

27th
Annual Report
2009-2010



GHCL Limited

Contents

Company Information	1
Chairman Statement	2
Notice	3
Directors' Report	5
Management Discussion & Analysis	10
Corporate Governance Report	14
Auditors' Report	25
Balance Sheet	28
Profit & Loss Account	29
Cash Flow Statement	30
Schedules Forming Part of the	
Balance Sheet and Profit & Loss Account	31
Notes on Accounts	39
Statement u/s 212 of The Companies Act, 1956	54
Consolidated Financial Statement :	
Auditors' Report	57
Consolidated Balance Sheet	58
Consolidated Profit & Loss Account	59
Consolidated Cash Flow Statement	60
Schedules Forming Part of the	
Consolidated Balance Sheet and Profit & Loss Account	61
Notes to the Consolidated Financial Statement	68
Attendance Slip and Proxy Form	

Annual General Meeting – Thursday, September 9, 2010

Time – 10:00 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 September 2, 2010 to September 9, 2010



COMPANY INFORMATION

BOARD OF DIRECTORS

Sanjay Dalmia	Chairman
Anurag Dalmia	
Neelabh Dalmia	
Dr. B C Jain	
K C Jani	Nominee (IDBI)
R W Khanna	Nominee (Exim Bank)
Naresh Chandra	
G C Srivastava	
Mahesh Kheria	
Sanjiv Tyagi	
S H Ruparell	
R S Jalan	Managing Director
Tej Malhotra	Sr. Executive Director (Operations)
Raman Chopra	Executive Director (Finance)

SECRETARIES

Bhuwneshwar Mishra
General Manager & Company Secretary

Manoj Kumar Ishwar
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)
Website: www.ghcl.co.in

MAJOR SUBSIDIARIES

1. Rosebys Interiors India Limited
2. Colwell & Salmon Communications Inc, USA
3. Indian Britain B V, the Netherlands
4. Indian England N V, the Netherlands
5. Indian Wales NV, the Netherlands
6. S C GHCL Upsom SA, Romania
7. Others - As per Statement given U/S 212

COMPANY IDENTIFICATION NO.

CIN – L24100GJ1983PLC006513

STATUTORY AUDITORS

Jayantilal Thakkar & Co.
Rahul Gautam Divan & Associates

WORKS

SODA ASH

Village - Sutrapada,
Near Veraval,
Distt. Junagadh - 362 275
Gujarat

SALT REFINERIES

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

TEXTILES

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

ITES

A-17, Sector - 58
Noida

ENERGY DIVISION

- (a) Muppandal, Irukkandurai Village
Sankaneri Post Radhapuram
Taluk, Tirunelveli District
Tamilnadu
- (b) Chinnaputhur village,
Dharapuram Taluk,
Erode District, Tamil Nadu

BANKERS / FINANCIAL INSTITUTIONS

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

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

"We are consolidating our operations to provide value across the stakeholders' spectrum"

The year 2009-10 has been broadly a year that has shown a perspective of mixed recoveries across the globe post one of the worst global financial crisis of 2008.

The economic swings with in the Western world such as within the EU (European Union) where economies like Greece, Spain, Italy have created serious concerns for other developed nations such as Germany, have impacted consumption patterns across the economies. While at the same period growth contributors to the world economy in terms of consumption, attractiveness of investments and deployment of growth capital have largely been witnessed in China & India.

India and China's recovery within the industrial sector has shown that achievement of global stability in reference to the pre 2006 levels is yet to be achieved. However, with regard to the Indian story, while it was believed that we would clock a 6.5% growth, we are witnessing a higher growth level of 8.5%.

While, we in India too have been impacted by these events, it is not as severely as the other developed countries of the world. Though inflation still looms large, the Government is in the process of introducing steps to contain inflation & protect the overall domestic story with regard to consumption and growth of new consuming classes.

As mentioned in the last year's annual speech, we had stated that as a company our focus would be to drive growth in the Domestic Sector. Here we clearly see that following this strategy has paid rich dividends as the Indian Economy has emerged much stronger than even the Govt. estimates. Larger growth has happened in the manufacturing segment such as glass (construction/housing/automobiles) & FMCG (detergents/textiles), which in turn has given huge momentum to demand in soda ash and textiles segments.

Keeping in mind that there have been challenges in pricing & input costs, our ability to drive domestic throughput and cater to the domestic volumes in consumption have been able to more than mitigate these challenges. Going forward, we believe we are rightly poised to take advantage of this up-cycle in domestic demand.

During the year your company has consolidated its entry in the Indian Home Lifestyle & retail space through our franchise model that would allow the retail business to grow through a partnership model between retailers & the brand thereby curtailing the possible and unforeseeable risks in the largely nascent yet growing organized market. We are looking to enter into other models of retail that are more focused towards risk mitigation in terms costs and use the revenue share model in retail to drive different format roll outs.



Your company continues its focus to scale up without losing sight of its competitive strengths like superior systems and processes, manpower development and training, customer satisfaction, productivity and quality.

We have always looked at positioning GHCL among the top players within its focused verticals of Soda Ash, Home Textiles manufacturing, and our front end business of Retail. We would continue to create and build infrastructure and invest in people's initiatives and career growth. We are expecting a much stronger year ahead both in terms of revenue and margin growth on the back of successful execution and implementation of our business strategy & plan.

Continuous evolving of a strong risk management framework and policies would lead GHCL to successfully confront any challenges and threats that come its way. As it moves ahead, the Company will continue to deploy benchmarked practices followed worldwide to strengthen internal controls.

We have made considerable strides towards developing a sound strategy on maintaining our efforts towards managing our business & operations in a manner that allows all our business lines to take full advantage of resources and structures prevalent in the industries and also cater to the growing needs of our customers.

I would like to use this opportunity to express our sincere sense of gratitude to all our stakeholders, including customers, vendors, investors, employees, bankers & lenders. They have continued to support us during these times and I trust will continue to do so for all times to come.

Sanjay Dalmia
Chairman

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the members of GHCL Limited 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, September 9, 2010 at 10.00AM to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010, Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend for the financial year ended March 31, 2010.
3. To appoint a director in place of Mr. S H Ruparell, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Dr. B. C. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. G. C. Srivastava, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a director in place of Mr. Raman Chopra, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint M/s Jayantilal Thakkar & Co., Chartered Accountants and M/s Rahul Gautam Divan & Associates, Chartered Accountants as Joint Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS:**8. Re-appointment of Mr. Tej Malhotra as Whole Time Director**

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 198, 269, 309, 311 read with Schedule XIII and any other applicable provisions, if any, of the Companies Act, 1956 or any amendment thereof and pursuant to Article 166 of Association of the Company, Mr. Tej Malhotra be and is hereby re-appointed as a Whole Time Director designated as Sr. Executive Director (Operations) of the Company for a period of 2 years with effect from May 5, 2010, liable to retire by rotation, on such terms and conditions including remuneration as stated in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as the Board may think fit;

RESOLVED FURTHER that the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem necessary, proper and expedient to give effect to this resolution."

Registered Office:

GHCL HOUSE
Opp. Punjabi Hall
Navrangpura,
Ahmedabad - 380009
Dated: July 29, 2010

By Order of the Board of Directors
For **GHCL LIMITED**

Sd/-
Bhuwneshwar 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.**
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 173 (2) of the Companies Act, 1956, 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 Thursday, September 2, 2010 to Thursday, September 9, 2010 (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 September 2, 2010. 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 6, as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges is given herein below.
 - a. Mr. S H Ruparell (DOB – December 5, 1931) is a Director of the Company. He is an expert in Corporate Laws and solicitor authorized to administer Oath in UK. 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.
 - b. Dr. B. C. Jain (DOB – October 8, 1938) is a Director of the Company. He is LL. B, ACCS, Ph. D. and Fellow member of Institute of Chartered Accountants (ICAI) of India and his area of specialization is Finance, Banking and Accounting. He has been 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 Member of Peer Review Board of ICAI. Dr. Jain is the Chairman of Audit Committee and Subsidiary Monitoring Committee of the Company. He is also a member of the Remuneration Committee of the Company. 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.
 - c. Mr. G. C. Srivastava (DOB – September 20, 1947) is a Director of the Company. He is an ex-IRS. Mr. Srivastava had joined Indian Revenue Service in 1971 and retired on September 30, 2007 as Director General of International Taxation. He is having rich experience in Tax and Accounting. He is a member of the Audit Committee and Subsidiary Monitoring Committee of the Company. 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.

- d. Mr. Raman Chopra (DOB – November 25, 1965) is a Whole Time Director of the Company and designated as Executive Director (Finance). 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 & Textiles. He is in charge of Financial, Secretarial & Legal functions covering financial accounting, management accounting, taxation, secretarial, legal and corporate finance. He is a member of Shareholders Grievance Committee and Banking & Operations Committee of the Company. Mr. Chopra is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. He is on the Board of Rosebys Interiors India Limited, Fabient Global Limited, Fabient Textiles Limited, Rosebys International Limited, North Eastern Tobacco Co. Limited and Rosebys UK Limited. He does not hold any shares in the Company.
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. 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.
 10. 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.
 11. Members attending the Meeting are requested to complete the enclosed slip and deliver the same at the entrance of the meeting hall.
 12. 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.
 13. Dividend for the financial year ended March 31, 2003, which remains unpaid or unclaimed, will be due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in the month of October 2010 pursuant to provisions of Section 205A of the Companies Act, 1956. Members who have not en-cashed their dividend warrant(s) for the financial year ended March 31, 2003 or any subsequent financial year(s), are requested to lodge their claims with Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) (LIPL). Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie in respect thereof.
 14. 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.
 15. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. The members holding shares in electronic form are therefore requested to submit the PAN to their depository participants with whom they are maintaining their Demat Accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar and Transfer Agent i.e. Link Intime India Pvt. Limited.
 16. **Nomination Facility:** Members holding shares in physical form may obtain the nomination form from the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form may obtain the nomination form from their respective Depository Participants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 8

The Board of Directors has re-appointed Mr. Tej Malhotra as Whole Time Director designated as Sr. Executive Director (Operations) of the Company for a period of two years with effect from May 5, 2010. The disclosure in accordance with the provisions of Clause 49 of Listing Agreement in regard to the re-appointment of Mr. Tej Malhotra is given below:

Mr. Tej Malhotra, aged about 60 years (DOB – June 9, 1950) is a Graduate in Engineering (Mechanical) and having 37 years of experience in Engineering, Manufacturing and General Management. Mr. Tej Malhotra was awarded Bharatiya Udyog Ratan Award from Indian Economic Development & Research Association (IEDRA), New Delhi and Bharatiya Gaurav Award from World Economic Progress Society, New Delhi.

Mr. Tej Malhotra is a Director on the Board of SC GHCL Upsom SA, Romania, a step-down subsidiary of the Company. He is a member of the Banking & Operations Committee of the Company. He is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. He does not hold any shares of the Company. Mr. Tej Malhotra fulfills the eligibility criteria set out under Part - I of Schedule – XIII of the Companies Act, 1956.

Basic Salary: Rs. 3,02,000 per month, which may be increased by such amount as the Board may determine from time to time within the overall approval given in Uniform Remuneration Package as approved by the members of the Company.

Perquisites: Mr. Tej Malhotra shall also be entitled to the perquisites covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Club Fee, Personal Accident Insurance, Conveyance, Telephone etc. as approved under the Uniform Remuneration Package.

Except Mr. Tej Malhotra, none of the directors are interested in the resolution. Your Board recommends the above resolution for your approval.

The explanation together with accompanying notice is and should be treated as abstract U/s 302 of the Companies Act, 1956 in respect of changes in the remuneration of Whole Time Directors including Managing Director.

Registered Office:

GHCL HOUSE
Opp. Punjabi Hall
Navrangpura,
Ahmedabad - 380009
Dated: July 29, 2010

By Order of the Board of Directors
For **GHCL LIMITED**

Sd/-
Bhuvneshwar Mishra
General Manager & Company Secretary

DIRECTORS' REPORT

To

The Members,

We are delighted to present the 27th Annual Report of the Company together with Audited Accounts of the Company for the Financial Year ended March 31, 2010.

OPERATIONAL RESULTS

The summary of the financial performance of the Company for the Financial Year ended March 31, 2010 compared to the previous year ended March 31, 2009 are given below:

Particulars	(Rs in Lacs)	
	Year Ended March 31, 2010	Year Ended March 31, 2009
Net Sales /Income	122,546.09	124,697.05
Gross profit before interest and depreciation	30,320.37	28,486.65
Interest	10,544.94	9,000.42
Profit before depreciation and amortisation - (Cash Profit)	19,775.43	19,486.23
Depreciation / Amortisation	7,611.18	6,961.12
Profit before Tax	12,164.25	12,525.11
Provision for Taxation – Current	12.00	491.66
Provision for Taxation – Deferred	(1,932.29)	1,480.44
Fringe Benefit Tax	-	123.21
Profit after Tax	14,084.55	10,429.80
Balance brought forward from last year	28,431.11	32,389.73
Balance brought forward from amalgamating company	-	(1,222.49)
Prior period adjustments	(11.29)	99.12
Excess provision for tax for earlier years	21.97	118.29
Amount available for appropriation	42,526.33	41,814.45
Appropriations		
Transfer to General Reserve	1408.45	1,042.98
Transfer to General Reserve as per Scheme of Arrangement	15,000.00	10,000.00
Proposed Dividend	2,000.39	2,000.39
Tax on Dividend	332.24	339.97
Balance carried to Balance Sheet	23785.25	28,431.11

PERFORMANCE HIGHLIGHTS

Soda Ash

The Global Soda Ash demand was 44 million tons in 2009-10 with a capacity of 57 million tons. After growing at an average annual rate of almost 5 percent per year since 2004, world soda ash demand fell by about 9.5 percent in 2009. This represented a loss in volume of about 4.6 million metric tons compared to 2008. As a result of weak demand, world soda ash operating rates averaged just 76 percent of capacity in 2009, probably the lowest rate the industry has ever seen. The USD12.50 billion global soda ash market is being affected by the recession and a downturn in the demand for glass from the construction and automotive sectors. Rapid growth in the developing economies is expected to return but full recovery may take quite a few years. Notwithstanding the continuing economic and energy problems in certain areas of the world, over all global demand for soda ash is expected to grow from 1.5% to 2% annually for the next several years.

The global meltdown had affected Indian Industry also and Soda Ash demand growth in the year 2008 was flat. The strong rebound of the Indian Economy was witnessed in Soda Ash also as demand growth rebounded to a very healthy 9% in

2009. It is expected that on the back of a strong growth in Glass (Construction/Automobiles) and Detergents (FMCG penetration and growth), Soda Ash demand will continue to grow at 5-6% in the current year. Import of Soda Ash from China, Europe, Pakistan & other countries like Turkey are a major concern for Soda Ash industry. The Finance Ministry of Government of India had imposed Safeguard Duty on all Soda Ash Imports from China as part of its efforts to maintain a healthy domestic Soda Ash industry in the Country. While the imposition of Safeguard Duty has tempered Chinese Imports to some extent, continued imports from other European producers where domestic markets still remain weak remains a challenge.

Your company had successfully completed its soda ash expansion during 2007-08 which has resulted increase in production capacity up to 8.50 lacs MTPA in India and globally 11.5 lacs MTPA. The Company's domestic production of Soda Ash for the year under review at 676079 tons, which was 9.47% higher as compared to the previous year. The Company achieved sales of Soda Ash 656684 tons during the year including exports, which was 16.74% higher than the previous year.

Soda Ash prices have declined YOY. Further, the increase in cost of energy and other raw-materials have significantly affected the margin of Soda Ash manufacturers. However, your company is better placed because of its own captive lignite mines and in house developed briquette usages as an alternative source of fuel, which is cost effective and also reduced dependability on other source of energy.

Bi-Carbonate (BICARB)

During the year, the Company achieved production of Bi-Carbonate 20161 tons against 12659 tons in the previous year, which is higher by 59.26%. During the year the Company achieved sales of Bi-Carbonate 19648 tons against 12343 tons in the previous year, which is higher by 60.48%.

Home-Textiles

The timely providing of "Stimulus Package" by the Government of India in 2009 to tide over Global Financial crisis has had a tremendous catalyst effect in turning around Indian Textile Industry in 2009-10. The Indian Textile industry, 2nd largest in the world, after registering a decline in 2008-09, rebounded magnificently by recording more than 8% growth in 2009-10. The exports also registered a growth of around 5%.

For GHCL's Textile Business also, the year 2009-10 has been remarkable in terms of overall performance and profitability of the company. Your company, with it's state-of-art textile facilities from spinning to made-ups, has cautiously rationalised its customer base and successfully made deep inroads with large Global Retailers for running their replenishment programmes. Your company today boasts of a customer base that comprises of Wal-Mart, K-Mart/Sears, Macy's, Bed Bath & Beyond, J C Penny and U.S. Polo in the USA and the likes of House of Fraser, 3 Suisses and Galeries Lafayette in Europe. Additionally, with other measures like excellent cotton coverage, timely investment in value added segment like compact spinning, optimum utilization of wind energy and power trading, your company has been able to achieve significant improvement in profitability and operational performance in its Textile Business as compared to previous year.

The operating profit of the textile division stood at Rs. 18.07 Crore for 2009-10 as against operating loss of Rs. (14.13) Crore in 2008-09, which signified a huge improvement of Rs. 32.20 Crore in profitability as compared to last year.



The Management is taking further initiatives in terms of adding more capacities in value-add segment, Printing and Cut & Sew facility which would have significant benefits in the coming years.

Retail Initiative

Your company's retail initiative under Rosebys Interiors India Limited (RIIL) is primarily focused on home and life style retailing. Rosebys has recently signed an agreement with National Textile Corporation (NTC) to run their stores. The first one is already operational in a premium shopping area in New Delhi and the others will be rolled out at different places during the year. Rosebys in joint association with NTC has been awarded Home-ware category license to sell Common Wealth Games, (CWG) 2010 propriety products across India. Rosebys in partnership with NTC would shortly launch a "Brand" to expand its Home-Textiles Retail Business.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs. 2.00 per Equity Share for the financial year ended March 31, 2010.

FINANCE

The Company had issued an aggregate of US\$ 80.5 million Foreign Currency Convertible Bonds (FCCBs) at a coupon rate of 1% in 2005. Out of which USD 1.5 million FCCBs were converted into equity shares in the financial year 2007-08. During the previous financial year ended on March 31, 2009, pursuant to circular issued by RBI vide AP(DIR Series) Circular No 39 dated December 8, 2008 and in line with the approval obtained from RBI, your Company had bought back USD 11.00 million of FCCBs at discount and extinguished the same. The total outstanding of FCCB as on March 31, 2009 was USD 68.00 million.

At the beginning of financial year 2009-10, the outstanding FCCBs were USD 68.00 million. During the Financial year 2009-10, the Company had repurchased (bought back) FCCBs aggregating to face value of USD 39.00 million at discount and extinguished the same in line with the approval received from Reserve Bank of India. After said buy back, the outstanding FCCBs were USD 29.00 million at the close of Financial Year 2009-10 i.e. March 31, 2010.

Subsequent to the year end, buy back process of FCCBs is still going on pursuant to specific approval of the Reserve Bank of India and the Company had bought back FCCBs aggregating to face value of USD 7.25 million at discount and extinguished the same. After said buy back, the outstanding FCCBs is USD 21.75 million as on June 30, 2010.

During the financial year your Company has transferred to investors' education and protection fund account (IEPF) a sum of Rs. 31.64 lacs towards unclaimed dividend/unclaimed deposits along with interest thereon.

FIXED DEPOSITS

Your Company discontinued inviting, accepting and renewing of fixed deposits effective from September 24, 2002. However, unclaimed deposits of Rs. 1.96 lacs have been transferred to IEPF during the financial year, which is included in Rs. 31.64 lacs transferred, as stated above.

EMPLOYEES STOCK OPTION SCHEME

Your company has Stock Option Scheme for its employees as per the Revised Scheme approved by shareholders in their Extra Ordinary General Meeting held on March 19, 2008 and accordingly Compensation Committee in their meeting held on March 24, 2008 had granted options to its eligible employees. Under the current ESOS Scheme the employees would be entitled for minimum guaranteed return of 20% on the Market price of the shares i.e. the latest available closing price prior to the date when

the options are granted, at the time of exercise of the option. Pursuant to the approval given by the Compensation Committee, "vesting period" of options granted was two years from the date of grant (i.e March 24, 2008). Accordingly, eligible employees can exercise their rights on the valid options granted to them by the Committee on or after March 24, 2010. However, no employee has exercised his right on the vested option so far. The details as per regulation 12 of SEBI (ESOS & ESPS) Guidelines 1999 are given as an Annexure – II forming part of this report.

SUBSIDIARIES

During the financial year, your company has incorporated a company in Cyprus with the name and style of Teliforce Holding India Limited, as a wholly owned subsidiary on February 26, 2010. During the previous year Rosebys group of companies in UK, the step down subsidiaries of the Company went into pre - pack administration and the company had acquired the brand "Rosebys" including all Intellectual Property Rights and Trademarks through a wholly owned subsidiary of the company Rosebys UK Limited. The Chapter 7 proceedings related to Dan River Inc USA is still pending.

Soda Ash production of GHCL Upsom, Romania, a step down subsidiary of the Company, is adversely affected due to outstanding issues with gas suppliers M/s Romgaz and adverse weather conditions resulting in damage to plant & equipment. Further, the Board of GHCL Upsom has decided to send notice for collective dismissal of its employees retaining around 80 critical employees to ensure the safety and security of the plant and to carry out essential repairs and maintenance to restart the plant shortly. The Board of Upsom is in continuous dialogue with Romgaz and Government Authorities. Details regarding subsidiaries have been provided in note no. 1(c) to 1(g) of Consolidated Accounts of the Company and also under Statement u/s 212 of the Companies Act, 1956.

