111.74 |
| SECURITIES PREMIUM ACCOUNT | | |
| As per last Balance Sheet | 1,815.04 | 2,314.60 |
| GENERAL RESERVE | | |
| As per last Balance Sheet | 9,815.93 | 8,653.01 |
| Add: Transfer From Statement of Profit and Loss | - | 1,162.92 |
| | 9,815.93 | 9,815.93 |
| SURPLUS IN THE STATEMENT OF PROFIT AND LOSS | | |
| As per last Balance Sheet | 14,602.56 | 7,312.92 |
| Net Profit for the Year after Tax | 18,190.19 | 10,852.11 |
| Adjustment consequent to liquidation of subsidiaries | 15,837.20 | - |
| Prior period adjustments | 8.70 | 17.12 |
| Excess/(Short) provision for Tax for earlier years | 119.72 | (76.31) |
| | 48,758.37 | 18,105.84 |
| APPROPRIATIONS | | |
| Transfer to General Reserve | - | 1,162.92 |
| Proposed Dividend on Equity Shares | 2,200.42 | 2,000.39 |
| Tax on Dividend | 447.95 | 339.97 |
| | 2,648.37 | 3,503.28 |
| Total | 46,110.00 | 14,602.56 |
| | 67,014.15 | 48,726.13 |

NOTE 2.3 : LONG TERM BORROWINGS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| FROM BANKS / FINANCIAL INSTITUTIONS | | |
| Secured Loan | | |
| Rupee Term Loans | 78,374.62 | 65,836.34 |
| Foreign Currency Loans | - | 16,173.00 |
| Unsecured Loan | | |
| Loan from Banks | - | 6,502.04 |
| Total | 78,374.62 | 88,511.38 |

Notes :
1) Rupee Term Loans from Banks / Institutions have been secured against :-

- a) Loan aggregating to ₹ 6960.26 Lacs is secured by extension of first charge on pari passu basis, by way of equitable mortgage on immovable properties of the Soda Ash Division situated at Sutrapada, Veraval, Gujarat and extension of hypothecation charge on movable fixed assets, both present and future of the company's Soda Ash division situated at village – Sutrapada, Veraval in Gujarat with other term lenders of the said project. The remaining tenure of the loans is 1 to 3 years.
- b) Loan aggregating to ₹ 11212.33 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 4 to 10 years.
- c) Loan aggregating to ₹ 23641.18 Lacs is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 2 to 5 years.
- d) Loan aggregating to ₹ 1012.20 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on fixed assets of the Textile Division situated at Vapi, Gujarat and hypothecation of movable fixed assets both present and future of the Company's Textile Division at Vapi, Gujarat with other term lenders of the said project. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 1 year.
- e) Loan aggregating to ₹ 4175.38 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 4 to 10 years.
- f) Loan aggregating to ₹ 5523.40 Lacs is secured by way of first pari passu charge on movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 2 to 3 years.
- g) Loan aggregating to ₹ 928.12 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu and hypothecation of specified movable assets, both present and future of the Company's Textile Division. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 1 to 2 years.
- h) Loan aggregating to ₹ 7632.46 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 4 to 9 years.
- i) Loan aggregating to ₹ 12081.00 Lacs is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 1 to 5 years.
- j) Loan aggregating to ₹ 7000.00 Lacs is secured by first exclusive charge on movable fixed assets of Textile Division situated at Paravai and Manaparai, Tamil Nadu, both present and future, excluding assets exclusively charged to other lenders. The remaining tenure of the loan is 6 years.
- k) Loan aggregating to ₹ 1771.00 Lacs is secured by an exclusive first charge on movable and immovable fixed assets situated at Tirunelveli District, Tamilnadu, both present and future, created out of the proceeds of the loan. The remaining tenure of the loan is 10 years.
- l) Loan aggregating to ₹ 5000.00 Lacs is secured by extension of first charge on movable fixed assets of Edible Salt division situated at Chennai and Industrial Salt Division situated at Bhavnagar and exclusive first charge on the factory land and building situated at Thiruporur village, Chengalpattu Taluka, Kancheepuram District, Chennai. The remaining tenure of the loan is 5 years.

- m) Out of all the aforesaid secured Loans appearing in note 2.3 (a) to 2.3 (l) totaling ₹ 86937.33 Lacs, an amount of ₹ 8562.71 Lacs is due for payment in next 12 months and accordingly reported under note no 2.9 under the head “ Other Current Liabilities” as ‘current maturities of Long Term Debt’.

NOTE 2.4 : DEFERRED TAX LIABILITIES (NET)

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| Deferred tax liability on account of: | | |
| i) Depreciation | 18,153.71 | 16,879.08 |
| Total (A) | 18,153.71 | 16,879.08 |
| Deferred tax assets on account of: | | |
| i) Employee Benefit | 323.60 | 323.60 |
| ii) Disallowance u/s 40 (a) | 365.28 | 331.29 |
| iii) Carry forward loss as per IT Act | 169.96 | - |
| iv) Deferred Revenue Expenditure | 22.16 | 22.16 |
| Total (B) | 881.00 | 677.05 |
| Total (A-B) | 17,272.71 | 16,202.03 |

NOTE 2.5 : OTHER LONG TERM LIABILITIES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|-----------------------------|------------------------------------|------------------------------------|
| Trade Deposits from Dealers | 373.50 | 449.70 |
| Security Deposits | 94.19 | 158.31 |
| Total | 467.69 | 608.01 |

NOTE 2.6 : LONG TERM PROVISIONS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|-----------------------------------|------------------------------------|------------------------------------|
| Mines Restoration Expenditure: | | |
| Opening Provision | 168.14 | 106.95 |
| Add: Provision during the year | 212.80 | 77.49 |
| Less: Utilisation during the year | (2.55) | (16.30) |
| Total | 378.39 | 168.14 |

NOTE 2.7 : SHORT TERM BORROWINGS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| SECURED LOANS REPAYABLE ON DEMAND | | |
| Working Capital Loans from Banks | 45,416.46 | 49,477.56 |
| UNSECURED LOANS REPAYABLE ON DEMAND | | |
| Loans from others | - | 1,027.50 |
| Total | 45,416.46 | 50,505.06 |

- 1) Working Capital Loans are secured by way of hypothecation of stock-in-trade and book debts of Soda Ash / Home Textile Division / Edible Salt / Textile Divisions and second charge on fixed assets of Soda Ash Division / Home Textile Division and Textile Division, both present and future.
- 2) Specified movable assets referred to in the above notes include all movable assets of Soda Ash Division, Home Textile Division and Textile Division both present and future but subject to prior charge created and / or that may be created in favour of Company's Bankers on stock-in-trade for securing borrowing for working capital.