Ministry of Corporate Affairs, Government of India, vide order No. 47/508/2010-CL-III dated June 4, 2010 has granted approval that the requirement to attach various documents in respect of subsidiary companies, as set out in sub-section (1) of Section 212 of the Companies Act, 1956, shall not apply to the Company. Accordingly, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Annual Report of the Company. Financial information of the subsidiary companies, as required by the said order, is disclosed in the Annual Report. Shareholders who wish to have a copy of the full report and accounts of the subsidiaries will be provided the same on receipt of a written request from them at the Registered Office of the Company. These documents will also be available for inspection by any shareholder 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.

AWARDS AND RECOGNITIONS

Your directors are pleased to inform you that GHCL Limited achieved a milestone because GHCL Sutrapada plant has been awarded "Darbari Seth Award for Best Managed Plant in Soda Ash Industry – 2009" by Alkali Manufacturers Association of India.

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, 2010.



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 which forms part of this report. The report on Management's Discussion and Analysis is annexed with this 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.

LISTING/DELISTING OF THE EQUITY SHARES/FCCBs

The equity shares of your Company are listed at Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited, (ASE). The annual listing fees for the year 2009-10 have been paid to all these Stock Exchanges. The application for voluntarily delisting of Company's ordinary shares is pending with The Calcutta Stock Exchange Ltd. (CSE), in spite of the fact that company had submitted all relevant information asked by CSE. Company had also requested SEBI to interfere in the matter and direct CSE to delist the shares of the Company as the Company had complied with all statutory requirement. Company on its own had stopped filing of information to CSE and listing fee. The Foreign Currency Convertible Bonds (FCCBs) issued by the Company are listed on the Singapore Stock Exchange.

DIRECTORS

Mr. S. H. Ruparell, Dr. B. C. Jain, Mr. G. C. Srivastava and Mr. Raman Chopra, Directors retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their appointments at the ensuing Annual General Meeting.

Mr. Tej Malhotra, Sr. Director (Operations) was re-appointed as Whole Time Director for a period of two years with effect from May 5, 2010 subject to the approval of the shareholders. The Board recommends their appointments at the ensuing Annual General Meeting.

The Board of Directors had appointed Mr. Vijay Kumar as an Alternate Director to Mr. S. H. Ruparell w.e.f July 18, 2009. However, by virtue of operation of Section 313(2) of the Companies Act, 1956, the position of alternate director has vacated with effect from April 26, 2010. Your Directors wish to record their gratitude and appreciation for the contribution made by Mr. Vijay Kumar during his tenure as Director of the Company.

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

Information pursuant to Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure-I forming part of this Report.

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in Annexure to this Report and forms part of the Report. However, as per the provisions of Section 219 (1)(b) (iv) of the Companies Act, 1956, the Report and the accounts are being sent to the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

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. The Company has received certificates from the auditors to the effect that their re-appointment, if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment.

COST AUDITORS

The Board has appointed M/s R J Goel & Company, Cost Accountants, New Delhi, M/s L S Sathiamurthi & Co., Cost Accountants, Chennai and M/s N D Birla & Co., Cost Accountants, Ahmedabad as Cost Auditors for the Soda Ash division, Yarn division (Madurai) and Home Textile division (Vapi) of the Company respectively under Section 233B of the Companies Act, 1956 for the financial year 2010-11.

AUDITORS' OBSERVATION

The Auditors have qualified on certain matters and the same are clarified in notes on accounts no. 2,4 and 35 which are forming part of Balance Sheet as at March 31, 2010 and profit and Loss Accounts for the year ended on that date, are self explanatory and therefore do not call for any further comment U/s 217 (3) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2010 the applicable accounting standards have been followed and there has been no material departure;
- b. appropriate accounting policies have been selected by them and applied the same consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the profits of the Company for the financial year ended March 31, 2010;
- 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the annual accounts for the financial year ended March 31, 2010 have been prepared by them on a going concern basis.

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, bondholders, customers, suppliers, lenders and distributors 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

Date: July 29, 2010
Place: New Delhi

SANJAY DALMIA
Chairman

ANNEXURE I TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure Taken

- 1 Usage of low GCV fuel in CFBC boiler maximized.
- 2 Mechanized briquette plant commissioned.
- 3 PEER to PEER system installed in air Compressor for optimize energy consumption at Vapi Plant.

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

- 1 Revamping of Old Nano filtration plant reducing load on high energy consuming RO plants and seawater processing
- 2 Installation of condensing turbine for better steam power balance.
- 3 Installation of 120 TPH motor driven boiler feed water pump.

B. POWER & FUEL CONSUMED

	Year ended March 31,2010	Year ended March 31,2009
1 Electricity		
(i) Purchased Units (lacs kwh)	623.17	648.75
Total amount (Rs. lacs)	3,305.66	3,053.29
Rate per Unit (Rs.)	5.30	4.71
(ii) Own Generation		
(a) Through DG		
Units (lacs kwh)	79.13	84.19
Units per ltr of Diesel Oil	3.41	3.71
Cost per Unit (Rs.)	9.58	7.27
(b) Through GTG		
Units (lacs kwh)	206.27	177.12
Units per SCM of Gas	2.30	2.56
Cost per Unit (Rs.)	7.09	5.62
(c) Through TG		
Units (lacs kwh)	1,587.95	1,474.58
Cost per Unit (Rs.)	1.65	1.78
2 Coal		
Quantity (MT)	171,061.25	192,686.00
Total Cost (Rs. lacs)	8,210.85	12,728.44
Average Rate (Rs/MT)	4,799.95	6,605.79
3 Lignite		
Quantity (MT)	327,680.00	245,503.20
Total Cost (Rs. lacs)	4,403.14	1,637.45
Average Rate (Rs/MT)	1,343.73	666.98
4 Consumption per Unit of Production		
	Electricity (kwh/MT)	
	Year ended	Year ended
	March 31, 2010	March 31, 2009
	256.32	261.29
Soda Ash	676,069	261.29
Salt	26,589	33.28
Yarn	11,471	5.01
Cloth (Fabric '000 Meters)	30,217	0.76
Coal -Soda Ash (MT/MT)	676,069	0.31
Lignite - Soda Ash (MT/MT)	676,069	0.48

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.

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

Particulars with regard to foreign exchange earnings and outgo appear in the relevant Schedules of the Balance Sheet.

Annexure – II

The details as per regulation 12 of SEBI (ESOS & ESPS) Guidelines 1999 are as follows

Particulars	Details
No of Options granted	16,55,000
Pricing Formula	Rs. 76.95 (Market Price i.e. the latest available closing price prior to the date when the options are granted)
Options Vested	15,65,000
Options Exercised	Nil
Total Number of shares arising as a result of exercise of options	Nil
Option Lapsed	Nil
Variation of Terms of Options	Nil
Money realized by exercise of options	Nil
Total Number of Options granted	16,55,000
Options lapsed for 3 employees who have left / retired during the year	50,000
Option lapsed for two employees who have left during the previous year (2008-09)	40,000
Total Number of Options in force as on March 31, 2010	15,65,000
Number of employees for whom above options are in force	33
Employee-wise details of options granted to:	

(i) Senior Managerial personnel	Name	No. of Options Granted
	Mr. R S Jalan	2,00,000
	Mr. Tej Malhotra	1,25,000
	Mr. Raman Chopra	1,00,000
	Mr. Sunil Bhatnagar	1,00,000
	Mr. K V Rajendran	1,00,000
	Mr. Nikhil Sen	75,000
	Mr. B R D Krishnamoorthy	75,000
	Mr. R S Pandey	75,000
	Mr. N N Radia	75,000
	Mr. M. Sivabalasubramanian	75,000
	Mr. Neeraj Jalan	75,000
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during that year	None	
(iii) Identified employees who where granted options, during any one year , equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None	
Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 “Earning Per Share”	Not Applicable	
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable	
Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not Applicable	
A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :	Options are granted at the Market price	
(i) risk – free interest rate	Not Applicable	
(ii) expected life,	Not Applicable	
(iii) expected volatility	Not Applicable	
(iv) expected dividends and	Not Applicable	
(v) The price of the underlying share in the market at the time of option grant.	Rs 76.95 per share	



MANAGEMENT DISCUSSION AND ANALYSIS 2010

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, 2010 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

Indian economy has been witnessing a phenomenal growth since the last decade. The country is still holding its ground in the midst of the current global financial crisis particularly in European countries. During the financial year 2009-10, the growth of the Indian economy has shown improvement and touched 7.4% as compared to 6.7% in the previous financial year 2008-09. India could hit double digit growth by the next two years (2012) of the 11th Five Year Plan if the present trend of growth continued.

The economy, which had been growing at over 9%, slipped to 6.7% in 2008-09 following the impact of the global economic crisis triggered by the fall of investment bank Lehman Brothers in September 2008. In order to sustain economic growth during the time of the worst recession, government authorities in India have announced the stimulus packages to prop up economic growth. Driven by stimulus packages and easing of monetary policy, India's economy during the second quarter (July- September) in 2009-10 expanded by 7.9%, much more than anticipated by any analyst or think tank. Finance Minister Mr. Pranab Mukherjee, while presenting the Mid-Year Review of the Economy for 2009-10 had said that economy could grow in excess of 7.75% despite the impact of drought and floods on agriculture output.

Availing to the resilience of the Indian financial system to have even weathered the global financial storm, the Prime Minister Dr. Man Mohan Singh exuded trust in the economic system being able to peg 8.5% GDP growth during the existing financial year (2010 – 11) and return to the 10% growth route in the medium term. According to the survey conducted by Ma Foi Randstad, a leading integrated HR services provider, the country's economic recovery is now converting into healthy job creation in the well-organized segment, with hiring of human resources at a greater speed in different segments.

Food inflation in India continued its upward journey and putting pressure on the Government authorities to take a serious look into the matter. Regardless of the government's best attempts, the country's annual food inflation climbed to 16.55% for the week ended May 22, 2010 due to lofty prices of pulses, milk and fruits. The government's verdict to increase the prices of auto fuel resulted in worries that food prices could go up further in the coming time, because fuel price increase would have a cascading effect on the already lofty costs of vital commodities. RBI, which had already suggested that double digit inflation is a cause of worry, is to take a call on revision of its key rates. The recovery in Global Economy is largely being led by China and India. However these economies would be under constant pressure of inflation and would have to be fine balance between growth and inflation.

COMPANY PERFORMANCE- PERFORMANCE HIGHLIGHTS

- Revenue of the India business for the financial year ended March 31, 2010 has down by 1.72% to Rs. 1225.46 Cr. as against Rs. 1246.97 Cr. for the previous financial year ended March 31, 2009.
- Profit before financial expenses and depreciation for the financial year ended March 31, 2010 of the India business has risen by 6.44% to Rs. 303.20 Cr. as compared to Rs. 284.86 Cr. for the previous financial year ended March 31, 2009.
- PAT (Profit after Tax) for the financial year ended March 31, 2010 of the India business has risen by 35.04% to Rs. 140.85 Cr against Rs.104.29 Cr. for the previous financial year ended March 31, 2009.

INORGANIC CHEMICALS (SODA ASH) GLOBAL SODA ASH INDUSTRY

Demand-supply scenario

Demand

Global economic problems have reduced world soda ash consumption. World soda ash demand fell by about 9.5% in 2009. This represented a loss of volume of about 4.6 million metric tons compared to 2008. It may take few years for demand to come back to pre-recession levels. As a result of weak demand, world soda ash operating rates averaged just 77 percent of capacity in 2009 likely the lowest rate the industry has ever seen.

The adverse economic conditions in automobile production and housing affected soda ash consumption in the flat glass and fiber glass sectors in 2008 continued through 2009. Notwithstanding the continuing economic and energy problems in certain areas of the world, over all global demand for soda ash is expected to grow from 2% annually for the next 2 to 3 years. A global economic recovery is expected in the year 2010-11.

Supply

China is the largest Soda Ash player in the world by having a capacity of 24 Mn. MT which is around 42% of the world capacity, whereas US capacity is only 11.41 Mn. MT. The five main US natural soda ash producers are - FMC, General Chemical (TCL), OCI Wyoming, Solvay and Searles Valley (Nirma). In 2008, Tata Chemicals acquired the soda ash business of US based General Chemical that has manufacturing facilities in Wyoming, making the former the second largest producer of soda ash in the world.

The capacity addition has slowed in the developed nations such as US & UK due to the increased use of liquid detergents, replacement of glass containers by plastic containers, increased use of cullet in glass production coupled with the stagnant industrial growth.





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.

Industry outlook

World's total soda ash demand which at present is at 44.00 Mn MT is expected to grow by at least 2% over the medium term with 50% of it is expected to come from Latin America, India, China and Middle East countries due to a higher GDP growth. Consumption of soda ash per person is expected to register healthy rise in the next few years with China leading the rankings with nearly 50% rise in consumption from 10.85 kilograms in 2007 to an expected 15.75 kilograms in 2012.

Analysts expect the new capacities to come mainly in the regions of high growth such as India, China or South East Asia due to easy availability of key raw materials. China is likely to add at least 1.00 to 1.50 Mn MT capacities every year in spite of declining domestic demand on the back of huge infrastructure investments. Global market for soda ash is projected to reach 49 million metric tons by 2012, reflecting a CAGR of 3.56% for the period 2008-2012.

There has been a major global meltdown in soda ash prices since last year caused by lower demand and by rising costs of energy and transport.

The demand for soda ash is primarily driven by the requirements of the glass industry while the needs of the fabric washing (detergents) and other cleaning sectors also play an important role in as much as they use soda ash both directly and in a derivative form. The estimated global consumption of soda ash is expected to be in the following ratio with glass contributing 50%, Detergents 15%, Chemical 10% and others 25%.

Indian scenario

Global meltdown has affected the overall scenario however the Indian soda ash industry stood resilient. Though domestic demand showed improvement in FY 2009-10 i.e. a growth of around 10-11% over last year. However major part of the growth has been snatched by imports. In 2009-10 about 23% of the Indian demand is being met through imports, this trend in the current year is expected to be lower due to increase in domestic demand of China.

The Indian Soda Ash market constitutes of two varieties – Light (used in detergent industry) & Dense (used in Glass industry), with a share of 70% and 30 % respectively. Total installed capacity in India is only 3.0 Mn MT. In last financial year (2009-10) the capacity utilization was of only 73% of the domestic production capacity.

The total size of the Indian soda ash market is about 2.6 Mn MT with all the major industry players located in the state of Gujarat due to the closeness and ready availability of the main mother earth materials namely limestone and salt.

It is also an additional advantage to India because of huge reserve of limestone and large production of salt due to the availability of long coast line besides the availability of energy efficient technological plants and the position to cater to the soda ash needs of high growth nation viz. Middle East & South East Asian and SAARC countries. The Domestic demand is also likely to grow at a good pace.

GHCL soda ash business

GHCL Limited is a leading Indian producer of soda ash is well-poised to tap opportunities in the dense soda ash business which contributes about 30 per cent of the total revenues whereas the total soda ash business contributes about 68 per cent of total Indian Stand alone revenue (Dense soda ash Constitutes 45% while 55% is light).

In its first phase of expansion, GHCL has raised its domestic capacity by about 40 per cent to 8.5 lakhs tons with its over all capacity including the Romanian capacity going up to 11.5 lakhs tons. The company would further increase its domestic capacity by about 2.5 lakhs tons to 11 lakhs tons in the second phase in next couple of years depending upon industry requirement.

The company has a significant advantage in maintaining tight control on cost of soda ash due to 100% captive source on some of the major raw materials – Salt, Limestone, Met Coke and fuel. The other key factor for success is the innovation brought in by the company by replacing the imported Met Coke with in-house Developed Briquette Coke. GHCL is the only soda ash manufacturing company in India which has the captive mining of fuel (Lignite) leading to substantial cost reduction on the back the Kaizen System.

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, Gujarat Guardian Limited, Videocon Industries Limited, Gujarat Borosil Limited, Piramal Glass Limited and Phillips.

Opportunity and concerns

GHCL in order to capitalize on the demand opportunity from the real estate & construction and automobile sector has added capacity for a higher share in the world's fastest growing market of Asia, growing @ 5% approximately by increasing its global capacity to 1.1 million MT. The company is replicating its domestic cost control methods at its facilities in the European market to have higher margins.

The product quality is comparable to the best European producers with cost being comparable to Chinese units. The industry offers huge opportunity for growth as the Indian per capita consumption of soda ash is the lowest (2.06 Kg) and there are opportunities for capacity expansion because of product acceptability in the export markets.

The 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 30% of consumption, is high as compared to the ocean freights to South and East India where product is imported from China/Kenya and Europe. Currently around 23% 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. The impact of Global slowdown also impacted Romania Soda Ash operations. We have put a lot of focus on cost control and have been able to bring down the costs.

Delivery model & approach

GHCL's core operations & management team over the last few years have come up with a focused model & approach towards implementing turnaround & growth strategies that would be implemented to develop the growth potential of the company and create replicable model to be used globally.

In India, GHCL is well placed to leverage the opportunity in the soda ash business due to the Entry Barrier for any kind of Greenfield Investments. As typical Modular Capacity for Greenfield Project needs to be 600,000 TPA which would come at a high cost of US \$400 million. Also the time Frame for Project completion is minimum 4 years for a plant, moreover the major constraint comes in creation of Raw Material resources. With the Strong customer relationship in both domestic & Export market, GHCL would be the major beneficiary.



HOME TEXTILES - outlook and growth

The Indian Textile Industry, second largest in the World, contributes about 14% to the Country's Industrial Production and 17% to the Country's Export earnings according to the Annual Report 09-10 of the Ministry of Textiles. With over 35 million jobs, it is the second largest provider of the employment in India.

The dismantling of Global quotas in 2005 in the Textiles arena led to India and China emerging as winners. This has led to aggressive realignment of production and outsourcing facilities being shifted to India & China due to the cost advantage it brings. After registering a decline in 2008-09 due to Global Financial crisis, the textile industry has emerged very strongly in 2009-10 registering a growth of around 8.3% over previous year. Moreover, total textiles exports have increased to US\$18.60 billion during April'09 – Jan'10 from US\$ 17.70 billion during the corresponding period of previous year, registering an increase of 4.95% in rupee terms. This has largely been made possible due to the timely “**Stimulus Package**” provided by the Government of India in 2009 to tide over the Global Economic crisis.

Favorable Government policies, low finance cost under TUF comparable to any country in the world and capital subsidy makes finance cost extremely low, Zero duty CENVAT chain and textile & apparel parks are the major positives which are driving the growth in the textile sector including Home-Textiles. Home-Textile continues its strong growth in the country with a number of new projects and the growing domestic market is attracting international companies too. 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 shops/increasing their Indian presence augurs well for the sector.

The domestic home textile market size, which was estimated at Rs. 600 billion in 2007-08, is expected to touch Rs. 775 billion in 2010-11. Exports are expected to grow at a CAGR of 12.3% from Rs. 120 billion in 2007-08 to Rs. 170 billion in 2010-11. Home textile companies are also foraying into domestic retail to reach the customers directly.

GHCL – Home Textiles

GHCL Limited is one of the largest integrated textile manufacturers in the country with an installed spinning capacity of 140,000 spindles manufacturing 100% cotton and polyester cotton blended yarns. The company's state-of-art plant at Vapi, Gujarat, integrates weaving, processing and cut & sew facilities. With an annual capacity of 9 million meters, fabric is woven in plain weaves, plain sateens, sateen stripes, dobbies and jacquards.

The annual processing capacity, comprising of bleaching, dyeing and printing, is 36 million meters of fabric. Technologically advanced processing capabilities enhance the value of finished fabrics by incorporating special finishes such as Anti-Microbial, Aloe Vera, Water & Stain Repellent and Easy Care / Non Iron. GHCL has automated Cut & Sew facilities which enable a high quality, consistent confection. Innovative hem treatments are employed in adding value to products.

The year 2009-10 has been a remarkable year for GHCL's Textile Business. The company has rationalised its customer base and successfully made deep inroads with large global retailers for their replenishment programmes. GHCL currently has large presence with major retailers like Wal-Mart, K-Mart, Bed Bath & Beyond, House of Fraser etc in both US and European Markets. This coupled with excellent raw material coverage, timely investment in compact spinning, optimal utilization of wind energy and initiative in power trading, have helped the company to achieve significant improvement in profitability in textile business in 2009-10.

Opportunities, threats and risk mitigants

With the global textile industry taking a positive turn, there is a significant opportunity of growth for the Indian Textile Industry. Exports to the US, EU and Japan are likely to pick up in the months to come, especially since exports from China will feel pressured by the appreciation of the Yuan and since raw material prices in Pakistan continue to register a tremendous increase. Political instability is another factor that is increasingly impacting Pakistan's exports, since more and more global retailers are turning to India to de-risk themselves.

However, there are challenges in terms of managing the cost and retaining market share. The company recognizes these challenges and has taken pro active steps to reduce waste, increase productivity and create a sustainable marketing strategy. We are escalating productivity standard at low operative cost with the help of Modern Technology and Automotive Machinery. This coupled with our timely raw material coverage is helping us in keeping a tight control on costs and thereby helping us in offering competitive pricing to the customers.

The currency fluctuation is another risk, the country has been facing in view of turbulence in Global Economy especially in the European Region. We are taking active advise from experts in mitigating and minimizing foreign exchange fluctuation risk.

In view of continuous Government focus on Indian Textile Industry whereby resources in excess of Rs.4500 crores have been allocated by the Government through Technology Upgradation Fund Scheme (TUF), we are of the view that there will be a huge growth opportunity for the Textile Industry and your company is perfectly placed to take benefit of this growth and achieve significantly improved performance in the coming years.

THE RETAIL VENTURE – ROSEBYS

Indian scenario - retail industry

Indian Retail Industry has become a preferred investment destination. According to the Global Retail Development Index (GRDI) developed by A T Caerny – A Global Consulting Firm , the Indian Retail Industries is likely to grow at a CAGR of around 12 – 13% over the next 3 – 4 years and within that, the organized sector is expected to grow at CAGR of 40%.