NOTE 2.8 : TRADE PAYABLE

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| Sundry Creditors for Goods and Expenses | 39,151.32 | 55,684.34 |
| Sundry Creditors - Micro, Small & Medium Enterprises* | 41.89 | 77.83 |
| Total | 39,193.21 | 55,762.17 |

* There are no interests due or outstanding to Micro, Small & Medium Enterprises beyond the due date.

NOTE 2.9 : OTHER CURRENT LIABILITIES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| Current maturities of long term debt | 8,562.71 | 9,568.26 |
| Interest accrued but not due on borrowings | 77.13 | 430.76 |
| Interest accrued and due on borrowings | 1,068.52 | 1,020.94 |
| Advances from Customers | 276.62 | 789.06 |
| Sundry Creditors for Capital Expenditure | 1,199.64 | 432.81 |
| *Investor Education & Protection Fund in respect of Unclaimed Dividend | 257.12 | 257.70 |
| Other liabilities | | |
| Accrued salaries and benefits | 1,894.08 | 1,315.63 |
| Withholding and other taxes payable | 903.40 | 718.50 |
| Provision for Expenses | 2,670.02 | 3,449.29 |
| Other payable | 5,986.02 | 9,100.75 |
| Total | 22,895.26 | 27,083.70 |

* The figure reflects the position as of 31st March, 2015. The actual amount to be transferred to the Investor Education & Protection Fund in this respect shall be determined on the due date.

NOTE 2.10 : SHORT TERM PROVISIONS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|------------------------------------|------------------------------------|------------------------------------|
| Provision for employees' benefits | | |
| Unavailed leave | 1,051.22 | 956.20 |
| Bonus/gratuity | 413.74 | 527.30 |
| Others | | |
| Proposed Dividend on Equity Shares | 2,200.42 | 2,000.39 |
| Provision for | | |
| Tax on Dividend | 447.95 | 339.97 |
| Wealth Tax | 14.50 | 13.12 |
| Total | 4,127.83 | 3,836.98 |

Note 2.11 : FIXED ASSETS

₹ in Lacs

| PARTICULARS | GROSS BLOCK | | | DEPRECIATION / AMORTISATION | | | NET BLOCK | |
|--------------------------------|---------------------|--------------------------|---------------------|-----------------------------|--------------------------|---------------------|---------------------|---------------------|
| | As at 01-04-2014 | Additions (Deletions) | As at 31-03-2015 | As at 01-04-2014 | Additions (Deletions) | As at 31-03-2015 | As at 31-03-2015 | As at 31-03-2014 |
| (A) TANGIBLE ASSETS | | | | | | | | |
| Leasehold Land | 38,732.43 | - | 38,732.43 | 3,007.34 | 485.55 | 3,492.89 | 35,239.54 | 35,725.09 |
| Free hold Land | 38,632.63 | 162.00 (851.88) | 37,942.75 | - | - | - | 37,942.75 | 38,632.63 |
| Buildings | 20,151.73 | 2,139.22 | 22,290.95 | 5,913.06 | 952.22 | 6,865.28 | 15,425.67 | 14,238.67 |
| Plant and Machinery | 1,73,591.58 | 10,637.68 (407.37) | 1,83,821.89 | 80,628.57 | 5,460.53 (364.77) | 85,724.33 | 98,097.56 | 92,963.01 |
| Wind Turbine Generators | 4,044.93 | 2,677.81 | 6,722.74 | 1,969.72 | 161.45 | 2,131.17 | 4,591.57 | 2,075.21 |
| Furniture and Fixtures | 951.35 | 52.09 (0.14) | 1,003.30 | 424.65 | 133.66 (0.14) | 558.17 | 445.13 | 526.70 |
| Office Equipments | 1,547.24 | 116.05 (123.47) | 1,539.82 | 977.06 | 431.65 (121.49) | 1,287.22 | 252.60 | 570.18 |
| Vehicles | 481.21 | 41.29 (10.22) | 512.28 | 198.44 | 74.88 (6.28) | 267.04 | 245.24 | 282.77 |
| Leased Mines | 6,202.17 | - | 6,202.17 | 4,665.98 | 588.81 | 5,254.79 | 947.38 | 1,536.19 |
| Salt Works Reservoirs and Pans | 6,530.40 | - | 6,530.40 | 6,224.44 | 137.46 | 6,361.90 | 168.50 | 305.96 |
| Sub Total (A) | 2,90,865.67 | 15,826.14 | 3,05,298.73 | 1,04,009.26 | 8,426.21 | 1,11,942.79 | 1,93,355.94 | 1,86,856.41 |
| | | (1,393.08) | | | (492.68) | | | |
| (B) INTANGIBLE ASSETS | | | | | | | | |
| Goodwill | 262.32 | - | 262.32 | 262.32 | - | 262.32 | - | - |
| Trade mark | 0.10 | - | 0.10 | 0.04 | 0.03 | 0.07 | 0.03 | 0.06 |
| Software | 674.94 | 16.73 (1.63) | 690.04 | 594.57 | 65.58 (1.63) | 658.52 | 31.52 | 80.37 |
| Sub Total (B) | 937.36 | 16.73 | 952.46 | 856.93 | 65.61 | 920.91 | 31.55 | 80.43 |
| | | (1.63) | | | (1.63) | | | |
| Grand Total (A+B) | 2,91,803.03 | 15,842.87 | 3,06,251.19 | 1,04,866.19 | 8,491.82 | 1,12,863.70 | 1,93,387.49 | 1,86,936.84 |
| | | (1,394.71) | | | (494.31) | | | |
| Previous Year | 2,83,201.44 | 10,276.99 (1,675.40) | 2,91,803.03 | 95,655.97 | 10,111.49 (901.27) | 1,04,866.19 | 1,86,936.84 | |

1. Building include a sum of ₹ 497.80 Lacs being cost of office premises acquired on ownership basis.
2. Leased mines represent expenditure incurred on development of mines.
3. Cash Subsidy amounting to ₹ 823.35 Lacs (previous year ₹ 823.35 Lacs) relating to Home Textile division at Vapi has been reduced from respective Fixed Assets.
4. Deletion of Free Hold Land includes ₹ 785.59 Lacs (Previous Year ₹ Nil) being revaluation amount of land of GHCL LTD sold during the year.