Rosebys - Retail Business

GHCL's retail initiative under its company Rosebys Interiors India Limited (RIIL) is primarily focused in the business of Home and Life Style Retailing. Rosebys has recently signed an agreement with National Textile Corporation (NTC) to run their stores. The first one is already operational in a premium shopping area in New Delhi and the others will be rolled out in the next few months. Rosebys in joint association with NTC has been awarded Home-ware category license to sell Common Wealth Games, (CWG) 2010 propriety products across India. Rosebys in partnership with NTC would shortly launch a “Brand” to a joint initiative to expand its Home-Textiles Retail Business

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.

HUMAN RESOURCE DEVELOPMENT IN GHCL

As on March 31, 2010, the Company had 2797 employees on its permanent rolls across all divisions and levels. In line with the long term vision and strategy on its manpower base in terms of productivity and competence, the Company continued its efforts in furthering the strengths during 2009 – 10 also.

As Indian enterprises were looking to leverage from the recovering global economy during 2009-10, the competence and skill sets of employees mattered significantly in achieving business targets, optimisation of input costs, ensuring quality standards etc. The company, without breaking the momentum of the ongoing developmental activities, took more initiatives towards increasing the employability of its people during the year. Various new and innovative projects have been launched to integrate the employees in functional departments across the divisions and levels in HR / Administration / Organisation Development activities. These initiatives have been quite successful in creating a new image for the Human Resources Function in the organisation as that of striving towards the development of the organisation and its people together and not in isolation. Senior executives in all divisions are being involved in conceiving and policy framing processes towards developing the human resources planning, organisation development programmes, culture building etc. rather than the HR function alone pursuing such activities. A platform, termed DISHA (**D**eveloping **I**ntegrated **S**trategy to **H**arness **A**venues) has especially been created for this objective wherein the top executives of the company periodically review the progress of people and business integration and plan the road ahead. At the unit / business / location levels, another platform MILAP (**M**edium for **I**nteractive, **L**ateral, **A**ctionable **P**artnership) has been launched in which all employees join together to address issues in everyday functioning, improvement of processes, cultural activities etc. by creating various teams.

In the areas of performance management, the company continues to focus on assigning its employees well defined roles, targets and milestones to enable them to clearly deliver. Recognition and rewards are also given purely based on performance on the job and results achieved. Another major initiative which is being rolled out is the process of identifying the employees who are high performers and having high potential to groom them to take over the second line of leadership in the organisation.

During the year, the company was given an HR Excellence Award for Workplace Harmony and Physical Environment by Amity Global Business School, Noida acknowledging the exemplary acceleration and development of the organisation by managing a talent pool in a talent scarce macro-environment, thus achieving unprecedented growth by utilizing the human capital. The award also appreciated the impeccable global HR practices followed by the organisation to uphold workplace harmony and physical environment that has led to astounding growth towards being recognised as one of the best and most admired company in its domain.

With regard to the Union / Management relations in the soda ash division, a long term wage settlement has been signed for the period 2008-09 to 2012-13. The settlement is expected to serve the union-management relations quite well. While for the company, the terms would facilitate in improving the productivity and efficiency at the soda ash manufacturing plant, the employees will also get to benefit from productivity linked insurance scheme which has been introduced. At the

other manufacturing sites also, the industrial relations scenario continues to remain very much conducive to achieve production plans and overall operations.

In the areas of worker development, the company has the ongoing practice of providing apprenticeships, skill development programmes, technical training etc. In addition, the company also recruited Graduate Engineer Trainees and Management Trainees during the year with a view to build on its technical and managerial talent pool. The engineer and management trainees are put on a year long extensive training programme before they are absorbed in to the regular rolls of the company.

The recruitment and management development programmes have progressed during the year as planned as part of the overall human resource development strategy in a structured, well defined and time bound manner. The overall success in recruitment has been very good with many inductions made in critical positions in line with the business plans. On the training front, the major areas addressed during the year were on various behavioral aspects, business excellence, team building etc. Apart from that, technical, safety and quality trainings are provided at all manufacturing sites regularly.

Environment Conservation - The company, at all its manufacturing sites continuously emphasize on minimizing the adverse effects on environment and actively engaged in land / water conservation and protecting bio diversity around its lime stone & lignite mines as well as salt producing fields. Special drives and programmes have been launched to save water as well as recycling waste water.

The soda ash plant continues to have its ISO certification for Environment, Health and Safety management systems. This certification reflects the international standards being adhered to by the organisation in these areas. The soda ash division also hosted programmes Mines Environment & Mineral Conservation Week where companies from the region in mining activities participated.

The company spares no efforts in managing the pollution levels under permissible limits by making investments, installing modern equipments as well as deputing qualified and competent manpower to manage such activities. Planting of trees etc. are done regularly at the site locations aimed at increasing the green cover in these areas. The wind power system at the yarn division manufacturing site also is a testimony towards the commitment of the organisation towards energy conservation and pollution reduction.

Healthcare – Health check up camps, provision of medicines and equipments are being made available to needy persons around the manufacturing sites which are very helpful in those interior locations. Sanitation drives in and around the plant locations are done regularly.

Education – The school being run by the company at the soda ash plant continues to excel in academic and co-curricular activities. Separate schools for small children are also operational. All infrastructural facilities are being provided at these schools by the company where children of both employees and other people living nearby are studying. The hard work went in providing quality education was evident in the secondary and higher secondary results in which the school has excelled as in the previous years.

Community Development – The Company continue to play an active role in the everyday life of people in and around its manufacturing sites apart from being the economic mainstay of the area. The mutual respect and interdependence existing between the company and the local population has contributed immensely towards the progress of both. The company honestly believes and do all it can towards its social responsibilities at all time and the year 2009-11 was no exception.

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2010

(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. The Composition of the Board as on March 31, 2010 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2010			
Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter- Non Executive Director	Mr. Sanjay Dalmia	3	21.43%
	Mr. Anurag Dalmia		
	Mr. Neelabh Dalmia		
Promoter Nominee - Non Executive Director	Mr. S H Ruparell ¹	1	7.14%
Non Executive - Independent Director	Dr. B C Jain	5	35.71%
	Mr. G. C. Srivastava		
	Mr. Naresh Chandra		
	Mr. Mahesh Kheria		
	Mr. Sanjiv Tyagi		
Representing Lending Institutions	Mr. K. C. Jani – Nominee IDBI	2	14.29%
	Mr. R W Khanna – Nominee EXIM Bank		
Executive Directors	Mr. R S Jalan – Managing Director	3	21.43%
	Mr. Tej Malhotra – Sr. Executive Director (Operations)		
	Mr. Raman Chopra – Executive Director (Finance)		
	TOTAL NO. OF DIRECTORS	14	100%

Notes:

- The Board had appointed Mr. Vijay Kumar as an Alternate Director to Mr. S. H. Ruparell w.e.f July 18, 2009. However, due to arrival of Mr. S H Ruparell in India for attending the Board Meeting, the position of said alternate director had vacated with effect from April 26, 2010, pursuant to provisions of Section 313(2) of the Companies Act, 1956.

The Board of GHCL Limited consists of 14 Directors, 11 of whom are Non Executive Directors. 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 7 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, Investment / Project Committee, Share Transfer & Investors Grievance Committee, Remuneration Committee, Audit Committee and Subsidiary Monitoring 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.

Dates of the Board Meeting are fixed in advance after consultation of individual director and the agenda is 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 are permitted. During the financial year ended March 31, 2010, six Board Meetings were held on April 30, 2009, May 25, 2009, July 18, 2009, October 31, 2009, December 1, 2009 and January 29, 2010. The gap between any two Meetings has been less than four months, ensuring compliance with the requirement of Clause 49 of the Listing Agreement and the Companies Act 1956. The attendance of Directors at the Board Meeting held during the financial year ended March 31, 2010 is given herein below

S.L. NO.	NAME	DATE OF BOARD MEETING						AGM ATTENDANCE (DECEMBER 31, 2009)
		APRIL 30, 2009	MAY 25, 2009	JULY 18, 2009	OCTOBER 31, 2009	DECEMBER 1, 2009	JANUARY 29, 2010	
1	Mr Sanjay Dalmia	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mr Anurag Dalmia	Yes	Yes	Yes	Yes	No	Yes	Yes
3	Mr Neelabh Dalmia	Yes	Yes	Yes	Yes	No	No	No
4	Dr. B C Jain	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Mr. G. C. Srivastava	Yes	Yes	Yes	Yes	Yes	Yes	No
6	Mr H H Faruqi ¹	Yes	No	N/A	N/A	N/A	N/A	N/A
7	Mr. P. K. Laheri ²	Yes	No	N/A	N/A	N/A	N/A	N/A
8	Mr K C Jani – Nominee IDBI	Yes	Yes	Yes	Yes	Yes	No	No
9	Mr R W Khanna – Nominee EXIM Bank	Yes	No	No	Yes	Yes	Yes	No
10	Mr Naresh Chandra	Yes	No	No	No	No	No	No
11	Mr Mahesh Kheria	Yes	Yes	Yes	Yes	Yes	Yes	No
12	Mr. Sanjiv Tyagi	No	Yes	Yes	Yes	Yes	No	No
13.	Mr. Vijay Kumar (Alt. to Mr S H Ruparell)	N/A	N/A	No	Yes	Yes	Yes	No
14	Mr R S Jalan	Yes	Yes	Yes	Yes	Yes	Yes	Yes
15	Mr Tej Malhotra	Yes	Yes	No	Yes	Yes	No	Yes
16	Mr Raman Chopra	Yes	Yes	Yes	Yes	Yes	Yes	Yes

- Note:**
1. Mr. H. H. Faruqi passed away on June 19, 2009.
 2. Mr. P.K. Laheri resigned w.e.f June 25, 2009.
 3. 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.
 4. Mr. S H Ruparell, Dr. B. C. Jain, Mr. G. C. Srivastava and Mr Raman Chopra are Directors retiring by rotation and are eligible for re-appointment. Information as required under Clause 49(VI) of the Listing Agreement is annexed to the notice of the AGM.

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 (C) (ii)) across all the Companies in which he 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, 2010 and the same is reproduced herein below:

SL. NO.	NAME	No. of Directorship in other Public 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	1	-	-
2	Mr. Anurag Dalmia	1	-	-
3	Mr. Neelabh Dalmia	-	-	-
4	Dr. B C Jain	-	-	-
5	Mr. K C Jani	-	-	-
6	Mr. R W Khanna	2	-	1
7	Mr. S H Ruparell	-	-	-
8	Mr. Mahesh Kheria	-	-	-
9	Mr. Naresh Chandra*	1	1	-
10	Mr. G. C. Srivastava	-	-	-
11	Mr. Sanjiv Tyagi	1	-	-
12	Mr. R S Jalan	-	-	-
13	Mr. Tej Malhotra	-	-	-
14	Mr. Raman Chopra	5	-	-

Note: For the purpose of considering the limit of the number of directorship and chairman/member of committees, Private Limited Companies and Foreign Companies are excluded.

*Mr. Naresh Chandra along with his relative is holding 30,050 equity shares of the Company as on March 31, 2010.

During the financial year ended March 31, 2010, the Company has not entered into any transaction with its Non Executive Directors, which establishes any pecuniary relationship with them. Thus the requirement of Clause 49, pertaining to independence of Non Executive Directors has been duly complied with.

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

The requirement of appointment of an Independent Director of the Company on the Board of the Indian Subsidiaries is not mandatory as the turnover / net worth criteria as mentioned in the Listing Agreement is not applicable.

3. Committees of the Board

(i) Audit Committee

The Board of Directors had constituted the Audit Committee with four Independent Directors having expertise in financial and accounting areas. Subsequent to the year end and by virtue of operation of Section 313(2) of the Companies Act, 1956, the position of alternate director, Mr. Vijay Kumar has vacated with effect from April 26, 2010 and now there are three Independent Directors in Audit Committee. 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 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with the Stock Exchanges.

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 for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, 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 217(2AA) of the Companies Act, 1956
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.
- 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, rights 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 rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- f. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.
- g. 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.
- h. Discussion with internal auditors any significant findings and follow up there on.

- i. 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.
- j. 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.
- k. Reviewing the company's financial and risk management policies.
- l. 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.
- m. 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.

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 is 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, 2010, the Audit Committee of the Board met six times and as per requirement of the Listing Agreement, the gap between any two meetings of the Committee is less than four month. 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:

	Name of the Audit Committee members				
	Dr. B C Jain -Chairman of the Committee	Mr. K C Jani	Mr. G C Srivastava	Mr. Vijay Kumar	Mr. H H Faruqi
Category	Independent Director (Expertise in Finance, Banking & Accounting)	Nominee Director - IDBI Ltd (Expertise in Banking & Finance)	Independent Director (Expertise in Tax & Accounting)	Alternate Director (Expertise in Legal & Finance)	Independent Director (Expertise in Finance & Accounting)
Date of the Meeting					
April 30, 2009	Yes	Yes	N/A	N/A	Yes
July 18, 2009	Yes	Yes	N/A	N/A	N/A
October 30, 2009	Yes	No	Yes	Yes	N/A
November 13, 2009	Yes	Yes	Yes	No	N/A
December 1, 2009	Yes	Yes	Yes	Yes	N/A
January 29, 2010	Yes	No	Yes	Yes	N/A
Whether attended Last AGM (Yes/No)	Yes	No	No	No	N/A

Note: Managing Director, Executive Director (Finance), Mr. Neelabh Dalmia - Director, VP (Accounts), Statutory Auditors and concerned employees for Internal Audit/ accounts were invitees to the Audit Committee Meetings whenever required. Secretary of the Company is the Secretary of the Committee.

The Company has complied with the requirements of Clause 49 II (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 26th Annual General Meeting held on December 31, 2009 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 internal auditors.

(ii) Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Remuneration Committee of the Company was constituted as early as in 1995. The 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 recommend 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 providing a remuneration package which is appropriate for the responsibilities involved. The Committee also has ultimate control over the GHCL Employees Stock Option Trust and regulates its affairs through appointed Trustees. The 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.

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

During the financial year ended March 31, 2010, the Remuneration Committee met only once on December 1, 2009. The 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 REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2010			
Name of the Committee Members			
	Mr. Sanjay Dalmia - Chairman of the Committee	Dr. B C Jain	Mr. Sanjiv Tyagi
Category of Director	Non Executive Director (Industrialist)	Non Executive - Independent Director (Expertise in Finance Banking & Accounting)	Non Executive - Independent Director (Expertise in Management)
Date of the Meeting			
December 1, 2009	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	Yes	No

Remuneration Policy:

Payment of remuneration to the Managing Director / Whole Time Director(s) is 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.

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, 1956. 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, 1956. 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 days represented as 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, 2010 are given below:

Non-Whole time Directors	(in Rupees)	
	Sitting Fees	Commission
Mr. Sanjay Dalmia	1,40,000	11,67,856
Mr. Anurag Dalmia	1,00,000	11,67,856
Mr. Neelabh Dalmia	1,20,000	11,67,856
Dr. B C Jain	3,00,000	11,67,856
Mr. G. C. Srivastava	2,40,000	11,67,856
Mr. K. C. Jani – Nominee IDBI*	1,80,000	11,67,856
Mr. R W Khanna– Nominee EXIM Bank*	80,000	11,67,856
Mr. Naresh Chandra	20,000	11,67,856
Mr. Mahesh Kheria	1,20,000	11,67,856
Mr. Sanjiv Tyagi	1,00,000	10,75,068
Mr. Vijay Kumar (Alternate to Mr. S H Ruparell)	1,20,000	8,22,300
Mr. H H Faruqi	40,000	2,52,769
Mr. Jagdish Capoor	--	67,192
Mr. P. K. Laheri	40,000	2,71,967
TOTAL	16,00,000	1,30,00,000

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, 1956.

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



Whole Time Directors		(in Rupees)	
Name	Salary and other perquisites	Commission	
Mr. R S Jalan, Managing Director	1,61,79,171	1,94,00,000	
Mr. Tej Malhotra, Sr. Executive Director (Operations)	93,21,232	1,02,00,000	
Mr. Raman Chopra, Executive Director (Finance)	79,15,624	1,14,00,000	
Total	3,34,16,027	4,10,00,000	

- (a) The agreement with the Whole Time Directors is for a period of five years. However, the Board has re-appointed Mr. Tej Malhotra for a period of two years. Either party to the agreement is entitled to terminate the agreement by giving six calendar month prior notice in writing to the other party.
- (b) Presently the Company has an Employee Stock Option Scheme for its employees including Whole Time Directors of the Company.
- (c) Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund, LTA paid and premium on Gratuity Policy.

(iii) Share Transfer and Investors Grievance Committee:

The Board had constituted the Share Transfer & Investors Grievance 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 meet once in a week to expedite all matters relating to Shareholders / Investors Grievances received and pending during the previous week.

The composition of Committee as on March 31, 2010 is as under:

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

The Company addresses all complaints and grievances expeditiously and replies are sent/issues resolved usually within fifteen days, unless there is a dispute or other legal constraints. The Company received 28 shareholders complaints from Stock Exchanges and 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, 2010:

Sl. No.	Type of Complaints	Total No. of Complaints received during the financial year ended March 31, 2010	Total No. of Complaints resolved during the financial year ended March 31, 2010	No. of Complaints pending as on March 31, 2010
1	Non-receipt of dividend	200	200	0
2	Share transfer including Dmat request	36	36	0
3	Non receipt of Annual Report	42	42	0
	Total	278	278	0

The Share Transfer and Investors Grievance 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. Bhuneshwar Mishra, General Manager & Company Secretary of the Company is the Secretary of the Committee.

Mr. Bhuneshwar Mishra, General Manager & Company Secretary is 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 Committee as on March 31, 2010 is as under:

Sl. No.	Name	Status
1	Mr. Neelabh Dalmia – Director	Member
2	Mr. R S Jalan – Managing Director	Member
3	Mr. Tej Malhotra – Sr. Executive Director (Operations)	Member
4	Mr. Raman Chopra – Executive Director (Finance)	Member

(v) Project Committee

The Board had reconstituted the Project Committee in their meeting held on July 18, 2009. 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.

The composition of the Committee as on March 31, 2010 is as under:

Sl. No.	Name	Status
1	Mr. Sanjay Dalmia – Chairman	Chairman
2	Mr. Neelabh Dalmia – Director	Member
3	Mr. R W Khanna – Nominee Director (EXIM Bank)	Member
4	Mr. K C Jani – Nominee Director (IDBI Bank)	Member
5	Mr. Vijay Kumar – Alternate Director	Member

(vi) Subsidiary Monitoring Committee

The Board had constituted the Subsidiary Monitoring Committee in their meeting held on January 30, 2009. There are four members of the Subsidiary Monitoring Committee having diversified business expertise. The Committee was constituted to review and monitor the financial performance, revenue and capex budget of the Subsidiaries besides other activities.



Executive summary of the Subsidiary Monitoring Committee Meetings are placed before the immediate next Board Meeting held after the Subsidiary Monitoring Committee Meetings for deliberation and the full minutes of the same are placed before the following Board Meeting for record. The Chairman of the Subsidiary Monitoring Committee apprises the Board on the recommendations made by the Committee. Dates of the Subsidiary Monitoring Committee Meetings are fixed in advance and agenda is circulated at least seven days before the meeting.

During the financial year ended March 31, 2010, the Subsidiary Monitoring Committee of the Board met two times. The adequate quorums were present at every Subsidiary Monitoring Committee Meeting. The Composition of Subsidiary Monitoring Committee and attendance of members at the meetings are given herein below:

Name of the Subsidiary Monitoring Committee members	Dr. B C Jain -Chairman of the Committee	Mr. G C Srivastava	Mr. Neelabh Dalmia	Mr. K C Jani	Mr. P. K Laheri
Category	Independent Director (Expertise in Finance, Banking & Accounting)	Independent Director (Expertise in Tax & Accounting)	Non-executive Director (Expertise in Finance & Industry)	Nominee Director - IDBI Ltd (Expertise in Banking & Finance)	Independent Director (Ex-IAS)
Date of the Meeting					
April 24, 2009	Yes	Yes	Yes	N/A	Yes
October 30, 2009	Yes	Yes	Yes	No	N/A

Note: Managing Director, Executive Director (Finance) and concerned employees of the respective subsidiary companies were invitees to the Subsidiary Monitoring Committee Meetings whenever required. Secretary of the Company is the Secretary of the Committee.

The company does not have any material non listed Indian subsidiary whose turnover or net worth (i.e. Paid up Capital and Free Reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year ended on March 31, 2010. The Company monitors the performance of its subsidiaries, inter alia by the following means:-

- The financial statements, in particular, the investments made by the unlisted subsidiary companies, are reviewed by the Company's Audit Committee as well as by the Board;
- The minutes of the Board Meeting of the subsidiaries are periodically noted at the Board Meetings of the Company.
- The Subsidiary Monitoring Committee review and monitor the financial performance, revenue and capex budget of the Subsidiaries besides other activities.

4. General Body Meeting:

a) The last three Annual General Meetings 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
2008-09* December 31, 2009	10.00 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2007-08 September 12, 2008	10.00 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2006-07 (15 months) July 30, 2007	10.15 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006

*The 26th AGM was held pursuant to approval given by Registrar of Companies, Gujarat, Dadra and Nagar Havelli (ROC) vide their letter dated August 11, 2009.

The last three Extraordinary General Meetings were held as under:

Financial Year Date	Time	Venue
2007-2008 March 19, 2008	10.00 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2006-2007 August 4, 2006	10.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2000-2001 December 8, 2000	11.00 AM	Gajar Hall, Nariman Bhawan, Law College Road, Ahmedabad

b) Special Resolutions:

Annual General Meeting

The following special resolutions were passed in previous Three Annual General Meetings.