NOTE 2.12 : NON CURRENT INVESTMENTS /CURRENT INVESTMENTS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| NON CURRENT INVESTMENTS | | |
| Investment in Equity Instruments | | |
| OTHER THAN TRADE | | |
| Quoted (at cost) | | |
| 41,500 Equity Shares of HDFC Bank Limited of ₹ 2/- each fully paid up | 0.83 | 0.83 |
| 68,598 Equity Shares of IDBI Limited of ₹ 10/- each fully paid up | 49.34 | 49.34 |
| 2,595 Equity Shares of Dena Bank of ₹ 10/- each fully paid up | 0.70 | 0.70 |
| 272,146 Equity Shares of GTC Industries Limited of ₹ 10/- each fully paid up | 495.01 | 495.01 |
| 4,500 Equity Shares of Canara Bank of ₹ 10/- each fully paid up | 1.58 | 1.58 |
| 100 Equity Shares of ₹ 10/- each fully paid up of TCP Ltd | 0.40 | 0.40 |
| | 547.86 | 547.86 |
| SHARES IN ASSOCIATS COMPANY | | |
| Unquoted (at cost unless stated otherwise) | | |
| 5200 Equity Shares of ₹ 10/- each fully paid up of DM Solar Farm Pvt Limited | 0.52 | 0.52 |
| Investment in Government securities | | |
| Unquoted (at cost unless stated otherwise) | | |
| 7 year National Savings Certificates (Pledged with Government Authorities) | 0.82 | 0.82 |
| Total (A) | 549.20 | 549.20 |
| CURRENT INVESTMENTS - (UNQUOTED) | | |
| (At lower of cost and fair value- fully paid) | | |
| Investment in Mutual Funds | | |
| 14648 units of SBI Premier Liquid Fund | - | 200.00 |
| Total (B) | - | 200.00 |
| Less: Permanent diminution in the value of investment written off | 394.86 | - |
| Total(A+B) | 154.34 | 749.20 |

| | As at 31.03.2015 | | As at 31.03.2014 | |
|--------|------------------|--------------|------------------|--------------|
| | Book Value | Market Value | Book Value | Market Value |
| Quoted | 153.00 | 591.18 | 547.86 | 425.74 |
| Others | 1.34 | - | 201.34 | - |
| | 154.34 | | 749.20 | |

NOTE 2.13 : LONG-TERM LOANS AND ADVANCES (UNSECURED-CONSIDERED GOOD)

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received - Considered Good | - | 35.87 |
| Advances against capital expenditure | 435.16 | 1,352.66 |
| Security Deposits | 873.58 | 986.99 |
| Total | 1,308.74 | 2,375.52 |

NOTE 2.14 : OTHERS NON-CURRENT ASSETS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| Long Term Trade Receivable (Unsecured, considered good) | 46.92 | 54.68 |
| Total | 46.92 | 54.68 |

NOTE 2.15 : INVENTORIES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| Inventory (as taken, valued and certified by the Management) | | |
| At cost or net realisable value which ever is lower | | |
| Raw materials | 18,861.71 | 20,234.43 |
| Finished goods | 9,429.93 | 8,111.43 |
| Stock in process | 4,205.44 | 4,755.97 |
| Stock in trade | 7,611.57 | 14,065.47 |
| Stores and spares | 8,630.79 | 7,219.83 |
| Total | 48,739.44 | 54,387.13 |

NOTE 2.16 : TRADE RECEIVABLES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|--|------------------------------------|------------------------------------|
| Sundry Debtors (Unsecured, considered good unless stated otherwise) | | |
| Outstanding over six months from due date | | |
| Considered good | 9.09 | 563.25 |
| Considered doubtful | - | 204.41 |
| Provision for Doubtful Debts | - | (204.41) |
| | 9.09 | 563.25 |
| Other debts | 24,425.61 | 37,557.85 |
| Total | 24,434.70 | 38,121.10 |

NOTE 2.17 : CASH AND CASH EQUIVALENTS

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| (a) Cash -on- hand | 27.52 | 15.06 |
| (b) Balances with Banks | | |
| On current account | 2,992.28 | 3,775.68 |
| On unpaid dividend account | 257.12 | 257.70 |
| Others bank balances | | |
| Banks deposits with original maturity for more than 12 months | 12.15 | 67.64 |
| Margin money deposit | 101.96 | 56.07 |
| Total | 3,391.03 | 4,172.15 |

NOTE 2.18 : SHORT-TERM LOANS AND ADVANCES

| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |
|---|------------------------------------|------------------------------------|
| (Unsecured, considered good) | | |
| Advances recoverable in cash or in kind or for value to be received - Considered Good | 7,388.64 | 8,726.13 |
| Duty Drawback / FPS receivable on Export | 3,663.35 | 2,763.41 |
| Loan to Employee Stock Option Scheme Trust | 680.52 | 680.52 |
| Interest Accrued on Investments | 1.37 | 0.60 |
| Balances with Customs, Port Trust, Central Excise etc. | 724.95 | 615.00 |
| Income Tax paid / TDS | 519.30 | 577.60 |
| Total | 12,978.13 | 13,363.26 |

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS
NOTE 2.19 : REVENUE FROM OPERATIONS