Year 2008-09:

No special resolution was passed at the 26th Annual General Meeting held on December 31, 2009.

Year 2007-08:

- Amendment in Articles of Association

Year 2006-07 (15 months):

No special resolution was passed at the 24th Annual General Meeting held on July 30, 2007.

Extraordinary General Meeting (EGM)

The following special resolutions were passed in the Extraordinary General Meeting held during the three financial years.

Year 2009-10:

No EGM was held during the financial year 2009-10.

Year 2008-09:

No EGM was held during the financial year 2008-09.

Year 2007-08 :

The following special resolutions were passed in the Extraordinary General Meeting held on March 19, 2008:

- Approval of Employees Stock Options Scheme (ESOS).
 - Approval of Employees Stock Options to employees of subsidiary companies.
- (c) No Special Resolution was passed in the last year through postal ballot and hence the provisions relating to postal ballot were not applicable.
- (d) Normally, all Special Resolutions moved at the above AGMs and EGMs were unanimously passed by a show of hands by the shareholders present at the meeting except at the 25th AGM held on September 12, 2008 for the financial year 2007-08, where all the resolutions were approved by shareholders by vote through ballot.

5. Disclosures:

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. Transactions with related parties are disclosed in the notes to the accounts in this Annual Report.



Disclosure of accounting treatment in preparation of financial statements

GHCL Limited has followed the Accounting Standards issued by the Institute of Chartered Accountants of India and notified in the Companies (Accounting Standards) Rules 2006, in the preparation of its financial statements.

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 one order dated April 20, 2009 passed by SEBI. During the financial year 2008-09, SEBI had passed ad interim, ex-parte order dated April 20, 2009 regarding disclosure made by the company on shareholding pattern. SEBI directed GHCL Limited, its promoter entities, Chairman, Managing Director and Company Secretary not to buy, sell or deal in the securities market until further orders. SEBI also directed the Company to file the correct shareholding details with the Stock Exchanges and the Company had filed the same. Aggrieved from SEBI order, the Company had filed its objection to the SEBI on April 27, 2009. Further, SEBI vide its order dated July 7, 2009 had vacated its earlier order dated April 20, 2009 in respect of 33 promoter entities. The Company has filed detailed reply and also given various representations to the SEBI. The SEBI has not confirmed its ex-parte ad interim order so far and the matter is still pending.

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

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 management and its staff. 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.

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.ghclindia.com

Pursuant to the requirement of Clause 51 of Listing Agreement, Company had also posted its quarterly and half yearly results through Electronic Data Information Filing and Retrieval (EDIFAR) on the website www.sebi.edifar.nic.in Now, in view of the circular issued by SEBI on April 16, 2010, SEBI had discontinued the requirement of filing of information under EDIFAR (Electronic Data Information Filing and Retrieval System) w.e.f April 1, 2010.

Risk Management:

The Company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

The Company has complied with the above requirement.

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.

6. 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, 2010 (Un-audited)
1	English Newspapers in which quarterly results were published	Business Standard	July 20, 2009	November 2, 2009	----	----	---
		Financial Express	----	----	January 30, 2010	----	---
		Economic Times (Ahmedabad edition)	----	----	January 30, 2010	April 29, 2010	April 29, 2010
		Business Line	---	---	---	April 29, 2010	April 29, 2010
2	Vernacular Newspapers in which quarterly results were published	Gujarati	July 20, 2009 (Loksatta)	November 2, 2009 (Loksatta)	January 30, 2010 (Economic Times - Gujarati)	April 30, 2010 (Economic Times - Gujarati)	April 30, 2010 (Economic Times - Gujarati)

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, 2010 (Un-audited)	
3	Website Address of the Company on which financial results are posted	www.ghclindia.com						
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, 2010 (Un-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 18, 2009	October 31, 2009	January 29, 2010	April 28, 2010	April 28, 2010	
	The Bombay Stock Exchange Ltd. (BSE)	www.bseindia.com	July 18, 2009	October 31, 2009	January 29, 2010	April 28, 2010	April 28, 2010	

7. 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.

8. General shareholder's Information:

GENERAL SHAREHOLDER INFORMATION				
Sl. No.	Particulars	Details		
1	Annual General Meeting	Thursday, September 9, 2010	10.00 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, 2010)	By 2nd week of August 2010		
	Financial Reporting for - Quarter - II (ending September 30, 2010)	By 2nd week of November 2010		
	Financial Reporting for - Quarter - III (ending December 31, 2010)	By 2nd week of February 2011		
	Financial Reporting for - Quarter - IV (ending March 31, 2011)	By 2nd week of May 2011		
3	Date of Book Closure	Thursday September 2, 2010 to Thursday September 9, 2010 (both days inclusive)		
4	Dividend Payment	Final Dividend Rs. 2.00 per share (20%) will be paid on or after Monday September 13, 2010, 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
		The Stock Exchange, Mumbai, Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	500171	INE 539 A01019
		National Stock Exchange of India Limited, "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019
		The Stock Exchange, Ahmedabad, KamDhenu Complex, Opp. Sahajanand College, Ahmedabad - 380 015	20850	INE 539 A01019
6	Listing Exchange of Foreign Currency Convertible Bonds	Singapore Stock Exchange		XS0229495782


GENERAL SHAREHOLDER INFORMATION

Sl. No.	Particulars	Details
7	Listing fees:	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2010
8	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 : mumbai@linktime.co.in)
9	Outstanding GDRs/ADRs/Warrants or any convertible instruments:	
	<p>1. The Company had issued an aggregate of US\$ 80.5 million Foreign Currency Convertible Bonds (FCCBs) at a coupon rate of 1%. The subscribers have an option to convert bonds into shares at a price based on price mechanism determined in the offering documents. Presently bond can be converted at a price of Rs. 147.9533 per share equivalent to USD 3.2278 is exercisable between September 2006 to March 2011. At the beginning of Financial year 2009-10, the outstanding FCCBs were USD 68.00 million. During the Financial year 2009-10, the Company had repurchased (bought back) FCCBs aggregating to face value of USD 39.00 million at a discount and extinguished the same in line with the approval received from Reserve Bank of India. After said buy back, the outstanding FCCBs were USD 29.00 million at the close of Financial Year 2009-10 i.e. March 31, 2010.</p> <p>Subsequent to the year end, buy back process of FCCBs is still going on pursuant to specific approval of the Reserve Bank of India and the Company had repurchased (bought back) FCCBs aggregating to face value of USD 7.25 million at a discount and extinguished the same in line with the approval received from Reserve Bank of India. After said buy back, the outstanding FCCBs were USD 21.75 million as on June 30, 2010.</p>	
10	Address for Correspondence	
	<p>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 : mumbai@linktime.co.in)</p> <p>For General Correspondence: GHCL Limited, "GHCL House" Opp. Punjabi Hall, Near Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-30918905, Fax: 079-26423623 (Email : secretarial@ghcl.co.in)</p>	
11	Dematerialization of Shares and Liquidity: 92.84% of the Company's total equity shares representing 9,28,62,504 shares were held in dematerialized form as on March 31, 2010. 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.	
12	As required under Clause 49 (IV) (G) of Listing Agreement, particulars of Directors seeking appointment/ re appointment are given in Notice to the ensuing Annual General Meeting.	

Corporate Benefits to Shareholders

Dividend declared for last 10 years		
Financial Year	Dividend	Dividend (Rs. per Share)
1999-00	12.50%	1.25
2000-01	18.00%	1.80
2001-02	25.00%	2.50
2002-03	23.00%	2.30
2003-04	15.00%	1.50
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

Equity share of paid up value of Rs. 10 per share



MONTHWISE STOCK MARKET DATA (BSE & NSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2010

MARKET PRICE DATA						
Month of the financial year 2009-10	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
	High	Low		High	Low	
April 09	38.20	25.65	11178723	38.30	25.70	16834131
May 09	46.95	29.80	11202962	46.90	27.70	17957902
June 09	52.90	35.00	15781672	53.20	35.50	25568742
July 09	42.70	31.25	7282496	42.50	32.60	11906848
August 09	44.50	36.50	10425619	44.40	36.70	15539917
September 09	46.40	40.95	11859449	46.45	40.90	17570738
October 09	47.20	38.50	4905009	47.25	38.50	7333992
November 09	45.40	35.55	7050478	45.50	36.00	9431348
December 09	59.55	44.55	17088295	59.60	44.70	24045503
January 10	55.20	43.75	5091011	55.15	43.25	7074036
February 10	48.85	43.15	1566664	48.70	43.25	3307974
March 10	47.80	41.00	2184110	47.95	40.95	3351380

Performance in comparison to broad based indices such as NSE



Shareholders Referencer

Unclaimed Dividend

Pursuant to Section 205 A of the Companies Act, 1956 unclaimed dividend for the financial years 2001-02 have been transferred to the Investors Education and Protection Fund established by the Central Government (IEPF) pursuant to Section 205 C of the Companies Act, 1956 and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial years 2001-2002.

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). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial Year	Date of AGM	Due for Transfer to IEPF
2002-03	26-09-2003	September 2010
2003-04	24-09-2004	September 2011
2004-05	02-09-2005	September 2012
2005 (9 months)	19-06-2006	June 2013
2006-07 (15 months)	30-07-2007	July 2014
2007-08	12-09-2008	September 2015
2008-09	31-12-2009	December 2016

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2010

No. of Shares held of Rs. 10 each between	No. of shareholders	% of total shareholders	No. of shares	% of total shares	
From	To				
1	2500	50982	72.03%	5633857	5.63%
2501	5000	10856	15.34%	4412844	4.41%
5001	10000	4889	6.91%	4160334	4.16%
10001	20000	2106	2.98%	3327452	3.33%
20001	30000	658	0.93%	1702858	1.70%
30001	40000	258	0.36%	946005	0.95%
40001	50000	263	0.37%	1253590	1.25%
50001	100000	359	0.51%	2683311	2.68%
100001	Above	404	0.57%	75899035	75.88%
Total		70775	100.00%	100019286	100.00%



SHAREHOLDING PATTERN AS ON 31ST MARCH 2010

Category	No. of shares held	% of shareholding
A Promoters Holding		
1 Promoters		
Indian Promoters	12599969	12.60%
Foreign Promoters	5507900	5.51%
2 Others		
Trust	152000	0.15%
Sub-Total	18259869	18.26%
B Non-promoters Holding		
3 Institutional Investors		
Mutual Funds and UTI	21913	0.02%
Banks, Financial Institutions & Insurance Companies	6364402	6.36%
FIs	248172	0.25%
Foreign Mutual Fund	204940	0.20%
Sub-Total	6839427	6.84%
4 Non-institutional Investors		
Bodies Corporate	36127695	36.12%
Indian public	33432752	33.43%
NRIs, OCBs & Foreign Companies	2064091	2.06%
Directors & relatives	30050	0.03%
Others	3265402	3.26%
Sub-Total	74919990	74.91%
Grand Total	100019286	100.00%

Plant Locations:

Soda Ash Plant	Village: Sutrapada Near Veraval, Dist. Junagarh - 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
ITES Division	A - 17, Sector - 58, NOIDA
Energy Division	(a) Muppandal, Irukkandurai Village Sankaneri Post Radhapuram Taluk, Tirunelveli District Tamilnadu (b) Chinnaputhur village, Dharapuram Taluk, Erode District, 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, 2010.

For GHCL LIMITED

Sd/
R S Jalan
Managing Director

Sd/
Raman Chopra
Executive Director (Finance)

CERTIFICATE UNDER CLAUSE 49(V)

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, 2010 and that to the best of my knowledge and belief :
- these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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-
- significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For GHCL LIMITED

Sd/
R S Jalan
Managing Director
Date: July 29, 2010

Sd/
Raman Chopra
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 year ended on 31st March, 2010, 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)

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

(C. V. THAKKER)
Partner
Membership No: 006205
Place : New Delhi
Date : 29th July 2010

(GAUTAM R. DIVAN)
Partner
Membership No: 006457



AUDITORS' REPORT

To the Members of
GHCL LIMITED

1. We have audited the attached Balance Sheet of GHCL Limited as at 31st March 2010 and also the Profit and Loss Account annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :
 - a) *no provision has been made in respect of Loans and Advances aggregating to Rs. 11,507 lakhs due from subsidiaries and step down subsidiaries and no provisions for outstanding Guarantees aggregating to Rs. 36,377 lakhs furnished to subsidiaries and step down subsidiaries (considered as contingent liabilities in notes to accounts) since it cannot be quantified as on date.*
 - b) *no income is recognized for interest receivable on outstanding loans to foreign subsidiary for the year ended 31 March 2010 amounting to Rs 11 lakh, due to the uncertainty of recoverability of this amount. As a result of this, the impact on the Profit and Loss Account for the year ended 31 March 2010 is an understatement of profit by Rs. 11 lakhs.*
 - c) Without qualifying our opinion, we draw your attention to:
 - i) Note 2 of Schedule 16 in respect of the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 approved by Honourable High Court of Gujarat vide its Order dated 30th November, 2009 and the accounting treatment adopted by the Company in respect of the Business development Reserve.
 - ii) Note 35 of Schedule 16 in respect of the Employee Stock Option Scheme of the Company, wherein the potential diminution in the value of the assets of the Scheme are disclosed.
 - d) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.
 - e) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of such books;
 - f) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - g) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - h) On the basis of the written representations received from the Directors as at 31 March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - i) *Subject to our comments in paragraphs 4(a) and (b) above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2010;
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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 : 29th July 2010

For and on behalf of

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

(GAUTAM R. DIVAN)
Partner
Membership No: 006457



ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 3 of the Auditors' Report of even date to the Members of GHCL Limited on the accounts for the year ended 31st March 2010.)

- (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.
- (c) In our opinion and according to explanations given to us, fixed assets disposed off during the year were not substantial and as such the disposal has not affected the going concern status of the Company.
- (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 neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties as covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (b) (c) (d) (f) and (g) 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, there are no contracts and arrangements, particulars of which need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of Section 58A, 58AA of the Companies Act, 1956, and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and the nature of its business.
- (viii) 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 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (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, Investor Education and Protection Fund, Employee State Insurance, Income tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March 2010 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to Rs. 54.93 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 (Rs. in Lakhs)
1	Income Tax Act, 1961	Income on Domestic Services and Transfer Pricing	Commissioner of Income Tax (Appeal), Ghaziabad	F. Y. 2004-2005	8.38
2	Central Excise Act, 1944	CENVAT credit	High Court Chennai	2001-02	2.96
			Customs, Excise and Service Tax Appellate Tribunal	2002-03	0.73
			Commissioner (Appeals) Central Excise	2002-03 & 2003-04	6.37
3	Urban Land Tax Act	Urban Land Tax	Madurai Corporation	1981-2009	20.25
			High Court Chennai	1981-2009	12.00
4.	The Employee's State Insurance Act, 1948	Contribution Demand	ESI Court, Madurai	Various Years	2.93
			Supreme Court	1985-1986	1.31



- (x) 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.
- (xi) 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.
- (xii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable.
- (xiv) According to the information and explanations given by management, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) 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.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xvii) Based on our examination of the Balance Sheet and cash flows of the Company as at 31st March 2010 and according to the information and explanations given to us, we report that funds raised on a short-term basis have not been used for long-term investment.
- (xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures at the year end.
- (xx) During the year, the Company has not raised money by way of public issue.
- (xxi) Based on the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended 31st March 2010.

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

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

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

(GAUTAM R. DIVAN)
Partner
Membership No: 006457

Place : New Delhi
Date : 29th July 2010


BALANCE SHEET AS AT 31st March 2010

	Schedules	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	10,001.93	10,001.93
Reserves and Surplus	2	108,482.88	111,400.97
		118,484.81	121,402.90
Loan Funds			
Secured Loans	3	110,977.17	94,429.75
Unsecured Loans	4	7,407.78	4,500.00
Unsecured - Foreign Currency Convertible Bonds	4 A	13,023.90	34,499.80
		131,408.85	133,429.55
Deferred Tax Liability (Net)		13,411.12	15,343.42
Total		263,304.78	270,175.87
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		270,432.03	261,930.87
Less : Depreciation		68,023.99	58,752.87
Net Block	5	202,408.04	203,178.00
Capital Work-in-Progress		362.91	2,035.55
Advances against capital expenditure		205.12	1,005.06
		202,976.07	206,218.61
Investments	6	5,917.84	3,859.76
Current Assets, Loans and Advances			
Inventories	7	31,096.48	26,025.23
Sundry Debtors		15,170.24	11,874.48
Cash and Bank Balances		2,497.48	4,694.51
Loans and Advances		31,897.78	45,672.78
		80,661.98	88,267.00
Less : Current Liabilities and Provisions	8		
Liabilities		23,886.03	25,803.42
Provisions		2,367.12	2,377.84
		26,253.15	28,181.26
Net Current Assets		54,408.83	60,085.74
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Deferred Revenue Expenses		2.04	11.76
Total		263,304.78	270,175.87

Notes on Accounts 16
The Schedules referred to above form an integral part of the Balance Sheet

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
		R. S. Jalan Managing Director	Raman Chopra Executive Director - Finance
(C. V. Thakker) Partner	(Gautam R. Divan) Partner		Bhuvneshwar Mishra Company Secretary

Place : New Delhi
 Date : 29th July 2010

Place : New Delhi
 Date : 29th July 2010


PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2010

	Schedules	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
INCOME			
Sales - Gross		125,386.10	131,163.29
Less: Excise Duty		6,227.67	9,681.41
		119,158.43	121,481.88
Income from Services		2,237.08	2,529.23
Other Income	9	1,150.58	685.94
TOTAL INCOME		122,546.09	124,697.05
EXPENDITURE			
Manufacturing Expenses	10	69,964.55	72,136.46
Purchase of Trading Goods		627.28	964.47
Payments to and Provisions for Employees	11	8,297.64	8,181.19
Administrative and Miscellaneous Expenses	12	4,185.11	6,790.45
Selling and Distribution Expenses	13	8,201.17	6,155.23
Excise Duty		(191.08)	70.54
Decrease in Stock	14	1,141.05	1,912.06
		92,225.72	96,210.40
Profit Before Financial Expenses and Depreciation		30,320.37	28,486.65
Financial Expenses	15	10,544.94	9,000.42
Profit Before Depreciation		19,775.43	19,486.23
Depreciation/ Amortisation		9,548.13	8,898.07
Less: Transferred from Business Development Reserve		1,936.95	1,936.95
		7,611.18	6,961.12
Profit Before Taxation		12,164.25	12,525.11
Provision For Taxes			
- Current Tax		12.00	491.66
- Fringe Benefit Tax		-	123.21
- Deferred Tax (Net)		(1,932.29)	1,480.44
Profit For The Year after Tax		14,084.55	10,429.80
Balance brought forward from previous year		28,431.11	32,389.73
Balance brought forward from amalgamating Company		-	(1,222.49)
Prior period adjustments (See note no 13 of Schedule 16)		(11.29)	99.12
Excess provision for Tax for earlier years		21.97	100.84
Excess provision for Deferred Tax for earlier years		-	17.45
Transferred from General Reserve as per Scheme of Arrangement		16,622.24	8,529.85
Receivables/Balances written off as per Scheme of Arrangement		(16,622.24)	(8,529.85)
Amount Available For Appropriation		42,526.33	41,814.45
APPROPRIATIONS			
Transfer to General Reserve		1,408.45	1,042.98
Transfer to General Reserve as per Scheme of Arrangement		15,000.00	10,000.00
Proposed Dividend on Equity Shares		2,000.39	2,000.39
Tax on Dividend		332.24	339.97
Balance Carried To Balance Sheet		23,785.25	28,431.11
		42,526.33	41,814.45
Earnings per Share (Rupees) - Basic		14.09	10.65
Earnings per Share (Rupees) - Diluted (See note no 31 of Schedule 16)		12.30	8.76

Notes on Accounts

16

The Schedules referred to above form an integral part of the Profit and Loss Account

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

 R. S. Jalan
 Managing Director

 Raman Chopra
 Executive Director - Finance

 (C. V. Thakker)
 Partner

 (Gautam R. Divan)
 Partner

 Bhuvneshwar Mishra
 Company Secretary

 Place : New Delhi
 Date : 29th July 2010

 Place : New Delhi
 Date : 29th July 2010


CASH FLOW STATEMENT FOR THE YEAR ENDED 31st Mar, 2010

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extraordinary items	12,164.25	12,525.11
Adjustment for :		
Depreciation / Amortisation	7,611.18	6,961.12
Foreign Exchange (Gain) /Loss (Net)	(527.82)	2,429.87
Gain on Exceptional Item	-	0.00
Interest on Investments	(0.35)	(0.68)
Income From Dividend	(2.94)	(2.46)
Prior Period Adjustments	(11.29)	99.12
Profit on Sales / Discarding of Fixed Assets (Net)	(34.53)	(97.75)
Provision for Doubtful Debts / Advances (Net)	0.41	0.00
Profit on Sale of Investments (Net)	(0.73)	(0.12)
Financial Expenses (Net)	10,544.94	9,000.42
Operating Profit before Working Capital Changes	29,743.12	30,914.63
Adjustments for :		
Trade & other Receivables	(3,619.12)	(3,568.82)
Inventories	(5,071.25)	(9.96)
Trade payables	(1,688.23)	6,962.79
Other Adjustments		
Deferred Revenue Expenses	9.72	21.77
Cash Generated from Operations	19,374.24	34,320.40
Direct taxes paid	(178.25)	(820.90)
Net cash from Operating Activities	19,195.99	33,499.50
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(7,264.57)	(13,642.18)
Subsidies Received	-	313.29
Advance for Capital Expenditure	799.94	1,321.18
Sale of Fixed Assets	104.46	249.18
(Purchase) / Sale of Investments	(2,049.00)	2.34
Profit on Sale of Investments (Net)	0.73	0.12
Investment in Subsidiaries	(9.09)	(5.00)
Advances in Subsidiaries	(6,581.82)	(16,968.03)
Interest on Investments	0.35	0.68
Interest Received	58.90	22.90
Dividend Received	2.94	2.46
Net cash used in Investing Activities	(14,937.16)	(28,703.06)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured Loans	48,136.71	23,419.70
Repayment of Secured Loans	(31,589.29)	(11,607.64)
Proceeds from Unsecured Loans	7,500.00	4,500.00
Repayment of Unsecured Loans	(4,592.22)	(2,042.87)
Repayment of Foreign Currency Convertible Bonds	(13,293.35)	(2,244.39)
Gain/(Loss) on Exchange	527.82	(2,429.87)
Interest and Finance Charges Paid	(10,804.86)	(9,285.31)
Dividend and tax thereon paid	(2,340.67)	(2,802.92)
Net Cash from Financing Activities	(6,455.86)	(2,493.30)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(2,197.03)	2,303.14
Cash and Cash Equivalents at beginning of year	4,694.51	2,391.37
Cash and Cash Equivalents at end of year	2,497.48	4,694.51
Note :		
Cash and Cash Equivalents at end of year	2,497.72	4,690.86
Effect of exchange rate changes - Profit / (Loss)	(0.24)	3.65
Cash and Cash Equivalents as restated	2,497.48	4,694.51

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

R. S. Jalan
Managing Director

 Dr. B.C. Jain
Director

Raman Chopra
Executive Director - Finance

 (C. V. Thakker)
Partner

 (Gautam R. Divan)
Partner

 Bhuwadeshwar Mishra
Company Secretary

 Place : New Delhi
Date : 29th July 2010

 Place : New Delhi
Date : 29th July 2010


SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE 1 : SHARE CAPITAL

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
SHARE CAPITAL		
Authorised		
175,000,000 Equity Shares of Rs.10/- each	<u>17,500.00</u>	<u>17,500.00</u>
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, Subscribed and Paid up		
100,019,286 Equity Shares of Rs. 10/- each fully paid up	<u>10,001.93</u>	<u>10,001.93</u>
	<u>10,001.93</u>	<u>10,001.93</u>

Notes :

- 1) a) 21,250,400 Equity Shares of Rs. 10/- each fully paid up were issued to Financial Institution at par on conversion of loan of Rs. 212.50 Million.
- b) 1,838,011 Equity Shares of Rs. 10/- each fully paid up were issued pursuant to the Scheme of Amalgamation for consideration other than cash.
- c) 430,875 Equity Shares of Rs 10/- each fully paid up were allotted on conversion of Foreign Currency Convertible Bonds.

SCHEDULE 2 : RESERVES AND SURPLUS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. 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	<u>715.73</u>	<u>715.73</u>
	756.92	756.92
BUSINESS DEVELOPMENT RESERVE		
As per last Balance Sheet	75,917.64	-
Created during the year	-	101,184.68
Add: Gain on FCCB Buy back	<u>2,357.35</u>	<u>2,169.91</u>
	<u>78,274.99</u>	<u>103,354.59</u>
Less: Diminution in value of Investment/ Advances/ Receivables	<u>(4,242.70)</u>	<u>(25,500.00)</u>
Less: Depreciation/Sales on Revalued Assets	<u>(1,998.29)</u>	<u>(1,936.95)</u>
	72,034.00	75,917.64
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	1,000.00	1,000.00
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Balance Sheet	(4,039.09)	-
Created during the year	-	(4,039.09)
Adjustment during the year	<u>5,825.20</u>	<u>-</u>
	1,786.11	(4,039.09)
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	1,815.04	1,815.04
GENERAL RESERVE		
As per last Balance Sheet	7,519.35	5,006.22
Add: Transfer From Profit and Loss Account	1,408.45	1,042.98
Add: Transfer From Profit and Loss Account as per Scheme of arrangement	<u>15,000.00</u>	<u>10,000.00</u>
	<u>23,927.80</u>	<u>16,049.20</u>
Less: Transfer to Profit and Loss Account as per Scheme of arrangement	<u>(16,622.24)</u>	<u>(8,529.85)</u>
	7,305.56	7,519.35
PROFIT AND LOSS ACCOUNT		
Balance as per account annexed	<u>23,785.25</u>	<u>28,431.11</u>
Total	<u>108,482.88</u>	<u>111,400.97</u>

SCHEDULE 3 : SECURED LOANS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
FROM BANKS / FINANCIAL INSTITUTIONS		
Working Capital Loans	28,935.13	28,629.79
Rupee Term Loans	82,042.04	65,799.96
Total	110,977.17	94,429.75

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

- a) Loan aggregating to Rs. 18,937.48 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 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.
- b) Loan aggregating to Rs. 5,645.36 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 first Hypothecation charge on pari passu basis, on movable 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.
- c) Loan aggregating to Rs. 2,877.89 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.
- d) Loan aggregating to Rs. 2,173.35 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.
- e) Loan aggregating to Rs 18,333.33 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.
- f) Loan aggregating to Rs. 12,631.86 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 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.
- g) Loan aggregating to Rs. 493.52 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 said loan is availed under Technology Upgradation Fund Scheme for Textile.
- h) Loan aggregating to Rs. 5,940.63 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.
- i) Loan aggregating to Rs. 971.40 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 said loan is availed under Technology Upgradation Fund Scheme for Textile.
- j) Loan aggregating to Rs. 10,004.46 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.
- k) Loan aggregating to Rs. 635.03 Lacs is secured by an exclusive first charge by way of equitable mortgage on immovable properties pertaining to Wind Mill Division – I situated at Irukkandurai village, Tirunelveli District in the state of Tamil Nadu and hypothecation of all present and future movable assets of Wind Mill Division – I. The said loan is availed under Technology Upgradation Fund Scheme for Textile.
- l) Loan aggregating to Rs. 897.73 Lacs is secured by an exclusive first charge on all present and future movable assets of Wind Mill Division – II situated at Chinnaputhur, near Poolavadi in the state of Tamil Nadu. The said loan is availed under Technology Upgradation Fund Scheme for Textile.



- m) Loan aggregating to Rs. 2,500 Lacs is secured by an exclusive first charge on all present movable assets of Edible Salt division situated at Thiruporur, Vedaranyam and Industrial Salt Division.
- 2) Working Capital Loans / Bill discounting from Banks / Financial Institutions 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.
- 3) 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.

SCHEDULE 4 : UNSECURED LOANS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
Loan from banks	<u>7,407.78</u>	<u>4,500.00</u>
Total	<u>7,407.78</u>	<u>4,500.00</u>

SCHEDULE 4A : UNSECURED FOREIGN CURRENCY CONVERTIBLE BONDS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
Foreign Currency Convertible Bonds	<u>13,023.90</u>	<u>34,499.80</u>
Total	<u>13,023.90</u>	<u>34,499.80</u>

1. The Company had issued 1% Foreign Currency Convertible Bonds (FCCBs) of a face value of US \$10,000 each, aggregating to US \$80.50 Million. As per the terms of the issue, the subscribers have an option to convert bonds into Equity Shares at a price which has been fixed as of 21st September 2007 at Rs. 159.5748 (US \$1 = Rs. 45.838). Such conversion option is exercisable between 21st September 2007 and 21st March 2011. The FCCB may be redeemed in whole, but not in part, at the option of the Company at any time on or after 21st September 2008 and prior to 21st March 2011, at an early redemption amount on predetermined terms. Unless previously converted, redeemed or cancelled, the FCCBs will be redeemed in US Dollars on 21st March 2011 at 139.426 % of their principal amount.
2. During the year the Company has bought back and cancelled 3900 (Previous year 1100) No. of Foreign Currency Convertible Bonds (FCCBs) of a face value of US \$ 10,000 each, purchased with the approval of Reserve Bank of India, at a discount to the face value. As on 31st March, 2010 outstanding balance of FCCBs is US \$29 Million.
3. Currently the FCCBs are traded at discounted price and company is trying to buy back the bonds at discount and in that case no premium would be payable and on that basis the same has not been provided and is shown as contingent liability. However the premium, if paid, would be adjusted against the available Securities Premium Account / charged to Profit and Loss Account at the time of redemption.

SCHEDULE 5 : FIXED ASSETS

PARTICULARS	Rs. In Lacs										
	GROSS BLOCK					DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1-4-2009	Addition on Amalgamation	Addition on Revaluation	Additions (Deletions)	As at 31-3-2010	As at 1-4-2009	Addition on Amalgamation	Addition (Deletion)	As at 31-3-2010	As at 31-3-2010	As at 31-3-2009
TANGIBLE ASSETS											
Free hold Land	39,627.18			1.98 (79.18)	39,549.98	-		-	-	39,549.98	39,627.18
Leasehold Land	38,732.43			-	38,732.43	579.49		485.57	1,065.06	37,667.37	38,152.94
Buildings	16,964.02			367.03	17,331.05	3,410.87		482.13	3,893.00	13,438.05	13,553.15
Plant and Machinery	147,968.14			7,154.65 (41.21)	155,081.58	48,080.40		6,479.51 (16.28)	54,543.63	100,537.95	99,887.74
Wind Turbine Generators	4,043.00			1.93	4,044.93	901.97		213.47	1,115.44	2,929.49	3,141.03
Furniture and Fixture	928.21			8.99 (9.67)	927.53	465.11		52.43 (9.67)	507.87	419.66	463.10
Office Equipments	1,342.26			168.77 (220.98)	1,290.05	740.57		103.64 (214.92)	629.29	660.76	601.69
Vehicles	385.62			70.64 (57.32)	398.94	167.29		33.50 (36.14)	164.65	234.29	218.33
Leased Mines	6,114.43			-	6,114.43	1,588.83		611.44	2,200.27	3,914.16	4,525.60
INTANGIBLE ASSETS											
Goodwill	262.32			-	262.32	262.32		-	262.32	-	-
Software	301.39			233.12	534.51	189.14		96.96	286.10	248.41	112.25
Salt Works Reservoirs and Pans	5,261.87			902.41	6,164.28	2,366.88		989.48	3,356.36	2,807.92	2,894.99
Total	261,930.87	-	-	8,909.52 (408.36)	270,432.03	58,752.87	-	9,548.13 (277.01)	68,023.99	202,408.04	203,178.00
Previous Year	147,797.14	125.20	101,184.68	13,374.32 (550.47)	261,930.87	49,952.00	22.19	8,898.07 (119.39)	58,752.87	203,178.00	

- Buildings include a sum of Rs. 91.40 Lacs (previous year Rs. 91.40 Lacs) being cost of office premises acquired on ownership basis.
- Leased mines represent expenditure incurred on development of mines.
- Cash Subsidy amounting to Rs. 823.35 including (previous years Rs. 823.35 Lacs) relating to Home Textile division at Vapi has been reduced from respective Fixed Assets.
- Current year Depreciation is after adjustment of Rs. NIL (previous year Rs.33.63 Lacs) of depreciation relating to earlier years on Capital Subsidy received during the year.
- Some of the fixed assets have been revalued last year w.e.f. 01.04.2008 as per Scheme of Arrangement duly approved by the Hon'ble High Court of Gujarat vide its order dated Nov 30, 2009 by Rs. 1,01,184.68 lacs.
- Deletion of Free Hold Land includes Rs 61.35 lacs being revaluation amount of land of Sree Meenakshi Mills Division at Madurai sold during the year.

SCHEDULE 6 : INVESTMENTS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
LONG TERM INVESTMENTS - (AT COST)		
OTHER THAN TRADE		
Quoted		
8,300 Equity Shares of HDFC Bank Limited of Rs. 10/- each fully paid up	0.83	0.83
68,598 Equity Shares of IDBI Limited of Rs. 10/- each fully paid up	49.34	49.34
2,595 Equity Shares of Dena Bank of Rs. 10/- each fully paid up	0.70	0.70
272,146 Equity Shares of GTC Industries Limited of Rs. 10/- each fully paid up	495.01	495.01
4,500 Equity Shares of Canara Bank of Rs. 10/- each fully paid up	1.58	1.58
	547.46	547.46
Unquoted		
Govt. securities - 7 year National Savings Certificates (Pledged with Government Authorities)	0.82	1.83


SCHEDULE 6 : INVESTMENTS

		As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
SHARES IN WHOLLY OWNED SUBSIDIARY COMPANIES - (UNQUOTED)			
2,000	Equity Shares of US \$ 1 each fully paid up of Colwell & Salmon Communications Inc, USA	1,314.44	1,314.44
221,586	Equity Shares of EURO 100/- each fully paid up of Indian Britain B.V	1,936.03	1,936.03
500,000	Equity Shares of Rs 10 each fully paid of Fabient Global Limited	50.00	50.00
50,000	Equity Shares of Rs 10 each fully paid of Fabient Textile Limited	5.00	5.00
7,500	Equity Shares of \$ 1 each fully paid of Grace Home Fashion LLC (Subscribed during the year)	3.64	-
1,000	Equity Shares of \$ 1 each fully paid of Teliforce Holding India Limited (Subscribed during the year)	0.45	-
50,000	Equity Shares of Rosebys International Limited Rs. 10/- each fully paid up (Subscribed during the year)	5.00	-
		3,314.56	3,305.47
CURRENT INVESTMENTS - (UNQUOTED)			
(Acquired during the year) (At lower of cost and fair value- fully paid)			
10248965	Units of LICMF Income Plus- Growth	1,500.00	-
1572378	units of Reliance Medium Term Fund- Retail Plan- Growth	300.00	-
19925	units of Reliance Money Manager Fund- IP- Growth	250.00	-
CURRENT INVESTMENTS IN SUBSIDIARY COMPANY - (UNQUOTED)			
50,000	Equity Shares of Rosebys Interiors India Limited Rs. 10/- each fully paid up (5,000 shares pledged with IDBI Bank and 12500 shares pledged with J&K Bank against Loan to RILL) (See Note No 9 of Schedule 16)	5.00	5.00
Total		5,917.84	3,859.76
		As at 31.03.2010	As at 31.03.2009
		Book Value	Book Value
		Market Value	Market Value
Quoted		547.46	547.46
Others		5,370.38	3,312.30
		5,917.84	3,859.76

(Details of Investments purchased and sold during the year—See Note No. 27 of Schedule 16)

SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES

		As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
CURRENT ASSETS			
Inventory (as taken, valued and certified by the Management)			
At cost or net realisable value which ever is lower			
	Raw materials	16,631.30	11,985.23
	Finished goods	6,401.60	7,752.03
	Stock in process	1,157.31	947.93
	Stores and spares	6,906.27	5,340.04
Total		31,096.48	26,025.23
Sundry Debtors (Unsecured, considered good unless stated otherwise)			
Outstanding over six months			
	Considered good	396.98	720.24
	Considered doubtful	110.25	109.84
	Provision for Doubtful Debts	(110.25)	(109.84)
		396.98	720.24
	Other debts	14,773.26	11,154.24
Total		15,170.24	11,874.48
Cash & Bank Balances			
	Cash balance on hand	10.79	18.96
	Current Account with Banks		
	- Scheduled Banks	1,837.56	2,716.17


SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
- Non Scheduled Banks		
Deutsche Bank (maximum balance Rs. 1220.86 Lacs, Previous Year Rs. 1115.06 Lacs)	16.80	1,115.06
Fixed deposit		
- Scheduled Banks	127.34	67.80
(Pledged with Govt. Authorities / Banks - Rs. 52.85 Lacs, Previous Year Rs. 66.8 Lacs)		
In Margin Account	504.99	776.52
Total	2,497.48	4,694.51
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received - Considered Good	12,767.40	12,395.80
Loan to Employee Stock Option Scheme Trust	6,430.10	6,371.10
Due from Wholly owned Subsidiary Companies		
- Loans	11,506.78	22,404.08
- Others	-	2,897.60
	11,506.78	25,301.68
Interest Accrued on Investments	0.57	1.23
Balances with Customs, Port Trust, Central Excise etc.	392.33	987.54
Income Tax paid / FBT paid / TDS (net of provisions of Rs.599. 87 Lacs, Previous Year Rs.596.65 lacs)	800.60	615.43
Total	31,897.78	45,672.78

SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
CURRENT LIABILITIES		
Sundry Creditors for Goods and Expenses	16,415.30	17,700.00
Sundry Creditors for Capital Expenditure	905.56	1,205.61
* Sundry Creditors- Micro, Small & Medium Enterprises	39.05	203.70
Advances against sale of Assets	-	800.00
Advances from Customers	110.55	173.18
Trade Deposits from Dealers	135.17	150.32
**Investor Education & Protection Fund in respect of		
- Unclaimed Dividend	226.41	226.73
- Unclaimed Fixed Deposits	1.20	2.96
- Interest Accrued on Unclaimed Fixed Deposits	0.22	0.43
Other liabilities	5,402.25	4,761.38
Interest accrued but not due	650.32	579.11
Total	23,886.03	25,803.42
PROVISIONS		
Wealth Tax	34.49	37.48
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Tax on Dividend	332.24	339.97
Total	2,367.12	2,377.84

* See Note No. 32 of Schedule 16

** The figure reflects the position as of 31st March, 2010. The actual amount to be transferred to the Investor Education & Protection Fund in this respect shall be determined on the due date.


SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT
SCHEDULE 9 : OTHER INCOME

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Interest on Investment	0.35	0.68
Dividend Income	2.94	2.46
Interest on Income Tax Refund	3.75	10.08
Gain on Exchange (net)	527.82	-
Profit on sale of Assets (net)	34.53	97.75
Profit on sale of Investment (net)	0.73	0.12
Bad debts written off recovered	6.00	-
Sundry Balances Written back (net)	47.98	95.62
Rent Income (Tax Deducted at Source Rs. 52.41 Lacs Previous year Rs. 68.45 Lacs)	263.80	255.95
Miscellaneous Income	262.68	223.28
Total	1,150.58	685.94

SCHEDULE 10 : MANUFACTURING EXPENSES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Raw Materials Consumed	40,613.87	42,483.64
Stores and Spares	3,220.75	2,443.22
Repairs and Maintenance		
Machinery	923.76	947.36
Building	91.53	96.91
Others	157.05	166.24
	1,172.34	1,210.51
Power, Fuel and Water	18,686.72	20,914.79
Other Manufacturing Expenses	3,242.68	2,044.09
Packing Expenses	2,994.14	2,881.19
Operating Expenses for Services	34.05	159.02
Total	69,964.55	72,136.46

SCHEDULE 11 : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Salaries, Wages and Bonus	6,792.94	6,709.06
Contribution to PF and other funds	624.21	723.51
Staff Welfare	470.49	478.62
Commission to Whole time Directors	410.00	270.00
Total	8,297.64	8,181.19


SCHEDULE 12 : ADMINISTRATIVE AND MISCELLANEOUS EXPENSES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Travelling & Conveyance	788.96	949.48
Rent and Lease Rent	360.43	391.57
Rates and Taxes	87.77	100.44
Insurance	431.70	424.79
Loss on Exchange (net)	-	2,429.87
Commission to Non Whole time Directors	130.00	131.00
Communication Expenses	175.04	221.30
Legal & Professional Expenses	1,399.54	1,224.00
Miscellaneous Expenses	707.58	861.48
Deferred Revenue Expenditure Written Off	5.22	10.18
Sundry Balances Written Off (net)	-	3.68
Donation	98.46	42.66
Provision for Doubtful Debts	0.41	-
Total	4,185.11	6,790.45

SCHEDULE 13 : SELLING AND DISTRIBUTION EXPENSES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Cash Discount	1,124.29	891.01
Freight and Forwarding	4,586.32	2,766.34
Commission on Sales	2,261.18	2,194.46
Sales Promotion Expenses	229.38	303.42
Total	8,201.17	6,155.23

SCHEDULE 14 : DECREASE IN STOCK

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Opening stock		
Finished Goods	7,752.03	9,667.04
Stock in Process	947.93	944.98
(A)	8,699.96	10,612.02
Closing stock		
Finished Goods	6,401.60	7,752.03
Stock in Process	1,157.31	947.93
(B)	7,558.91	8,699.96
Decrease in Stock	Total (A-B)	1,912.06

SCHEDULE 15 : FINANCIAL EXPENSES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Interest - Fixed Loans	7,333.45	5,727.02
- Others	3,005.78	3,482.72
Other Financial Charges	536.84	480.75
	10,876.07	9,690.49
Less : Interest and Financial charges capitalised	272.23	667.17
Less : Interest Income Others	58.90	22.90
Total	10,544.94	9,000.42

SCHEDULE 16 : NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. 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 the earlier year) in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

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. Income from services represents revenue from IT - Enabled services and job charges rendered during the year.

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 is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on revalued fixed assets is provided on a straight line method over the remaining useful life as determined by the valuer. Intangible assets are depreciated on straight line basis over the useful life of the assets not exceeding ten years. Continuous process plants as defined therein have been taken on technical assessment and depreciation is provided accordingly. Assets acquired during the year whose cost does not exceed Rs. 5,000 are fully depreciated in the year of acquisition. Depreciation on certain assets are provided at a higher rate depending upon their useful life. Depreciation is adjusted in subsequent years to allocate the asset's revised carrying amount after the recognition of an impairment loss, if any, on systematic basis over its remaining life. Additional depreciation on account of any upward revaluation of assets is charged to Business Development Reserve until such reserve exists.

Exchange differences adjusted to the cost of assets are depreciated equally over the balance useful life of the assets. 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.

Machinery spares which are used only in connection with an item of fixed assets and whose use is not regular in nature are capitalised and written off over the estimated useful life of the relevant assets. The written down value of such spares is charged to the Profit and Loss Account on issue for consumption.

Government Grants

Cash Subsidies relating to specific fixed assets are shown 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 flow 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 Profit and Loss Account.

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

Gain or loss in respect of Financial Derivatives are accounted in Profit and Loss Account. In addition where there are contracts for termination or winding up of financial derivatives, they are also given effect in the Profit and Loss Account.