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|---------------------------------------|---|---|
| Revenue from operations | | |
| Sales of Products | | |
| Finished Goods | 2,45,048.66 | 2,30,561.59 |
| Traded Goods | 6,609.26 | 6,195.54 |
| Sales of Services | 996.78 | 1,208.81 |
| Other operating revenue | | |
| Waste & Scrap sales | 1,202.61 | 1,338.73 |
| Revenue from operations(Gross) | 2,53,857.31 | 2,39,304.67 |
| Less: Excise Duty | 16,496.33 | 14,540.44 |
| Revenue from operations(Net) | 2,37,360.98 | 2,24,764.23 |

NOTE 2.20 : OTHER INCOME

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|---|---|---|
| Interest on Investment | 8.19 | 3.34 |
| Dividend Income (Non Current Investment) | 3.32 | 6.21 |
| Interest on Income Tax Refund | 116.00 | 0.03 |
| Profit on sale of Assets (net) | 433.05 | - |
| Profit on sale of Investment (net) (Current Investment) | 210.55 | 141.41 |
| Bad debts written off recovered | 173.08 | 4.25 |
| Sundry Credit Balances Written back (net) | 20.68 | 117.52 |
| Rent Income | 24.68 | 12.07 |
| Provision for Doubtful Debts written back | - | 85.60 |
| Other non-operating income | 136.17 | 130.33 |
| Total | 1,125.72 | 500.76 |

NOTES 2.21 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|--|---|---|
| Opening stock | | |
| Finished Goods | 8,111.43 | 8,633.66 |
| Stock in trade | 3,911.56 | 4,340.05 |
| Stock in Process | 4,755.97 | 3,316.70 |
| (A) | 16,778.96 | 16,290.41 |
| Closing stock | | |
| Finished Goods | 9,429.93 | 8,111.43 |
| Stock in trade | 7,611.57 | 14,065.48 |
| Stock in Process | 4,205.44 | 4,755.97 |
| (B) | 21,246.94 | 26,932.88 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade Total (A-B) | (4,467.98) | (10,642.47) |

NOTES 2.22 : EMPLOYEES BENEFITS EXPENSES

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|------------------------------------|---|---|
| Salaries, Wages and Bonus | 10,700.05 | 10,242.94 |
| Contribution to PF and other funds | 1,083.85 | 1,089.49 |
| Staff Welfare | 501.61 | 558.87 |
| Commission to Wholetime Directors | 340.00 | 308.00 |
| Total | 12,625.51 | 12,199.30 |

NOTES 2.23 : OTHERS EXPENSES

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|--|---|---|
| Repairs and Maintenance | | |
| Machinery | 2,268.08 | 2,038.09 |
| Building | 170.90 | 129.28 |
| Others | 443.91 | 334.68 |
| | 2,882.89 | 2,502.05 |
| Stores and Spares | 5,519.42 | 4,378.02 |
| Power, Fuel and Water | 38,957.16 | 38,538.06 |
| Other Manufacturing Expenses | 7,947.90 | 8,427.98 |
| Packing Expenses | 8,196.10 | 7,032.69 |
| Cash Discount | 1,764.54 | 4,713.41 |
| Freight and Forwarding | 4,414.19 | 3,800.33 |
| Commission on Sales | 1,751.29 | 1,807.29 |
| Sales Promotion Expenses | 1,315.85 | 1,384.19 |
| Travelling & Conveyance | 1,075.40 | 914.23 |
| Rent and Lease Rent | 677.90 | 654.82 |
| Rates and Taxes (includes ₹ 14.50 Lacs, previous year ₹ 13.00 Lacs) for Wealth Tax | 154.51 | 237.23 |
| Insurance | 701.06 | 665.77 |
| Loss on Foreign Exchange (net) | 324.80 | 2,788.97 |
| Commission to Non Wholetime Directors (includes service tax of ₹ 8.03 Lacs, previous year ₹ 7.63 Lacs) | 199.01 | 142.63 |
| Communication Expenses | 222.05 | 175.50 |
| Legal & Professional Expenses | 1,072.60 | 1,131.43 |
| Bad Debts / Irrecoverable amounts written off (net) | 49.68 | 389.26 |
| Donation | 10.52 | 11.85 |
| CSR Expenditure | 298.49 | 214.50 |
| Deficit on Sale / Discarding of Fixed Assets (net) | - | 26.08 |
| Excise Duty | 119.31 | (181.88) |
| Miscellaneous Expenses | 1,663.43 | 1,807.00 |
| Total | 79,318.10 | 81,561.41 |

NOTES 2.24 : FINANCE COSTS

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|---|---|---|
| Interest - Fixed Loans | 11,085.00 | 11,402.94 |
| - Others | 3,777.82 | 3,622.52 |
| Loss on foreign currency transactions and translation (net) | 980.12 | 2,136.54 |
| Other borrowing costs | 1,431.52 | 1,471.90 |
| | 17,274.46 | 18,633.90 |
| Less : Interest and Financial charges capitalised | 145.42 | 297.29 |
| Less : Interest Income Others | 86.64 | 18.11 |
| | 232.06 | 315.40 |
| Total | 17,042.40 | 18,318.50 |

NOTES 2.25 : EARNING PER SHARE(EPS)

| | For the Year Ended 31.03.2015 (₹ in Lacs) | For the Year Ended 31.03.2014 (₹ in Lacs) |
|---|--|---|
| Basic /Diluted EPS | | |
| Earnings per Share has been computed as under: | | |
| Profit after Taxation (₹ in Lacs) | 18,190.19 | 10,852.11 |
| (Less)/Add : Prior year Adjustment | 128.42 | (59.19) |
| | 18,318.61 | 10,792.92 |
| The weighted average number of Equity Shares for Basic EPS | 10,00,19,286 | 10,00,19,286 |
| Earnings per share (Face value of ₹ 10/- per share) (A) / (B) | 18.32 | 10.79 |
| | As at 31.03.2015 (₹ in Lacs) | As at 31.03.2014 (₹ in Lacs) |

| | | |
|--|------------------|------------------|
| 2.26 (a) Estimated value of contracts remaining to be executed on Capital Account and not provided for | 2,183.95 | 1,971.42 |
| (b) Contingent Liabilities : | | |
| (i) Guarantees issued by banks | 1,956.65 | 1,427.80 |
| (ii) Bills discounted with banks (since realized) | 678.00 | 2,951.42 |
| (iii) Claims against the Company not acknowledged as debts | | |
| - Income Tax & Wealth Tax | 1,116.82 | 1,001.21 |
| - Sales Tax/VAT | 14.97 | 190.58 |
| - Excise & Service Tax | 8,659.99 | 8,198.83 |
| - Other claims | 4,350.01 | 4,189.68 |
| (c) Export Obligation on duty free imports | 27,150.25 | 11,115.74 |