Retirement Benefits

Contribution payable to recognized Provident Fund and Superannuation Scheme which are defined contribution scheme is charged to Profit and Loss Account. 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 Profit and Loss Account each year.

Deferred Revenue Expenditure

In terms of Accounting Standard 26 - Intangible Assets issued by the Institute of Chartered Accountants of India, the carrying amounts of Deferred Revenue Expenditure are amortized / written off over the number of years in which the benefits are expected to accrue to the Company as per the accounting policy followed by the Company.

However, expenditure incurred during the year, on such items which do not meet the definition of Intangible Assets as per the said Standard are charged off to the Profit and Loss Account except VRS expenditure which is amortized as per the existing Accounting Policy.

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 rental paid are charged to Profit and Loss Account. Leases entered into on or after 1st April, 2001 are accounted for in accordance with Accounting Standard - 19 Leases issued by the Institute of Chartered Accountants of India.

Taxation

Income Tax expenses comprises current tax and deferred tax charge or credit. The deferred tax assets and 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, issued by the Institute of Chartered Accountants of India, 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.

B. NOTES

	As at 31st March, 2010 (Rs. in Lacs)	As at 31st March, 2009 (Rs. in Lacs)
1 a) Estimated value of contracts remaining to be executed on Capital Account and not provided for	1,335.40	1,552.01
b) Contingent Liabilities :		
(i) Guarantees issued by banks	1,108.84	1,001.23
(ii) Letters of Credit	526.68	4,326.34
(iii) Bills discounted with banks (since realized)	989.77	2,082.23
(iv) Claims against the Company not acknowledged as debts		
- Income Tax & Wealth Tax	48.66	41.72
- Sales Tax	3.99	-
- Excise & Service Tax Matters	2,205.70	1,671.82
- Other claims	736.91	1,303.00
(v) Corporate guarantee & Standby Letters of Credit to Bank on behalf of subsidiaries of the Company	63,298.69	70,969.28
(vi) Premium on redemption of Foreign Currency Convertible Bonds	5,134.80	13,601.89
c) Export Obligation on duty free imports	13,254.51	21,148.50



2 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 following effects in the current financial statements :-

- a) Gains realised on account of buyback and cancellation of 3,900 (Previous year 1,100) Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each at discount amounting to Rs. 2357.36 Lacs (Previous year Rs. 2169.91 Lacs) has been transferred to Business Development Reserve Account in accordance with the Scheme.
- b) In accordance with the aforesaid Scheme, goodwill arising on amalgamation or acquisition or consolidation of financials statements of subsidiaries and which requires amortisation or impairment, any unrealizable assets whether fixed or current or tangible or intangible of the company, any diminution/write off in the value of the investments in its subsidiaries; whether in India or overseas, interest and other financial charges paid or payable on borrowings for subsidiaries by the company or by its subsidiaries or borrowings guaranteed by the company, mark to market adjustment on derivative instruments, currency swaps expenses, all the expenses / costs incurred in carrying out and implementing this Scheme, Integration expenses like plant shifting / shutting down, expenses arising on voluntary retirement offered to the employees of acquired companies, expenses for suit for bankruptcy including costs associated with existing projects / subsidiaries / divisions in part and / or whole by the Transferee Company and any additional depreciation on account of any upward revaluation of assets are to be charged to Business Development Reserve Account.

Accordingly Rs. 4,242.70 Lacs (previous year Rs. 25,500 Lacs) has been charged to Business Development Reserve on account of diminution in the value of the investments in loans & advances to and receivables from subsidiaries. Any further impairment arising out of such diminution shall be accounted for in subsequent years upon reasonable certainty that the same is non realisable and shall be charged to Business Development Reserve until such reserves exists. Further additional depreciation arising out of revaluation amounting to Rs. 1936.95 Lacs (Previous year Rs. 1,936.95 Lacs) has been charged to the Business Development Reserve.

- c) As per the Scheme, a sum of Rs. 16,622.24 Lacs (Previous year Rs. 8529.85 Lacs) pertaining to receivables from subsidiaries have been written off and adjusted against General Reserve.
- d) As per the Scheme, the Profit and Loss Account Balance as appearing in the Balance Sheet of the Company as on 31st March 2009 shall be in part or full, without any further act, instrument or deed, stand re-organised and be appropriated to the General Reserve, as may be considered appropriate by the management in the interest of the company. Accordingly Rs. 15,000.00 Lacs (Previous year Rs. 10,000 Lacs) has been transferred from Profit and Loss Balance to General Reserve Account.

3 Provision for taxation includes Rs. 12.00 Lacs (previous year Rs. 15.00 Lacs) for Wealth Tax.

4 During the earlier year the operations of certain subsidiaries have been adversely affected due to the unprecedented Global meltdown. As a result of the meltdown certain operating subsidiaries of the Company have had financial difficulties. Accordingly the Company has not accounted for interest income on loans granted to all its subsidiary companies as a matter of prudence.

5 Sundry Debtors, Creditors and Loans and Advances are subject to confirmation and consequential adjustment, if any.

6 Pursuant to the Guidelines on Buyback of Foreign Currency Convertible Bonds (FCCBs) issued by Reserve Bank of India (RBI) and subsequent approval from the RBI, the Company has bought back and cancelled 3,900 (Previous year 1,100) FCCBs of Face Value of USD 10,000 each at a discount. At the Balance Sheet date FCCBs worth USD 29 Million (Previous year USD 68 Million) were outstanding. Subsequent to the Balance Sheet date, the Company has further bought back 725 bonds of USD 10,000 each.

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

a) Incorporated during the year	Country	Holding	Date of Incorporation
Teliforce Holding India Limited	Cyprus	100%	26th February, 2010
b) Closure/Dissolution of the company	Country		Date of Closure/ Dissolution
GHCL Global Sourcing Limited (Non Operating)	Isle of Man		3rd June, 2009
Textile and Design (No.1) Limited (Non Operating)	UK		23rd September, 2009
Textile and Design (No.2) Limited (Non Operating)	UK		23rd September, 2009

c) Current position of the subsidiaries which had filed for administration during 2008-09 are as under:

Name of the Company	Country	Status
Dan River Inc.	USA	Under Administration since 20th April, 2008
Dan River Factory Stores Inc. (Non Operating)	USA	Under Administration since 20th April, 2008
Dan River International Limited (Non Operating)	USA	Under Administration since 20th April, 2008
The Bibb Company LLC (Non Operating)	USA	Under Administration since 20th April, 2008
Textile & Design Limited	UK	Under Liquidation since 28th September, 2009
Textile & Design (No. 3)	UK	Under Liquidation since 28th September, 2009



- 8 Unquoted investments in subsidiary companies are of long term strategic value in the opinion of the management. Except for as adjusted in the financial statements, the current diminution in the value of these investments is temporary in nature considering the inherent value and nature of investee's business proposal and hence no provision is required.
- 9 Rosebys Interiors India Limited, a wholly owned subsidiary, was incorporated with a view to separately set up home textiles retail segment and with an the intention to divest ownership and control in the near future. Hence such investments are classified as a current investments. Management is actively looking at divestment opportunity and subsequent to the Balance Sheet date, the company has signed a non binding MOU with regard to the divestment of its stake in retail business, for which company expects to have a positive outcome.
- 10 Provision for doubtful debts includes Rs. 76.07 Lacs for balance receivable from Product Direct Limited due to an unfavorable decree issued. The sundry debtors balance shall be written off after appropriate approval from Reserve Bank of India is granted.
- 11 In accordance with the requirements of Accounting Standard - 19 Leases issued by the Institute of Chartered Accountants of India, future obligation/rights as at Balance Sheet Date for lease arrangements amount to

	(Rs. in Lacs) Receivable	(Rs. in Lacs) Payable
Due within one year	134.40	28.69
Due within the following four years	-	24.36
Due after five years	-	-

- 12 The value of closing stock of Finished Goods includes excise duty not paid Rs. 36.65 Lacs (previous year Rs.190.99 Lacs). The value of Lignite at mines includes royalty of Rs. 0.74 Lacs (previous year Rs. 7.56 Lacs) on the closing stock. The Value of Salt at Salt Fields includes Cess & Royalty of Rs. 38.95 Lacs (previous year Rs. 23.45 Lacs) on Closing Stock. This has however, no impact on the profit for the year.
- 13 Prior Period Item of Rs. 11.29 Lacs is on account of provision for repairs and maintenance of machinery due to non receipt of invoice.
- 14 Loans & Advances includes Rs. 7,348.08 Lacs (previous year Rs. 7,281.59 Lacs) paid as advance for purchase of materials and services outstanding for more than six months and considered good.
- 15 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, 2010 (Rs. in Lacs)	For the Year Ended 31st March, 2009 (Rs. in Lacs)
Employer's contribution to Provident Fund/Pension Scheme	459.87	360.36
Employer's contribution to Superannuation Fund	146.20	91.39

The Company's Provident Fund has applied for exemption under section 17 of Employees' Provident Fund Act, 1952. Conditions for grant of exemptions stipulates 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 Profit & Loss Account based on actuarial valuation.

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

	For the Year Ended 31st March, 2010 (Rs. in Lacs)	For the Year Ended 31st March, 2009 (Rs. in Lacs)
Liability at the beginning of the year	507.67	450.73
Addition on Amalgamation	-	15.88
Paid during the year	59.11	79.49
Provided during the year	154.51	120.55
Liability at the end of the year	603.07	507.67

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, 2010 (Rs. in Lacs)	For the Year Ended 31st March, 2009 (Rs. in Lacs)
Obligation at year beginning	1,462.59	1,308.18
Service cost	116.99	106.57
Interest cost	123.86	110.05
Actuarial gain/(loss)	19.58	15.99
Benefits paid	(62.72)	(78.20)
Obligation at year end	1,660.29	1,462.59
Change in plan assets		
Plans assets at year beginning, at fair value	1,324.39	1,365.06
Expected return on plan assets	115.50	106.08
Actuarial gain/(loss)	118.32	(68.54)
Contributions	150.70	-
Benefits paid	(62.72)	(78.20)
Plan Assets at year end, at fair value	1,646.19	1,324.39
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	1,646.19	1,324.39
Present value of the defined benefit obligation at the end of the year	1,660.29	1,462.59
Assets recognised in the Balance Sheet	(14.10)	(138.20)
Gratuity cost for the year		
Service cost	116.99	106.57
Interest cost	123.86	110.05
Expected return on plan assets	115.50	106.08
Actuarial gain/(loss)	(98.75)	84.53
Net Gratuity cost	26.60	195.07
Investment details of plan assets		
% of the Plan Assets invested in debt instruments	89.19%	87.44%
% of the Plan Assets invested in equity	10.81%	12.56%
Assumptions		
Mortality Table -LIC	1994-96 (Ultimate)	1994-96 (Ultimate)
Interest rate	8.25%	8.00%
Estimated rate of return on plan assets	8.00%	8.00%
Estimated future salary growth	7.00%	7.00%

16 a Related Party Transactions
Subsidiaries :

Colwell & Salmon Communications Inc.
 Indian Britain B.V.
 Indian England N.V.
 Indian Wales N.V.
 GHCL Global Sourcing Limited (Dissolved w.e.f. from 3rd June , 2009)
 GHCL Inc.
 GHCL International Inc.
 Dan River Inc. (Upto 20th April, 2008)
 Dan River International Limited (Upto 20th April, 2008)
 Dan River Factory Stores Inc. (Upto 20th April, 2008)
 Dan River Properties LLC
 The Bibb Company LLC ((Upto 20th April, 2008)
 Old Apparel Inc
 Old Apparel Properties Inc.
 GHCL Rosebys Limited
 Textile and Design Limited



Textile & Design (No.1) Limited (Dissolved as at 23rd Sept, 2009)
 Textile and Design (No.2) Limited (Dissolved as at 23rd Sept, 2009)
 Textile & Design (No.3)
 Rosebys UK Limited
 S C GHCL Upsom SA
 Rosebys Interiors India Limited
 Fabient Global Limited
 Fabient Textile Limited
 Grace Home Fashions LLC
 Rosebys International Limited
 Teliforce Holding India Limited

b Key Management Personnel:

Mr. R. S. Jalan, Managing Director
 Mr. Tej Malhotra, Sr. Executive Director - Operations
 Mr. Raman Chopra, Executive Director - Finance

c Relative of Key Management Personnel:

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

Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2010

Type of Transactions	Subsidiary	Key Management Personnel	(Rs. in Lacs)
			Relative of Key Management Personnel
1 Purchase or Sale of Goods / others			
- Sale	2,460.07 (1,006.03)	-	-
- Expenses	- (57.13)	-	-
2 Leasing & Hire purchase transactions	-	-	3.30 (3.21)
3 Finance			
- Loans & Advances - Net	6,202.68 (15,815.84)	-	-
- Equity including Securities Premium	9.09 (55.00)	-	-
4 Services			
- Income	301.26 (984.44)	-	-
- Expenses	3.35 (170.84)	-	-
5 Remuneration		743.18 (585.48)	-
6 Balances as at 31st March, 2010			
- Investments	3,319.55 (3,310.46)	-	-
- Loans & Advances - Net *	11,506.78 (25,301.68)	-	-
- Debtors *	867.25 (1,147.62)	-	-
- Creditors *	6.17 (34.34)	-	-

Figures in brackets relate to year ended 31st March, 2009

* Balances of Loans & Advances, debtors and creditors are after writing off of Rs. 19968.46 Lacs (Previous year 18363.45 Lacs), Rs. 489.19 Lacs (Previous year 5710.76 Lacs) and 0.96 Lacs (Previous Year Nil)



17 Deferred Tax	(Rs. in Lacs)		
	As at 1st April, 2009	Current Year Charge/(Credit)	As at 31st March, 2010
a) Deferred tax liability on account of:			
i) Depreciation	14,256.47	1,573.63	15,830.10
ii) Others			
Deferred Revenue Expenditure	2,298.25	(110.00)	2,188.25
Total (A)	<u>16,554.72</u>	<u>1,463.63</u>	<u>18,018.35</u>
b) Deferred tax assets on account of:			
i) Employee Benefit	418.46	85.42	503.88
ii) State & Central Taxes & Cess	21.94	-	21.94
iii) Provision for Bad Debts	37.87	-	37.87
iv) Disallowance u/s 40 (a)	1.26	-	1.26
v) Carry forward loss as per IT Act	731.77	3,310.50	4,042.27
Total (B)	<u>1,211.30</u>	<u>3,395.92</u>	<u>4,607.22</u>
Total (A-B)	<u>15,343.42</u>	<u>(1,932.29)</u>	<u>13,411.12</u>

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

	For the Year Ended 31st March, 2010 (Rs. in Lacs)	For the Year Ended 31st March, 2009 (Rs. in Lacs)
Materials for trial run & start up for machinery	11.52	48.15
Salaries, Wages, Gratuity etc.	-	32.99
Travelling & Conveyance	0.00	2.73
Insurance	2.87	38.54
Legal and Professional Expenses	-	6.21
Miscellaneous Expenses	-	0.08
Interest Charges	294.17	625.44
Total Preoperative Expenses	<u>308.56</u>	754.14
Add : Preoperative expenses incurred up to previous year	<u>107.57</u>	59.62
	<u>416.13</u>	813.76
Less : Capitalised during the year	<u>379.52</u>	706.19
Balance	<u>36.61</u>	107.57

19 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, 2010 (Rs. in Lacs)	For the Year Ended 31st March, 2009 (Rs. in Lacs)
Manufacturing Expenses	7,147.28	3,285.08
Stores and spares consumed	32.32	29.47
Power and Fuel	329.50	288.85
Cess and Royalty	827.12	539.88
Repairs and maintenance		
Building	10.47	11.54
Plant and machinery	87.71	23.66
Earth work	110.07	93.14
Others	7.86	55.36
Salaries and Wages	736.38	682.90
Traveling & Conveyance	35.51	16.50
Lease Rent	61.12	65.51
Rates and taxes	9.41	7.55
Insurance	113.05	188.35
Interest	-	9.27
Misc. Expenses (Including Deferred Revenue & Intangible Expenses)	80.39	67.54
Less: Interest on Investments (other than trade)	<u>(0.30)</u>	(3.73)
Other Misc. Income	<u>(186.04)</u>	(119.96)
TOTAL	<u>9,401.85</u>	5,240.91



	For the Year Ended 31st March, 2010 (Rs. in Lacs)	For the Year Ended 31st March, 2009 (Rs. in Lacs)
20 Payment to Auditors		
a) To Statutory Auditors (excluding service tax)		
Audit fee	20.00	16.90
Tax Audit Fee	1.25	1.45
Limited Review Report	8.00	8.00
Certification	2.32	2.72
Audit of consolidated financial statements	8.00	8.00
Taxation matters	0.70	1.20
Others	0.93	0.60
Out of pocket expenses	1.00	0.99
Total	<u>42.20</u>	<u>39.86</u>
b) To Cost Auditors (excluding service tax)		
Audit Fee	1.00	1.00
Out of pocket expenses	0.15	0.10
Total	<u>1.15</u>	<u>1.10</u>
21 Managerial Remuneration		
a) Whole time Directors		
Salaries	274.25	258.33
Contribution to Provident and Superannuation funds	28.27	26.41
Perquisites	25.63	26.05
Gratuity & Leave Encashment	5.03	4.69
Commission	410.00	270.00
b) Other Directors		
Sitting Fees	16.00	15.20
Commission	130.00	131.00
	<u>889.18</u>	<u>731.68</u>
c) Computation of Net Profit as per Section 349 / 350 of the Companies Act, 1956		
Profit for the year (as per Profit & Loss Account)	14,084.55	10,429.80
Add :		
Provision for Taxation	(1,920.29)	2,095.30
Managerial Remuneration & Sitting fees	889.18	731.68
Provision for Doubtful Debts	0.41	-
Prior period adjustments	(11.29)	99.12
Deferred Revenue Expenses charged to Profit and Loss Account	9.72	22.54
	<u>13,052.26</u>	<u>13,378.43</u>
Less :		
Profit on Sale of Investment (Net)	0.73	0.12
Capital Profit on Sale of Assets	42.87	120.81
Deferred Revenue Expenses incurred during the year	-	0.75
Net Profit u/s 349 of the Companies Act, 1956	<u>13,008.66</u>	<u>13,256.75</u>
Commission payable to		
Managing Director and Executive Directors as decided by the Board	410.00	270.00
Non - Whole time Directors as decided by the Board	130.00	131.00



	For the Year Ended 31st March, 2010 (Rs. in Lacs)	For the Year Ended 31st March, 2009 (Rs. in Lacs)
22 Expenditure in Foreign Currencies		
Foreign Travel	176.32	159.92
Commission on Export Sales	252.00	328.14
Interest and Commitment Charges	610.94	1,130.01
Others	452.81	548.89
23 Remittances during the year in foreign currency on account of		
Dividends to non-resident shareholders (Rs. In Lacs)	119.81	144.34
Dividend for the financial year ended	2008-09	2007-08
Number of non-resident shareholders	684	717
Number of Shares	5,990,259	6,014,101
24 Earnings in Foreign exchange		
Export of Finished Goods on FOB basis	22,226.85	19,763.27
Recovery towards Freight etc. on Exports	1,287.01	867.97
Export Income from Services	348.30	1,242.10
Others	-	0.15
25 Value of imports on CIF basis		
Raw Materials and Utilities	10,586.72	13,049.34
Components and spare parts	731.86	328.22
Capital Goods	909.74	453.65

26 Quantitative information in respect of Company's operations

 (a) **Capacity (as certified by the Management)**

	UNIT	For the Year Ended 31st March, 2010		For the Year Ended 31st March, 2009	
		Installed	Licensed	Installed	Licensed
Soda Ash	MT	850,000	N.A.	850,000	N.A.
Refined Salt	MT	200,000	N.A.	200,000	N.A.
Yarn - Spindles	Nos.	140,000	N.A.	140,000	N.A.
Sodium bicarbonate	MT	27,000	N.A.	18,000	N.A.
Wind Turbine Generators	MW Per Hour	8	N.A.	8	N.A.
Cloth Looms	Nos.	96	N.A.	96	N.A.
Cloth Processing	MTRS. ('000)	34,000	N.A.	34,000	N.A.

	UNIT	For the Year Ended 31st March, 2010		For the Year Ended 31st March, 2009	
		Quantity	Rs. in Lacs	Quantity	Rs. in Lacs
(b) Opening Stock					
Soda Ash	MT	32,992	2,846.80	17,258	1,211.14
Yarn	MT	306	443.84	365	596.31
Cloth	MTRS. ('000)	2,632	2,679.98	5,190	5,691.28
Bed Sheet Sets	MTRS. ('000)	1,106	1,762.44	1,419	2,133.49
Others		N.A.	18.97	N.A.	34.82
			7,752.03		9,667.04

	UNIT	For the Year Ended 31st March, 2010		For the Year Ended 31st March, 2009	
		Quantity	Rs. in Lacs	Quantity	Rs. in Lacs
(c) Production					
Soda Ash - (Gross)	MT	676,069		617,566	
Refined Salt	MT	26,589		31,203	
Yarn	MT	11,471		10,614	
Cloth - Job work + Own Production	MTRS. ('000)	37,903		35,915	
Bicarb - (Produced from Soda Ash)	MT	20,161		12,659	
Bed Sheet Sets - Job Work	MTRS. ('000)	9,146		6,573	
(d) Purchase of Trading Goods			627.28		964.47
(e) Purchase					
Yarn	MT	-		249	
Cloth	MTRS. ('000)	7,440		7,762	
(f) Consumption for internal use *					
Soda Ash	MT	41,949		39,316	
Yarn	MT	2,991		2,954	
Cloth	MTRS. ('000)	23,074		21,170	
(g) Sales					
Soda Ash	MT	656,683	84,470.96	562,516	89,926.89
Yarn	MT	8,560	16,859.93	7,967	11,210.01
Cloth	MTRS. ('000)	23,290	10,655.21	25,066	14,462.78
Bed Sheet Sets	MTRS. ('000)	8,355	10,723.35	6,886	10,580.47
Others		N.A.	2,676.65	N.A.	4,983.14
			125,386.10		131,163.29
(h) Closing Stock					
Soda Ash	MT	10,429	891.97	32,992	2,846.80
Yarn	MT	227	354.89	306	443.84
Cloth	MTRS. ('000)	1,612	1,749.29	2,632	2,679.98
Bed Sheet Sets	MTRS. ('000)	1,896	3,328.84	1,106	1,762.44
Others		N.A.	76.61	N.A.	18.97
			6,401.60		7,752.03
* Including transit differences and process wastage.					
(i) Consumption of Raw Materials and Consumables					
Salt	MT	1,245,961	7,073.69	1,133,587	6,096.45
Lime Stone	MT	1,334,749	4,120.69	1,276,176	3,516.37
Coke	MT	87,131	7,559.55	89,430	9,261.57
Cotton & Staple Fiber	MT	16,002	11,294.01	14,987	9,765.82
Yarn	MT	1,237	2,381.05	3,023	4,611.24
Fabric	MTRS. ('000)	6,898	6,606.76	7,092	7,368.29
Others		N.A.	1,578.12	N.A.	1,863.90
			40,613.87		42,483.64

The Consumption of Lime Stone and Cotton & Staple Fiber is net of undersize realization/sales of Rs. **334.86** Lacs (previous year Rs. 314.81 Lacs) and Rs. **869.49** Lacs (Previous year NIL).



(j) Consumption of Raw Materials	For the Year Ended 31st March, 2010		For the Year Ended 31st March, 2009	
	Value of Consumption	% AGE	Value of Consumption	% AGE
Stores and Spares				
Raw Materials :				
Imported	1,205.35	2.97%	939.54	2.21%
Indigenous	39,408.52	97.03%	41,544.10	97.79%
	40,613.87	100.00%	42,483.64	100.00%
Stores and Spares :				
Imported	588.56	18.27%	185.45	7.59%
Indigenous	2,632.19	81.73%	2,257.77	92.41%
	3,220.75	100.00%	2,443.22	100.00%

27 Details of Investments purchased & sold during the year

Particulars of Investment	No. of Units
Reliance Liquid Fund-Treasury Plan-Institutional Option-Growth	4,728,496
Reliance Money Manager Fund-Retail Option Growth Plan	4,163
Reliance Liquid Fund-Growth Option	1,492,907
SBI Insta Cash - Cash Option	647,224
Reliance Liquid Fund Tp Inst. Op. Growth	1,176,067
Reliance Floating Rate Fund- Growth	1,065,152
SBI Magnum Insta Cash Fund- Cash Option	245,691
SBI - Shf-ultra Short Term Fund- Int. Plan Growth	419,023
LIC Liquid Fund - Growth Plan	8,895,162
Reliance Liquid Fund- Treasury Plan Ip Growth	1,336,148
Reliance Liquid Fund- Treasury Plan Ip Growth	1,113,457

28 **Deferred Revenue Expenditure**

Deferred Revenue Expenditure comprises of carrying amount as per Accounting Standard - 26 on Intangible Assets issued by The Institute of Chartered Accountants of India.

a **Voluntary Retirement Scheme Expenses**

Compensation under the Company's voluntary retirement scheme paid/provided is being written off equally over a period of three years.

b **Prepayment Premium**

Premium paid on prepayment of Term Loans/Non - Convertible Debenture is charged off over the tenure of the loan in proportion to the principle amount outstanding.

29 **Intangible Assets**

Intangible Asset, meeting the definition as per the provisions of Accounting Standard - 26 Intangible Assets issued by The Institute of Chartered Accountants of India, comprises of :

a **Salt Pans**

Expenditure on the development of salt pans is being written off over a period of five years.

b **Software**

Expenditure on purchased software, ERP System and IT related expenses is being written off over a period of three years.

c **Goodwill**

Goodwill is amortized over a period of five years.

30 **Impairment of Assets**

In pursuance of Accounting Standard - 28 - Impairment of Assets issued by the Institute of Chartered Accountants of India, 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.


31 Earnings per Share (EPS)
Basic EPS

Earnings per Share has been computed as under:

	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
Profit after Taxation (Rs. in Lacs)	14,084.55	10,429.80
(Less)/Add : Prior year Adjustment	10.63	217.41
	(A) 14,095.18	10,647.21
The weighted average number of Equity Shares for Basic EPS	(B) 100,019,286	100,019,286
Earnings per share (Face value of Rs 10/- per share) (A) / (B)	14.09	10.65

Earnings per share (Face value of Rs. 10/- per share)

Diluted EPS

Profit after Taxation (Rs. in Lacs)	14,253.17	10,901.89
Number of Equity Shares for Basic EPS	100,019,286	100,019,286
Add : Adjustment for FCCB convertible into Equity Shares	15,857,298	24,378,540
The weighted average number of Equity Shares for Diluted EPS	115,876,584	124,397,826
Earnings Per Share (Diluted)	12.30	8.76

32 The details of amounts outstanding to Micro, Small and Medium Enterprises under the "Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under,

Sr. No	Particulars	Rs. in Lacs As at 31st March, 2010	Rs. in Lacs As at 31st March, 2009
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

33 Category-wise quantitative data about derivative instruments that are outstanding are disclosed as per the requirement of Accounting Standard - 30 issued by the Institute of Chartered Accountants of India.

Particulars	As at 31st March, 2010			As at 31st March, 2009		
	No. of Contracts	Foreign Currency Equivalent	INR Equivalent	No. of Contracts	USD Equivalent	INR Equivalent
		(In Lacs)	(In Lacs)		(In Lacs)	(In Lacs)
a) Long Term Export Options (Dollar Receivables)	6	214.50	9,074.79	7	388.50	16,486.59
Forward (Dollar Receivables)	29	188.55	8,735.62	1	20.00	1,032.55
Forward (GBP Receivables)	2	7.10	512.33	-	-	-
Forward (EURO Receivables)	2	10.00	632.85	-	-	-
b) The Company entered the derivative instruments to hedge the foreign currency risk of fluctuation and protect interest rate risk and not for speculation purposes.						
c) Foreign currency exposures that are not hedged by a derivative instrument or otherwise are						
Particulars		As at 31st March, 2010 (Rs. in Lacs)			As at 31st March, 2009 (Rs. in Lacs)	
Import Payable		10,129.41			10465.90	
Foreign Currency Loans & Interest thereon		8,883.37			-	

34 Disclosure as per Clause 32 of the Listing Agreement.

i) Loans and Advances in the nature of Loans given to Subsidiaries, Associates and Others

Name of the Company	Relationship Subsidiary	Amount o/s as at 31st March, 2010 Rs. in Lacs	Max. Balance outstanding Rs. in Lacs	Investment in Shares of the company Rs. in Lacs
Colwell & Salmon Communications Inc.		227.25	227.25	-
Fabient Global Limited		-	0.49	-
Fabient Textiles Limited		-	1.55	-
GHCL Upsom Romania S.A.		-	391.36	-
Indian Britain B.V.		-	19,577.10	-
Rosebys Interiors India Limited	Subsidiary	9,266.35	9,641.35	-
Rosebys International Limited		-	2.41	5.00
Dan River Properties LLC		2,013.17	2,013.17	-
Teleforce Holdings India Limited		-	-	0.45
Grace Home Fashions LLC		-	8.51	3.64

ii) Loans and Advances in the nature of Loans where there is no interest comprise employee loans of Rs. 128.93 Lacs (previous year Rs.113.95 Lacs).

35 The shareholders in their Extra Ordinary General Meeting held on 19th March, 2008 had approved the Employees Stock Option Scheme (ESOS 2008). Accordingly, the Employees Stock Option granted pursuant to ESOS 2006 (Series - 1) had been cancelled and equivalent number of options were granted by the compensation committee meeting held on 24th March, 2008. Under ESOS 2008 the compensation committee has assured a minimum price appreciation guarantee @ 20% on the Exercise Price i.e. Rs. 76.95 per share i.e. the latest available closing price prior to the date of grant of options i.e. 24th March, 2008. Company has made an appropriate provision for a same during the year

As per SEBI (ESOS & ESPS) Guidelines 1999 the Employees Stock Option Scheme is administered by the registered Trust named GHCL Employees Stock Option Trust (ESOS Trust). The Company has advanced interest free loan of Rs. 6,430.10 Lacs (Previous year 6,371.10 Lacs) to the Trust for the purpose of purchase of shares from the open market for allotment of shares to the eligible employees upon exercising their option from time to time.

The current market value of the shares held by ESOS Trust is lower than the cost of acquisition of these shares by Rs. 5,288.52 Lacs which is on account of market volatility. The impact of fall in market value, if any would be appropriately considered by the company in its profit and loss account at the time of exercise of Options by the eligible employees. As per ESOS scheme, 15, 65,000 options have been vested with the eligible employees on March 24, 2010. However, none of the employees have exercised the options during the period ended 31 March 2010.

The total number of shares purchased by ESOS Trust was 4,995,386 shares. Of these, 1,579,922 shares were illegally sold by a party against which ESOS trust has initiated legal proceedings and has got a favorable award from the Court. Additionally, ESOS Trust had taken a loan of Rs.1,057.00 Lacs from various companies and had created a third-party pledge of 2,068,000 shares on behalf of these lender companies. The lender companies could not fulfill their obligations toward the aforesaid third parties and consequently the pledge was invoked by these parties. ESOS trust got a favorable arbitration award against the lender companies whereby the lender companies would restore 2,068,000 shares in favour of ESOS Trust upon ESOS trust repaying their loan of Rs. 1,057.00 Lacs.

The details as per regulation 12 of SEBI (ESOS & ESPS) Guidelines 1999 are as follows:

Particulars	Details
a) Number of Options at beginning of the year	1,615,000 (Previous Year 16,55,000) (Each option is equivalent to one equity share on exercise of option)
b) Pricing Formula	Rs. 76.95 (Market Price i.e. the latest available closing price prior to the date of grant of options)
c) Options Vested	15,65,000 (Vesting period is two years from the date of grant i.e. March 24, 2008 to March 24, 2010)
d) Options Exercised	Nil
e) Total Number of shares arising as a result of exercise of options	Nil
f) Option Lapsed	Nil
g) Variation of Terms of Options	Nil
h) Money realized by exercise of options	Nil
i) Total Number of Options as at 1st April, 2009	16,15,000 (Previous Year 16,55,000)
j) Number of options lapsed for 3 employees left/retired during the year	50,000 (Previous Year 40,000)
k) Total Number of Options in force as at 31st March, 2010	1,565,000

Particulars	Details		
l) Number of employees to whom options are granted	33		
(i) Senior Managerial person			
Name	No. of Options Granted	Name	No. of Options Granted
Mr. R.S. Jalan	200,000	Mr. BRD Krishnamoorthy	75,000
Mr. Tej Malhotra	125,000	Mr. R S Pandey	75,000
Mr. Raman Chopra	100,000	Mr. N N Radia	75,000
Mr. Sunil Bhatnagar	100,000	Mr. M Sivabalasubramaniun	75,000
Mr. K V Rajendran	100,000	Mr. Neeraj Jalan	75,000
Mr. Nikhil Sen	75,000		
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during that year	None		
(iii) Identified employees who where granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None		
m) Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share"	Not Applicable		
n) Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable		
o) Weighted Average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable		
p) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :	Options are granted at Market price		
Risk - Free interest Rate	Not Applicable		
Expected Life	Not Applicable		
Expected Volatility	Not Applicable		
Expected Dividends	Not Applicable		
The price of the underlying share in the market at the time of grant of option	Rs. 76.95 per share		

36 Previous year figures have been regrouped and reclassified wherever necessary.

Signature to Schedules 1 to 16

As per our report attached

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

(C. V. Thakker)
Partner

Place : New Delhi
Date : 29th July 2010

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

(Gautam R. Divan)
Partner

For and on behalf of the Board

Sanjay Dalmia
Chairman

R. S. Jalan
Managing Director

Place : New Delhi
Date : 29th July 2010

Dr B.C.Jain
Director

Raman Chopra
Executive Director - Finance

Bhuvneshwar Mishra
Company Secretary



ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

Balance Sheet Abstract and Company's General Business Profile:

I. Registration No. : **6513** State Code : **04**
 Balance Sheet Date : **31st March, 2010**

II. Capital raised during the year (Amount in Rs. Thousands)
 Public Issue : **NIL** Right Issue : **NIL**
 Bonus Issue : **NIL** Private Placement : **NIL**

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	26330478	Total Assets	26330478
Sources of Funds		Application of Funds	
Paid-up Capital	1,000,193	Net Fixed Assets	20,297,607
Reserves and Surplus	10,848,288	Investments	591,784
Secured Loans	11,097,717	Net Current Assets	5,440,883
Unsecured Loans	2,043,168	Misc. Expenditure	204
Deferred Tax Liability	1,341,112		

IV. Performance of Company (Amount in Rs. Thousands)

Turnover	12,254,609	Total Expenditure	11,038,184
Profit/Loss Before Tax	1,216,425	Profit After Tax	1,408,455
Earning per Share in Rs.	14.09	Dividend Rate	20%
		Equity Share :	
		- Final	20%

V. Generic Names of Three Principal Product / Services of Company (as per monetary terms)

Item Code No. (ITC Code)	: 2836.20
Product Description	: Disodium Carbonate (Soda Ash)
Item Code No. (ITC Code)	: 5205.11,5205.19,5206.11,5206.12,5509.21,5509.22,5509.50
Product Description	: Textiles falling within the above code numbers



Statement Pursuant to Section 212 of the Companies Act, 1956, relating to Company's Interest in Subsidiary Company

S.No.	Name of Subsidiary Company	Indian Britain B.V.	Rosebys Interiors India Limited	Fabiant Global Limited	Indian England N.V.	Indian Wales NV	SC GHCL Upson SA	GHCL INC. USA.	GHCL Inter-national Inc.	GHCL Rosebys Limited	GHCL Global Sourcing Ltd.	Fabiant Textiles Limited	Grace Home Fashion LLC	Rosebys UK Ltd	Rosebys Inter-national Ltd
1.00	The financial period of the Subsidiary Company ended on	31st March 2010	31st March 2010	31st March 2010	31st March 2010	31st March 2010	31st December 2009	31st March 2010	31st March 2010	31st March 2010	3rd June 2009	31st March 2010	31st March 2010	31st March 2010	31st March 2010
2.00	Date from which subsidiary become Companies	17th November 2005	12th December 2007	25th January 2008	18th November 2005	27th December 2005	6th December 2005	13th November 2005	8th June 2006	21st July 2006	21st December 2007	06th June 2008	07th July 2008	18th September 2008	13th March 2009
3.00	Number of shares held by GHCL Ltd. with its nominees in the subsidiaries at the end of the financial year of the subsidiary Company.	221586 Equity Shares of EURO 100/-each	50000 Equity Shares of Rs. 10/- each	500000 Equity Shares of Rs. 10/- each	45380 Ordinary Shares of EURO 1/- each	60000 Ordinary Shares of EURO 1/- each	155614464 shares of RON 0.25/- share	500000 Equity Shares of USD 0.01 each	1000 Equity Shares of USD 0.01 each	10,000,001 Ordinary shares of GBP 1/- each	2 shares of GBP 1/- each	50000 shares of Rs 10 /- each	7500 Shares of USD 1 /- each	200 Shares of GBP 1 /- each	50000 shares of Rs 10 /- each
3.10	Extent of interest of holding Company at the end of the financial year of the subsidiary Company.	100.00%	100.00%	100.00%	100.00%	100.00%	95.87%	100.00%	100.00%	100.00%	100.00%	100.00%	75.00%	100.00%	100.00%
3.20	Name of the Immediate Holding Company	GHCL Limited	GHCL Limited	GHCL Limited	Indian Britain BV	Rosebys Interiors India Limited	Indian England NV	Indian Britain BV	GHCL Inc.	Indian Wales NV	Indian Britain BV	GHCL LTD	GHCL LTD	GHCL Rosebys Ltd	GHCL LTD
4.00	The net aggregate amount of the subsidiary Company Profit/(Loss) so far as concerns the members of the holding company.														
4.10	Not dealt with in the holding Company accounts.														
4.10.10	For the financial year ended 31st March 2010	USD 14.13 Mn	INR 7825.97 Lacs	INR 0.28 Lacs	USD 15.39 Mn	USD (2.26 Mn)	RON (35.55 Mn)	USD (3.07 Mn)	USD 3.10 Mn	GBP (0.00 Mn)	GBP 0.01 Mn		USD (0.26 Mn)	GBP 0.14 Mn	INR (0.09 Lacs)
4.10.20	For the previous financial year of the subsidiary Company since it became the holding Company's subsidiary.	USD (40.13) Mn	INR (1491.92 Lacs)	INR (0.30 Lacs)	USD 5.03 Mn	USD (49.62 Mn)	RON (84.81Mn)	USD (37.90 Mn)	USD (44.25 Mn)	GBP (9.99 Mn)	GBP (0.01 Mn)		USD (0.04 Mn)	GBP (0.13 Mn)	NA
4.20	Dealt with in holding company's account	INR (21024.82) Lacs	INR (810.25 lacs)	INR (0.30 Lacs)	INR 3229.09 Lacs	INR (22039.65 Lacs)	INR (12841.38 Lacs)	INR (17748.39 Lacs)	INR (20304.68 Lacs)	INR (8508.96 Lacs)	INR (3.65 Lacs)		INR (21.73 Lacs)	INR 148.25 Lacs	NA



S.No.	Name of Subsidiary Company	Colwell & Salmon Communication Inc	Indian Britain B.V.	Rosebys Interiors India Limited	Fabient Global Limited	Indian England N.V.	Indian Wales NV	SC GHCL Upsom SA	GHCL USA.	GHCL INC.	GHCL International Inc.	GHCL Rosebys Limited	GHCL Global Sourcing Ltd.	Fabient Textiles Limited	Grace Home Fashion LLC	Rosebys UK Ltd	Rosebys International Ltd
4.20.10	For the financial year ended 31st March 2010	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL	N.A.	N.A.
4.20.20	For the previous financial years of the subsidiary Company since it became the holding Company's subsidiary.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL	N.A.	N.A.
5.00	Material Changes between the end of the financial year of the Subsidiary Company and the Company's financial Statement ended 31st March 2010 a.) Fixed Assets b.) Investments c.) Money Lent d.) Money borrowed other than those for meeting Current liabilities																

For and on Behalf of the Board

Sanjay Dalmia
Chairman

Dr. B. C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
Executive Director (Finance)

Bhuweshwar Mishra
Company Secretary

Place : New Delhi
Date : 29th July 2010



Details of Subsidiary Companies

(Rs in Lacs)

S. No.	Name of Subsidiary Company	Colwell & Salmon Communication Inc	Indian Britain BV	Rosebys Interiors India Ltd	Fabient Global Ltd	Indian England NV	Indian Wales NV	SC GHCL Upsom S.A.	GHCL INC., USA	GHCL International Inc	GHCL Rosebys Limited	GHCL Global Sourcing Ltd	Grace Home Fashions LLC	Fabient Textiles Ltd	Rosebys UK Ltd	Rosebys International Ltd
a	Capital	0.98	11,933.75	5.00	50.00	26.83	35.47	6,849.87	17,831.00	0.00	8,510.00	0.00	3.64	5.00	0.17	5.00
b	Reserves	(376.10)	(11,921.81)	(2,298.28)	(0.58)	8,622.72	(23,369.51)	(6,722.60)	(17,818.34)	(18,470.49)	(8,509.79)	0.00	(134.35)	(0.15)	340.40	(0.09)
c	Total Assets	(81.25)	11.93	11,416.74	49.42	20,775.25	1,510.90	15,010.96	12.65	(57.39)	1,361.56	0.00	(130.71)	4.85	1,701.91	4.91
d	Total Liabilities	293.87	0.00	13,710.01	0.00	12,125.70	24,844.94	14,892.37	0.00	18,413.10	1,361.34	0.00	0.00	0.00	1,361.34	0.00
e	Investments (Except in case of Investment in Subsidiary)	0.00	0.00	0.00	0.00	0.00	0.00	8.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f	Turnover/ Total Income	2,836.72	0.00	7,050.96	0.00	0.00	0.00	14,253.28	0.00	0.00	0.00	0.00	2,068.07	0.00	3.39	0.00
g	Profit before Taxation	59.49	7,825.97	(1,491.92)	(0.28)	7,296.78	(1,070.26)	(3,183.15)	(1,457.91)	1,470.78	(0.83)	3.65	(111.68)	(0.08)	192.15	(0.09)
h	Provision for Taxation	1.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.94	0.00	0.00	0.00
i	Profit After Taxation	57.63	7,825.97	(1,491.92)	(0.28)	7,296.78	(1,070.26)	(3,183.15)	(1,457.91)	1,470.78	(0.83)	3.65	(112.62)	(0.08)	192.15	(0.09)
j	Proposed Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

The financial statements of the Foreign Subsidiaries have been converted into Indian Rupees at an appropriate exchange Rate.