2.27 In Accordance with the Scheme of Arrangement duly approved by Hon'ble High Court of Gujarat vide its order dated 30th November 2009, the Company has taken the following effects in the current financial statements:-

- a) The company has provided for diminution / impairment of ₹ 5,257.18 Lacs (previous year ₹ 8,004.33 Lacs) in the value of investments in and loans & advances to and receivables from subsidiaries and the same has been charged to Business Development Reserve as per Scheme.

2.28 Prior Period Item of ₹ 8.70 Lacs (Previous year ₹ 17.12 Lacs) is on account of excess provision for expenses of earlier year

2.29 In accordance with the requirements of Accounting Standard- 19 Leases, future obligation/ rights as at Balance Sheet Date for lease arrangements amount to :-

| | (₹ in Lacs) | | | |
|-------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Receivable | | Payable | |
| | For the Year Ended | | For the Year Ended | |
| | 31st March, 2015 | 31st March, 2014 | 31st March, 2015 | 31st March, 2014 |
| Due within one year | - | 54.68 | 279.04 | 293.15 |
| Due within the following four years | - | 110.78 | 625.17 | 578.38 |
| Due after five years | - | - | 31.04 | 24.00 |

2.30 Segment

The Company and its subsidiaries are primarily engaged in the business of manufacture of Inorganic Chemicals and Textiles.

Secondary segment reporting is performed on the basis of the geographical location of customers distinguished between India and Rest of the World.

BUSINESS SEGMENT

₹ in Lacs

| | INORGANIC CHEMICALS | | TEXTILES | | Others | | Total | |
|--|---------------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|--------------------|
| | Apr. 14 - Mar. 15 | Apr. 13 - Mar. 14 | Apr. 14 - Mar. 15 | Apr. 13 - Mar. 14 | Apr. 14 - Mar. 15 | Apr. 13 - Mar. 14 | Apr. 14 - Mar. 15 | Apr. 13 - Mar. 14 |
| SEGMENT REVENUE | | | | | | | | |
| External Revenue | 1,41,640.60 | 1,23,062.66 | 95,720.38 | 1,01,701.57 | - | - | 2,37,360.98 | 2,24,764.23 |
| Less : Inter Segment Revenue | | | | | | | - | - |
| Total Revenue | 1,41,640.60 | 1,23,062.66 | 95,720.38 | 1,01,701.57 | - | - | 2,37,360.98 | 2,24,764.23 |
| SEGMENT RESULT | | | | | | | 45,440.40 | 35,627.23 |
| Unallocated Corporate Expenses. | | | | | | | 1,100.32 | 460.22 |
| Operating Profit | | | | | | | 44,340.08 | 35,167.01 |
| Interest Expenses | | | | | | | 17,042.40 | 18,318.50 |
| Interest Income | | | | | | | - | - |
| Other Income | | | | | | | 893.59 | 350.36 |
| Unallocated Corporate Other Income | | | | | | | 232.13 | 150.40 |
| Total Other Income | | | | | | | 1,125.72 | 500.76 |
| Profit from Ordinary Activities | | | | | | | 28,423.40 | 17,349.27 |
| Exceptional Items | | | | | | | (2,740.10) | (3,097.20) |
| NET PROFIT BEFORE TAXES | | | | | | | 25,683.30 | 14,252.07 |
| OTHER INFORMATION | | | | | | | | |
| Segment Assets | 1,58,749.73 | 1,66,353.04 | 1,19,847.38 | 1,20,348.94 | 6,090.66 | 13,635.54 | 2,84,687.77 | 3,00,337.52 |
| Unallocated Corporate . Assets | - | - | - | - | - | - | 454.48 | 1,068.01 |
| Total Assets | 1,58,749.73 | 1,66,353.04 | 1,19,847.38 | 1,20,348.94 | 6,090.66 | 13,635.54 | 2,85,142.25 | 3,01,405.53 |
| Segment Liabilities | 1,14,656.19 | 1,05,243.73 | 67,441.34 | 71,433.85 | 6,107.55 | 40,955.48 | 1,88,205.08 | 2,17,633.06 |
| Unallocated Corporate . Liabilities | | | | | | | 19,921.09 | 25,044.41 |
| Total Liabilities | 1,14,656.19 | 1,05,243.73 | 67,441.34 | 71,433.85 | 6,107.55 | 40,955.48 | 2,08,126.17 | 2,42,677.47 |
| Capital Expenditure | 13,601.02 | 6,501.43 | 2,206.64 | 3,770.11 | - | - | 15,807.66 | 10,271.54 |
| Unallocated Capital Expenditure | - | - | - | - | - | - | 35.21 | 5.45 |
| Total Capital Expenditure | 13,601.02 | 6,501.43 | 2,206.64 | 3,770.11 | - | - | 15,842.87 | 10,276.99 |
| Depreciation | 5,769.74 | 5,172.92 | 2,547.66 | 2,921.07 | - | - | 8,317.40 | 8,093.99 |
| Unallocated Depreciation | | | | | | | 174.42 | 79.85 |
| Total Depreciation | 5,769.74 | 5,172.92 | 2,547.66 | 2,921.07 | - | - | 8,491.82 | 8,173.84 |
| Non-Cash Expenses other than Depreciation | - | - | - | - | - | - | - | - |
| Unallocated Non Cash Expenses other than Depreciation | | | | | | | | |
| Total Non Cash Expenses other than Depreciation | - | - | - | - | - | - | - | - |

GEOGRAPHICAL SEGMENT

| Particulars | India | | Rest of The World | | Total | |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Apr. 14 - Mar. 15 | Apr. 13 - Mar. 14 | Apr. 14 - Mar. 15 | Apr. 13 - Mar. 14 | Apr. 14 - Mar. 15 | Apr. 13 - Mar. 14 |
| Segment Revenue | 2,37,360.98 | 2,22,420.88 | - | 2,343.35 | 2,37,360.98 | 2,24,764.23 |
| Carrying Costs of Segment Assets | 2,79,080.57 | 2,87,799.05 | 6,061.68 | 13,606.48 | 2,85,142.25 | 3,01,405.53 |
| Additions to Fixed Assets and Intangible Assets | 15,825.94 | 10,112.39 | 16.93 | 164.60 | 15,842.87 | 10,276.99 |

2.31 Related Party Transactions:
Related Party
a Associate :

DM Solar Farm Pvt Limited

b Key Management Personnel:

Mr. R. S. Jalan, Managing Director

Mr. Raman Chopra, CFO & Executive Director - Finance

Mr. Bhuwleshwar Mishra, General Manager & Company Secretary

c Relative of Key Management Personnel:

Mrs. Sarita Jalan, w/o Mr R.S. Jalan

Ravi Shanker Jalan, HUF

Mrs. Bharti Chopra, w/o Mr. Raman Chopra

Mrs. Vandana Mishra, w/o Mr. Bhuwleshwar Mishra

d Significant influence

Dalmia Centre for Research & Development

GHCL Foundation Trust

Sachin Holdings P Ltd.

2.32 Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2015

| | | ₹ in Lacs | |
|---|---|--|--|
| Sr. No. | Description | For the Year Ended 31st March, 2015 | For the Year Ended 31st March, 2014 |
| a) Transactions with Subsidiaries & Associate | | | |
| 1. | Purchase of Electricity | 109.61 | 133.19 |
| | DM Solar Farm Pvt Limited | 109.61 | 133.19 |
| 2. | Balance of Investment in Equities at the year end | 0.52 | 0.52 |
| | DM Solar Farm Pvt Limited | 0.52 | 0.52 |
| b) Transactions with Key Management Personnel | | | |
| 1. | Remuneration | 715.29 | 667.34 |
| | Mr. R. S. Jalan, Managing Director | 437.27 | 402.02 |
| | Mr. Raman Chopra, CFO & Executive Director - Finance | 243.39 | 232.23 |
| | Mr. Bhuwleshwar Mishra, General Manager & Company Secretary | 34.63 | 33.09 |
| 2. | Dividend on Shares | 1.02 | 1.02 |
| | Mr. R. S. Jalan, Managing Director | 1.02 | 1.02 |
| c) Transactions with Relative of Key Management Personnel | | | |
| 1. | Leasing & Hire purchase transactions | 12.18 | 4.74 |
| | Mrs. Sarita Jalan, w/o Mr R.S. Jalan | 4.62 | - |
| | Mrs. Bharti Chopra, w/o Mr. Raman Chopra | 5.40 | 3.30 |
| | Mrs. Vandana Mishra, w/o Mr. Bhuwleshwar Mishra | 2.16 | 1.44 |
| 2. | Dividend on Shares | 0.12 | 0.12 |
| | Ravi Shanker Jalan, HUF (*0=₹ 200) | *0.00 | *0.00 |
| | Mrs. Bharti Chopra, w/o Mr. Raman Chopra | 0.12 | 0.12 |
| d) Transactions with Enterprises over which significant influence exercised by Directors | | | |
| 1. | Purchase of Goods | 1.87 | 2.15 |
| | Dalmia Centre for Research & Development | 1.87 | 2.15 |



| | | ₹ in Lacs | |
|-----------|---|--|--|
| Sr. No. | Description | For the Year Ended 31st March, 2015 | For the Year Ended 31st March, 2014 |
| 2. | Royalty paid | 6.00 | 6.00 |
| | Dalmia Centre for Research & Development | 6.00 | 6.00 |
| 3. | CSR Contribution | 290.00 | 214.50 |
| | GHCL Foundation Trust | 290.00 | 214.50 |
| 4. | Leasing & Hire Purchase Transactions | 1.98 | - |
| | Sachin Holdings P. Ltd. | 1.98 | - |

2.33 Certain subsidiary companies which formed part of the consolidated financial statements as at 31st March 2014 are no longer part of the consolidated financial statements as at 31st March 2015, since they have been/ are being liquidated. Consequently, the opening balance as at 1st April 2014, where applicable, have been adjusted under Business Development Reserve and Surplus in the Statement of Profit and Loss as "Adjustment consequent to liquidation of subsidiaries".

2.34 Impairment of Assets

In pursuance of Accounting Standard - 28 - Impairment of Assets, the Company has reviewed its carrying cost of assets with value in use (determined based on future earnings) / net selling price (determined based on valuation). Based on such review, management is of the view that in the current financial year impairment of assets is not considered necessary.

2.35 Figures pertaining to the Subsidiaries Companies have been reclassified wherever necessary to bring them in line with the parent company's Financial Statements.

2.36 The previous year's/corresponding period's figures have been regrouped / reclassified.

Signature to Note 1 to 2

| As per our report attached | | For and on behalf of the Board | |
|----------------------------|---------------------------------|--------------------------------|-------------------------------------|
| For and on behalf of | For and on behalf of | | |
| Jayantilal Thakkar & Co. | Rahul Gautam Divan & Associates | Sanjay Dalmia | Dr. B. C. Jain |
| Chartered Accountants | Chartered Accountants | Chairman | Director |
| (C.V. Thakker) | (Rahul Divan) | R.S. Jalan | Raman Chopra |
| Partner | Partner | Managing Director | CFO & Executive Director - Finance |
| | | | Bhuwneshwar Mishra |
| | | | General Manager & Company Secretary |

Place : New Delhi

Date : 22nd May 2015

Place : New Delhi

Date : 22nd May 2015



GHCL Limited

(CIN: L24100GJ1983PLC006513)

Registered Office: GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380009 (Gujarat)

Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in, Website: www.ghcl.co.in

Phone: 079- 39324100, Fax: 079-26423623

RE: E-SERVICE OF DOCUMENTS THROUGH EMAIL

Dear Members,

The Companies Act, 2013 has provided the facility of service of documents on members by a Company through electronic mode.