Note :-

- 1) The Company directly/indirectly owns 100% in all the subsidiaries other than S.C. GHCL Bega Upsom S.A. and Grace Home Fashion LLC, in which company holds 95.67% and 75 % respectively
- 2) No Books of accounts are available since the companies are under Administration/Liquidation and /or no control:-
 - Dan River Inc.
 - Dan River International Ltd.
 - Dan River Factory Stores Inc.
 - The Bibb Company LLC
 - Dan River Properties LLC
 - Textile & Design Limited
 - Textile & Design (No. 1) Limited (dissolved on 23rd September 2010)
 - Textile & Design (No. 2) Limited (dissolved on 23rd September 2010)
 - Textile & Design (No. 3)
- 3) The above details have been annexed in terms of letter no. 47/508/2010-CL- III dated 04/06/2010 issued by Gov. of India, Ministry of Company affairs u/s 212 (8) of the Companies Act .
- 4) During the year GHCL Global Sourcing (Non Operating) has been closed. The date of closure is 3rd June, 2009
- 5) Since the assets including investments in Old Apparel Inc and Old Apparel Properties Inc., USA stepdown subsidiaries of the Company were sold during 2008-09 and thereafter the companies remained dormant, therefore no accounts were prepared for these companies for the year 2009-10. Further subsequent to the balance sheet date, these companies were dissolved on April 7, 2010.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board Of Directors
GHCL LIMITED

1. We have audited the attached Consolidated Balance Sheet of GHCL LIMITED ("the Company") and its subsidiaries as at 31st March 2010 and the Consolidated Profit and Loss Account annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3.
 - a) The financial statements of three subsidiary companies, whose financial statements have been audited by at least one of us, reflect total assets (net) of Rs. 53.49 lakhs as at 31st March 2010 and total revenues of Rs. NIL lakhs for the year ended on that date.
 - b) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total liabilities (net) of Rs. 157.55 lakhs as at 31st March 2010 and total revenues of Rs. 2,836.72 lakhs for the year ended on that date. Other auditors, whose reports have been furnished to us, have audited these financial statements, and in our opinion, so far as it relates to the amounts included in respect of these subsidiaries, are based solely on their reports.
 - c) The Consolidated Financial Statements also include the unaudited financial statements of certain subsidiaries which reflect total assets (net) of Rs. 21,441.72 lakhs as at 31st March 2010 and total revenue of Rs. 16,321.34 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been certified by the management.
 - d) As mentioned in Note 1(e) of Schedule 16 of the Consolidated Financial Statements, the net assets and results of operations of certain subsidiary companies have not been included in the Consolidated Financial Statements.
 - i) As stated in Note 1(e) of Schedule 16, one direct subsidiary company, audited by one of the joint auditors has not been considered for consolidation under Accounting Standard 21 since the control is intended to be temporary.
 - ii) Further, unaudited financial statements of eight subsidiaries, which are directly owned by the above mentioned subsidiary for the same reasons mentioned in para d(i) above.
4. *Provision has not been made in respect of diminution in the value of Loans and Advances aggregating to Rs. 11,268 lakhs due from subsidiaries which is not consolidated as per AS 21 and step down subsidiaries and no provisions for outstanding Guarantees aggregating to Rs. 36,377 lakhs furnished to subsidiaries and step down subsidiaries (considered as contingent liabilities in notes to accounts) since it cannot be quantified as on date.*
5. Without qualifying our opinion, we draw your attention to:
 - 1) Note 2(B)(2) of Schedule 16 in respect of the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 approved by Honourable High Court of Gujarat vide its Order dated 30th November, 2009 and the accounting treatment adopted by the Company in respect of the Business development Reserve.
 - 2) Note 2(B)(17) of Schedule 16 in respect of the Employee Stock Option Scheme of the Company, wherein the potential diminution in the value of the assets of the Scheme are disclosed.
6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the Company and the audited/verified financial statements of its subsidiaries included in the consolidated financial statements.
7. *Subject to our comment in paragraph 4 above*, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit/verification reports on individual financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) In the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March 2010;
 - (b) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date; and
 - (c) in the case Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

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 : 29th July 2010

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

(GAUTAM R. DIVAN)
Partner
Membership No: 006457


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedules	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	10,001.93	10,001.93
Reserves and Surplus	2	86,161.86	73,881.50
		96,163.79	83,883.43
Loan Funds			
Secured Loans	3	156,702.22	146,926.57
Unsecured Loans	4	7,407.78	4,500.00
Unsecured - Foreign Currency Convertible Bonds	4 A	13,023.90	34,499.80
		177,133.90	185,926.37
Deferred Tax Liability (Net)		13,242.46	15,152.88
	Total	286,540.15	284,962.68
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		311,574.48	301,658.16
Less : Depreciation		78,214.76	67,434.71
Net Block	5	233,359.72	234,223.45
Capital Work-in-Progress		2,143.74	4,624.54
Advances against capital expenditure		1,101.33	1,898.21
		236,604.79	240,746.20
Investments	6	2,612.42	562.97
Current Assets, Loans and Advances			
Inventories	7	32,721.26	28,782.41
Sundry Debtors		14,988.84	14,132.37
Cash and Bank Balances		3,002.10	5,396.92
Loans and Advances		32,306.28	33,105.27
		83,018.48	81,416.97
Less : Current Liabilities and Provisions	8		
Current Liabilities		33,336.16	35,462.60
Provisions		2,367.12	2,377.84
		35,703.28	37,840.44
Net Current Assets		47,315.20	43,576.53
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Deferred Revenue Expenses		7.74	76.98
	Total	286,540.15	284,962.68
Notes on Accounts	16		

The Schedules referred to above form an integral part of the Balance Sheet

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

(C. V. Thakker)
Partner

(Gautam R. Divan)
Partner

For and on behalf of the Board

Sanjay Dalmia
Chairman

Dr. B. C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
Executive Director - Finance

Bhwneshwar Mishra
Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedules	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
INCOME			
Sales - Gross		139,171.11	156,410.87
Less: Excise Duty		6,227.67	9,681.41
		132,943.44	146,729.46
Income from Services		5,058.83	4,576.36
Other Income	9	753.66	1,470.37
Total Income		138,755.93	152,776.19
EXPENDITURE			
Manufacturing Expenses	10	80,623.24	93,235.70
Purchase of Trading Goods		638.37	1,229.04
Payments to and Provisions for Employees	11	12,664.18	13,005.70
Administrative and Miscellaneous Expenses	12	7,052.86	11,739.49
Selling and Distribution Expenses	13	9,639.52	9,205.41
Excise Duty		(191.08)	70.54
Decrease in Stock	14	2,163.47	1,016.96
Gain on Conversion into INR		(952.98)	(1,646.83)
		111,637.58	127,856.01
Profit Before Financial Expenses and Depreciation		27,118.35	24,920.18
Financial Expenses	15	11,881.87	12,614.37
Profit Before Depreciation		15,236.48	12,305.81
Depreciation / Amortisation		11,134.37	10,725.63
Less: Transferred from Business Development Reserve		1,936.95	1,936.95
		9,197.42	8,788.68
Profit Before Taxation		6,039.06	3,517.13
Provision For Taxes			
- Current Tax		14.80	491.79
- Fringe Benefit Tax		-	123.21
- Deferred Tax (Net)		(1,932.29)	1,342.45
Profit For The Year after Tax		7,956.55	1,559.67
Minority Interest Loss		-	(935.86)
Profit after Minority Interest		7,956.55	2,495.54
Balance brought forward from previous year		949.49	11,609.19
Prior period adjustments (See note no 4 of Schedule 16)		(11.29)	97.01
Excess provision for Tax for earlier years		21.93	113.63
Excess provision for Deferred Tax for earlier years		-	17.45
Transferred from General Reserve as per Scheme of Arrangement		16,622.24	8,529.85
Receivables/Balances written off as per Scheme of Arrangement		-	(8,529.85)
Amount Available for Appropriation		25,538.92	14,332.82
APPROPRIATIONS			
Transfer to General Reserve		1,408.45	1,042.98
Transfer to General Reserve as per Scheme of Arrangement		15,000.00	10,000.00
Proposed Dividend on Equity Shares		2,000.39	2,000.39
Tax on Dividend		332.24	339.97
Balance Carried To Balance Sheet		6,797.84	949.49
		25,538.92	14,332.82
Earnings per Share (Rupees) - Basic		7.94	2.72
Earnings per Share (Rupees) - Diluted		7.01	2.39

Notes on Accounts 16
 The Schedules referred to above form an integral part of the Profit and Loss Account

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	(Gautam R. Divan) Partner	R. S. Jalan Managing Director	Raman Chopra Executive Director - Finance

Bhwneshwar Mishra
 Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	For the Year Ended 31 March 2010 (Rs. in Lacs)	For the Year Ended 31 March 2009 (Rs. in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES	6,039.06	3,517.13
Adjustment for :		
Depreciation / Amortisation / Impairment	9,197.42	8,788.68
Foreign Exchange Gain (Net)	415.62	4,919.19
Income from Investments	(0.35)	(0.78)
Income From Dividend	(2.94)	(2.46)
Prior Period Adjustments	(11.29)	97.01
Profit on Sales / Discarding on Fixed Assets (Net)	(34.53)	(30.53)
Provision for Doubtful Debts/Advances (Net)	0.41	-
Minority Interest	-	935.86
Loss/ (Profit) on Sale of Investments (Net)	(0.74)	57.05
Financial Expenses (Net)	11,881.87	12,614.37
Operating Profit before Working capital Changes	27,484.53	30,895.52
Adjustments for :		
Trade & other Receivables	3,376.32	9,847.76
Inventories	(3,938.85)	30,528.89
Trade payables	(1,530.41)	(8,963.67)
Other Adjustments		
Deferred Revenue Expenditure (to the extent not written off)	69.25	602.25
Cash (Used) / generated from Operations	25,460.84	62,910.76
Direct taxes paid	(159.16)	(805.40)
Net cash (used) / generated from Operating Activities	25,301.68	62,105.36
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(7,726.16)	(14,008.72)
Subsidies Received	-	313.29
Advance for Capital Expenditure	796.87	1,690.54
Sale of Fixed Assets	104.46	249.18
(Purchase)/ Sale of Investments	(2,049.45)	61.49
Profit /(Loss) on Sale of Investments (Net)	0.74	(57.05)
Advances in Subsidiaries	(3,248.62)	(18,961.21)
Interest Received	58.89	28.74
Income from Investment	0.35	0.78
Dividend Received	2.94	2.46
Net cash (used) / generated from Investing Activities	(12,059.98)	(30,680.50)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Secured loans	48,136.71	23,419.71
Repayment of Secured Loans	(38,361.06)	(34,276.89)
Proceeds from Unsecured Loan	7,500.00	4,500.00
Repayment of Unsecured Loan	(4,592.22)	(2,042.87)
Repayment of Foreign Currency Convertible Bonds	(13,293.35)	(2,244.39)
Gain on Exchange	(415.62)	(4,919.19)
Interest and Finance Charges Paid	(12,270.31)	(12,914.86)
Dividend and tax thereon paid	(2,340.67)	(2,802.81)
Net Cash (used) / generated from Financing Activities	(15,636.52)	(31,281.30)
Net Increase in Cash and Cash Equivalents (A+B+C)	(2,394.82)	143.56
Cash and Cash Equivalents at beginning of period	5,396.92	5,253.36
Cash and Cash Equivalents at end of Period	3,002.10	5,396.92
Note :		
Cash and Cash Equivalents as at end of period	3,002.34	5,393.27
Effect of exchange rate changes Gain/(Loss)	(0.24)	3.65
Cash and Cash Equivalents as restated	3,002.10	5,396.92

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

 (Gautam R. Divan)
Partner

 R. S. Jalan
Managing Director

 Raman Chopra
Executive Director - Finance

 Bhuwadeshwar Mishra
Company Secretary

 Place : New Delhi
Date : 29th July 2010

 Place : New Delhi
Date : 29th July 2010

Schedules forming part of the Consolidated Balance Sheet
SCHEDULE 1 : SHARE CAPITAL

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
SHARE CAPITAL		
Authorised		
175,000,000 Equity Shares of Rs.10/- each	<u>17,500.00</u>	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, Subscribed and Paid up		
100,019,286 Equity Shares of Rs. 10/- each fully paid up	<u>10,001.93</u>	10,001.93
	<u>10,001.93</u>	<u>10,001.93</u>

Notes :

- 1) a) 21,250,400 Equity Shares of Rs. 10/- each fully paid up were issued to Financial Institution at par on conversion of loan of Rs. 2125 Lacs.
- b) 1,838,011 Equity Shares of Rs. 10/- each fully paid up were issued pursuant to the Scheme of Amalgamation for consideration other than cash.
- c) 430,875 Equity Shares of Rs. 10/- each fully paid up were allotted during the year on conversion of Foreign Currency Convertible Bonds.

SCHEDULE 2 : RESERVES AND SURPLUS

	As 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. 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	<u>715.73</u>	715.73
		<u>756.92</u>
BUSINESS DEVELOPMENT RESERVE		
As per last Balance Sheet	67,654.18	-
Created During the year	-	101,184.68
Add: Gain on FCCB Buy back	<u>2,357.35</u>	2,169.91
	<u>70,011.53</u>	103,354.59
Less: Diminution in value of Investment/ Advances/ Receivables	<u>(2,772.92)</u>	(33,763.46)
Less: Depreciation on Revalued Assets	<u>(1,998.29)</u>	(1,936.95)
	<u>(4,771.21)</u>	67,654.18
		<u>65,240.32</u>
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet		1,000.00
		<u>1,000.00</u>
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Balance Sheet	(6,167.46)	-
Created During the year	-	(6,167.46)
Adjustment during the year	<u>9,059.67</u>	-
		<u>2,892.21</u>
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet		1,815.04
		<u>1,815.04</u>
GENERAL RESERVE		
As per last Balance Sheet	7,519.35	5,006.22
Add: Transfer From Profit and Loss Account	1,408.45	1,042.98
Add: Transfer From Profit and Loss Account as per Scheme of arrangement	<u>15,000.00</u>	10,000.00
	<u>23,927.80</u>	16,049.20
Less: Transfer to Profit and Loss Account as per Scheme of arrangement	<u>(16,622.24)</u>	(8,529.85)
		<u>7,305.56</u>
OTHER RESERVES		7,519.35
PROFIT AND LOSS ACCOUNT		353.97
Balance as per account annexed		<u>949.49</u>
Total		<u>86,161.86</u>
		<u>73,881.50</u>

SCHEDULE 3 : SECURED LOANS

	As at 31.03.2010 (Rs. in Lacs)	(Rs. in Lacs) As at 31.03.2009 (Rs. in Lacs)
FROM BANKS / FINANCIAL INSTITUTIONS		
Working Capital Loans	35,619.00	35,784.36
Foreign Currency Loans	39,041.17	45,342.25
Rupee Term Loans	82,042.04	65,799.96
Total	156,702.22	146,926.57

Notes :

- 1) Foreign Currency Loans aggregating to Rs. 39041 Lacs of the foreign subsidiary companies are secured by way of exclusive first charge by way of hypothecation in favour of Respective Banks of moveable fixed assets, both present and future of the foreign subsidiary companies and guaranteed by the holding company.
- 2) Rupee Term Loans from Banks / Institutions have been secured against :-
 - a) Loan aggregating to Rs. 18,937.48 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 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.
 - b) Loan aggregating to Rs. 5,645.36 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 first Hypothecation charge on pari passu basis, on movable 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.
 - c) Loan aggregating to Rs. 2,877.89 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.
 - d) Loan aggregating to Rs. 2,173.35 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.
 - e) Loan aggregating to Rs 18,333.33 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.
 - f) Loan aggregating to Rs. 12,631.86 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 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.
 - g) Loan aggregating to Rs. 493.52 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 said loan is availed under Technology Upgradation Fund Scheme for Textile.
 - h) Loan aggregating to Rs. 5,940.63 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.
 - i) Loan aggregating to Rs. 971.40 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 said loan is availed under Technology Upgradation Fund Scheme for Textile.
 - j) Loan aggregating to Rs. 10,004.46 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.
 - k) Loan aggregating to Rs. 635.03 Lacs is secured by an exclusive first charge by way of equitable mortgage on immovable properties pertaining to Wind Mill Division – I situated at Irukkandurai village, Tirunelveli District in the state of Tamil Nadu and hypothecation of all present and future movable assets of Wind Mill Division – I. The said loan is availed under Technology Upgradation Fund Scheme for Textile.
 - l) Loan aggregating to Rs. 897.73 Lacs is secured by an exclusive first charge on all present and future movable assets of Wind Mill Division – II situated at Chinnaputhur, near Poolavadi in the state of Tamil Nadu. The said loan is availed under Technology Upgradation Fund Scheme for Textile.
 - m) Loan aggregating to Rs. 2,500 Lacs is secured by an exclusive first charge on all present movable assets of Edible Salt division situated at Thiruporur, Vedaranyam and Industrial Salt Division.
- 3) (a) Working Capital Loans / Bill discounting from Banks / Financial Institutions are secured by way of hypothecation of stock-in-trade and book debts of Soda Ash / Home Textile Division / Edible Salt / Textile Divisions/ITES and second charge on fixed assets of Soda Ash Division / Home Textile Division, both present and future.
 - (b) Working Capital Loans of the foreign subsidiary companies are secured by way of exclusive first charge of equitable mortgage on the respective specified immovable properties, assignment of receivables on future revenues and inventories.
- 4) Specified movable assets referred to in the above notes include all movable assets of Soda Ash Division, Home Textile Division and Textile Division (save and except book debts and assets acquired on Hire Purchase) 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.


SCHEDULE 4 : UNSECURED LOANS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
Loan from Banks	<u>7,407.78</u>	<u>4,500.00</u>
Total	<u>7,407.78</u>	<u>4,500.00</u>

SCHEDULE 4A : UNSECURED FOREIGN CURRENCY CONVERTIBLE BONDS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
Foreign Currency Convertible Bonds	<u>13,023.90</u>	<u>34,499.80</u>
Total	<u>13,023.90</u>	<u>34,499.80</u>

- The Company had issued 1% Foreign Currency Convertible Bonds (FCCBs) of a face value of US \$ 10,000 each, aggregating to US \$ 80.50 Million. As per the terms of the issue, the subscribers have an option to convert bonds into Equity Shares at a price which has been fixed as of 21st September 2008 at Rs. 147.9533 (US \$ 1 = Rs. 45.838). Such conversion option is exercisable between 21st September 2008 and 21st March 2011. The FCCB may be redeemed in whole, but not in part, at the option of the Company at any time on or after 21st September 2008 and prior to 21st March 2011, at an early redemption amount on predetermined terms. Unless previously converted, redeemed or cancelled, the FCCBs will be redeemed in US Dollars on 21st March 2011 at 139.426 % of their principal amount.
- During the year the Company has bought back and cancelled 3900 No (Previous year 1100 No.) of Foreign Currency Convertible Bonds (FCCBs) of a face value of US \$ 10,000 each, purchased with the approval of Reserve Bank of India, at a discount to the face value. As on 31st March, 2010 outstanding balance of FCCBs is US \$ 29 Million.
- Currently the FCCBs is traded at discounted price and company is trying to buy back the bonds at discount and in that case no premium would be payable and on that basis same has not been provided and is shown as contingent liability. However the premium, if paid, would be adjusted against the available Securities Premium Account / charged to Profit and Loss Account at the time of redemption.

SCHEDULE 5 : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1-4-2009	Addition on Revaluation	Additions (Deletions)	As at 31-3-2010	As at 1-4-2009	on Revaluation	Additions (Deletions)	As at 31-3-2010	As at 31-3-2010	As at 31-3-2009
TANGIBLE ASSETS										
Free hold Land	40,074.44		1.98 (79.18)	39,997.24	-		-	-	39,997.24	40,074.44
Leasehold Land	38,732.49		-	38,732.49	579.49		485.57	1,065.06	37,667.43	38,153.01
Buildings	26,613.59		1,408.2 (100.56)	27,921.45	4,604.04		878.53 (76.56)	5,406.01	22,515.44	22,009.55
Plant and Machinery	164,416.73		7,492.57 (41.21)	171,868.09	54,587.70		7,616.11 (16.28)	62,187.53	109,680.56	109,829.03
Furniture and Fixtures	959.03		121.45 (9.67)	1,070.81	513.16		63.02 (9.67)	566.51	504.30	445.87
Office Equipments	1,800.59		178.41 (220.98)	1,758.02	1,114.89		144.93 (214.92)	1,044.90	713.12	685.70
Vehicles	385.64		70.64 (57.32)	398.96	167.47		33.50 (36.90)	164.07	234.89	218.18
Wind Turbine Generators	4,043.00		1.93	4,044.93	901.97		213.47	1,115.44	2,929.49	3,141.03
Leased Mines	6,114.43		-	6,114.43	1,588.83		611.44	2,200.27	3,914.16	4,525.61
INTANGIBLE ASSETS										
Goodwill	12,888.06		3.49 (0.74)	12,890.81	754.20		0.56	754.76	12,136.05	12,133.85
Salt Works Reservoirs and Pans	5,261.79		902.41	6,164.20	2,366.88		989.48	3,356.36	2,807.84	2,894.91
Software	368.37		244.68	613.05	256.10		97.75	353.85	259.20	112.27
Total	301,658.16	-	10,425.98 (509.66)	311,574.48	67,434.71	-	11,134.37 (354.33)	78,214.76	233,359.72	234,223.45
Total	194,293.66	101,184.68	13,730.02 (7,550.22)	301,658.16	58,889.96	1,936.95	8,788.68 (2,180.88)	67,434.71	234,223.45	135,403.70

- Buildings include a sum of Rs. 91.40 Lacs (previous year Rs. 91.40 Lacs) being cost of office premises acquired on ownership basis.
- Leased mines represent expenditure incurred on development of mines.
- Cash Subsidy amounting to Rs. 823.35 including (previous years Rs. 823.35 Lacs) relating to Home Textile division at Vapi has been reduced from respective Fixed Assets.
- Current year Depreciation is after adjustment of Rs. NIL (previous year Rs.33.63 Lacs) of depreciation relating to earlier years on Capital Subsidy received during the year.
- Some of the fixed assets have been revalued last year w.e.f. 01.04.2008 as per Scheme of Arrangement duly approved by the Hon'ble High Court of Gujarat vide its order dated Nov 30, 2009 by Rs. 1,01,184.68 lacs.
- Deletion of Free Hold Land includes Rs 61.35 lacs being revaluation amount of land of