Accordingly the company is permitted to send various notices and documents, including Annual Report, to its members in electronic form at the email address provided by him/her and/or made available to the Company by his/her Depository. Please note that these documents shall be available at the Company's website www.ghcl.co.in for download by the shareholders.

In case you have not yet registered your email id (or you wish to change your already registered email id) you may get the same registered/ updated –

- With your Depository Participant, in case you hold the shares in Demat form;
- By writing to the Company's Registrar & Transfer Agent (RTA), Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West) Mumbai – 400078, Tel: 25963838, E-mail : mumbai@linkintime.co.in by sending back the Form given below, in case you hold shares in physical form.

Kindly note that, as a member of the Company, in addition to receiving documents by e-mail, you will be entitled to receive, free of cost, a copy of the documents referred above upon receipt of a request by the Company from you.

We look forward for your continued support in this initiative.

Best Regards

Bhuwneshwar Mishra

General Manger & Company Secretary

E- COMMUNICATION REGISTRATION FORM

To, The Company Secretary
GHCL House, Opp. Punjabi Hall,
Navrangpura, Ahmedabad – 380009, (Gujarat)

Dear Sir,

I / We shareholder(s) of GHCL Limited agree to receive all future correspondence / documents of the Company in electronic mode at the Email Id mentioned below:

Email id to be registered : _____

Folio No. / DP ID & Client ID : _____

Name of First holder : _____

Address of First holder : _____

Name of Joint holder (s) : 1) _____

2) _____

Date : _____

(Signature of First holder)

(Note: Shareholder(s) may also send a scanned copy of this form, duly filled and signed, at the Email id for investors: mumbai@linkintime.co.in)



FORM NO. SH-13-NOMINATION FORM
 [Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies
 (Share Capital and Debentures) Rules 2014]

To,
 (Name of the Company) _____
 (Address of the Company) _____
 _____ Pin code _____

I/We _____ residing at _____
 _____ the holder(s) of the securities particulars of which
 are given hereunder wish to make nomination and do hereby nominate the following person in whom shall vest, all the rights in respect
 of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being made)

| Nature of securities | Folio No. | No. of securities | Certificate No. | Distinctive No. | |
|----------------------|-----------|-------------------|-----------------|-----------------|----|
| | | | | From | To |
| | | | | | |
| | | | | | |

2) Particulars of Nominee

| | | | | |
|--|---|----------------------------|--------------------|---|
| Name: _____ | | Date of Birth: ___/___/___ | | Please affix recent passport size photograph of the Nominee signed across |
| Father's/Mother's/ Spouse's name: _____ | | Occupation: _____ | Nationality: _____ | |
| E-mail id: _____ | | | | |
| Phone No : _____ | Relationship with the security holder: _____ | | | |
| Address: _____ _____ Pincode _____ | | | | |
| | | | | Signature of the Nominee |



3) In case Nominee is a Minor

| | | |
|---|---|-------------------------|
| Date of birth: ___/___/___ | Date of attaining Majority ___/___/___ | Name of guardian: _____ |
| Address of guardian: _____ _____ Pincode _____ | | |

| Name of the Security Holder(s) | Signature | | |
|--|--------------------------|---------------------------------------|--|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| Name of witness | | Signature of Witness with date | |
| Address of witness: _____ _____ _____ Pin code _____ | | | |
| Place: _____ | Date: ___/___/___ | | |



Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination can be made by individual's only holdings shares singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder [s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per section 72 of Companies Act 2013, if the shares are held by more than one person jointly, then the joint holders may together nominate a person to whom all the rights in the shares of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in "duplicate" should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. LINK INTIME INDIA PVT LTD**, C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai - 400078. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)
8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. The nomination made through Form No. SH-13 will be considered valid if the nomination made by the holder[s] of the shares is registered with the company before the death of the registered holder[s] of the shares.
10. Kindly note that the nomination being a legal document should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
11. Affixing photograph of the Nominee is not mandatory and if affixed the nominee should sign across the photograph.

| FOR OFFICE USE ONLY | | |
|-----------------------------|----------------------|-------------------------------------|
| Nomination Registration No. | Date of Registration | Signature of Employee with Code No. |
| | | |



FORM NO. SH-14-CANCELLATION OR VARIATION OF NOMINATION
 [Pursuant to sub section (3) of section 72 of the Companies Act, 2013 and rule 19(9) of the
 Companies(Share Capital and Debentures) Rules 2014]

(Name of the Company) _____
 (Address of the Company) _____
 _____ Pincode _____

I/ We hereby _____ residing at _____
 _____ the nomination(s) made by me/us in favor of
 _____ residing at _____
 in respect of the below mentioned securities.

Or

I/We hereby _____ residing at _____
 _____ nominate the following person in place of _____
 _____ residing at _____
 _____ as nominee in respect of the below
 mentioned securities in whom shall vest all rights in respect of such securities in the event of my/our death.

1) Particulars of the Securities (in respect of which nomination is being cancelled/varied)

| Nature of securities | Folio No. | No. of securities | Certificate No. | Distinctive No. | |
|----------------------|-----------|-------------------|-----------------|-----------------|----|
| | | | | From | To |
| | | | | | |
| | | | | | |

2) (a) Particulars of Nominee/s

| | | |
|--|------------------------------------|---|
| Name: _____ | Date of Birth: ___/___/___ | Please affix recent passport size photograph of the Nominee signed across |
| Father's/Mother's/ Spouse's name: _____ | Nationality: _____ Phone No: _____ | |
| E-mail id: _____ | | Signature of the Nominee |
| Relationship with the security holder: _____ | | |
| Address: _____ _____ Pincode _____ | | |

(b) In case New Nominee is a Minor

| | | |
|---|---|-------------------------|
| Date of birth: ___/___/___ | Date of attaining Majority ___/___/___ | Name of guardian: _____ |
| Address of guardian: _____ _____ Pincode _____ | | |

| | | | |
|---|---------------------------------------|----------|----------|
| Name of the Security Holder(s) | 1. _____ | 2. _____ | 3. _____ |
| Signature of the Security Holder(s) | 1. _____ | 2. _____ | 3. _____ |
| Name of witness | Signature of Witness with date | | |
| Address of witness: _____ _____ Pin code _____ | | | |
| Place: | Date: ___/___/___ | | |



Please fill this Nomination form in Duplicate after carefully reading the instruction given below:

1. The Nomination made earlier can be cancelled and new nomination can made either singly or jointly. Non- individuals including Society, Trust, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and Power of Attorney holder cannot nominate.
2. The nominee shall not be a Trust, Society, Body Corporate, Partnership firm, Karta of Hindu Undivided Family and power of attorney holder.
3. The shareholder[s] can nominate a minor as a nominee and in that event the name and address of the guardian shall be provided.
4. As per sub section (3) of section 72 of Companies Act 2013, if the shares are held by more than one person jointly, the joint holders may together nominate a person to whom all the rights in the securities of the Company shall vest, in the event of death of all the joint holders.
5. If the shares are held jointly, subsequent to the death of anyone of the holders, the shares would not be registered in favour of the nominee but would be transferred in the name of the surviving shareholders.
6. The nomination form filled in “**duplicate**” should be lodged with the Registrar and Share transfer Agent of the Company i.e. **M/s. LINK INTIME INDIA PVT LTD**, C-13 Pannalal Silk Mills Compound, L B S Marg, Bhandup West, Mumbai - 400078. The Registrar will return one copy of the nomination form to the shareholder after registering the nomination. The registration number allotted will be furnished in the said form.
7. The shareholder[s] can delete or change an earlier nomination by executing Form No. SH-14 (Cancellation or Variation of Nomination form)
8. Nomination stands cancelled whenever the shares in the given folio are transferred/ dematerialized. Also in case of change in folio due to consolidation/ transmission a new nomination has to be filed.
9. Kindly note that the nomination being a legal document the same should be dated by the nominator and the witness should certify that the nominator has signed the form in their presence. Furthermore the date of execution on the Nomination Form should match with the date of witness, witnessing the document.
10. Affixing photograph of New Nominee is not mandatory and if affixed the nominee should sign across the photograph.

| FOR OFFICE USE ONLY | | |
|-----------------------------|----------------------|-------------------------------------|
| Nomination Registration No. | Date of Registration | Signature of Employee with Code No. |
| | | |

GHCL Limited
(CIN: L24100GJ1983PLC006513)
Registered Office: GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380009 (Gujarat)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in Website: www.ghcl.co.in
Phone: 079- 39324100, Fax: 079-26423623

ATTENDANCE SLIP

| | |
|---------------------------------|-----------------|
| Folio No./DP ID & Client ID No. | No. of Shares : |
| Name of Member(s)/ Proxy: _____ | |
| Address : _____ | |
| Email Id: _____ | |

I/We certify that I/We am/are member(s)/proxy for the member(s) of the Company.

I hereby authorise GHCL Limited to send me all notices, Annual Report and other communications at the aforesaid email id.

I/We hereby record my/our presence at the 32nd **Annual General Meeting** of the Company being held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, July 23, 2015 at 9.30 A.M.

Signature of First holder/Proxy

Signature of 1st Jointholder

Signature of 2nd Jointholder

Note (s):

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the Meeting Venue Shareholder / Proxy attending the meeting is requested to bring his/ her copy of the Annual Report.

GHCL Limited
(CIN: L24100GJ1983PLC006513)
Registered Office: GHCL House, Opp. Punjabi Hall
Navrangpura, Ahmedabad – 380009 (Gujarat)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in Website: www.ghcl.co.in
Phone: 079- 39324100, Fax: 079-26423623

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: _____

Email ID _____

| | |
|------------------------------------|--|
| Folio No. / DP ID & Client ID No.: | |
|------------------------------------|--|

I/we, being the member(s) of _____ shares of GHCL Limited hereby appoint:

1. Name: _____ Address: _____

_____ E-mail Id _____ or failing him

2. Name: _____ Address: _____

_____ E-mail Id _____ or failing him

3. Name: _____ Address: _____

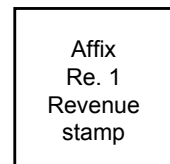
_____ E-mail Id _____ or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **32nd Annual General Meeting** of the Company to be held on Thursday, July 23, 2015 at 9.30 A.M. at The Institution of Engineers

(India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) and at any adjournment thereof in respect of such resolutions as are indicated below:

| RESOLUTIONS | |
|--------------------------|--|
| Ordinary Business | |
| 1 | Adoption of accounts for the financial year 2014-15 |
| 2 | Declaration of dividend for the financial year 2014-15 |
| 3 | Re-appointment of Mr. Neelabh Dalmia as a director retiring by rotation |
| 4 | Re-appointment of Mr. Raman Chopra as a director retiring by rotation |
| 5 | Re- Appointment of Statutory Auditors |
| Special Business | |
| 6 | Appointment of Mr. K. C. Jani as Independent Director of the Company |
| 7 | Appointment of Mr. Neelabh Dalmia as Director (strategy) in an overseas subsidiary of the company i.e. Grace Home Fashion LLC, USA |
| 8 | Approval of Employees Stock Option Scheme 2015 & Issue of Securities |
| 9 | Approval of extending benefits of Employees Stock Option Scheme-2015 to the employees of subsidiary/associate company(ies) |

Signed this _____ day of _____ 2015



Signature of Shareholder _____

Signature of 1st Proxy holder

Signature of 2nd Proxy holder

Signature of 3rd Proxy holder

Notes:

- 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.**
- A Proxy need not be a member of the Company.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 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.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.



REGISTERED-POST / COURIER / SPEED-POST

If undelivered please return to:



GHCL Limited

Registered Office:

"GHCL HOUSE" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009 (Gujarat)
www.ghcl.co.in

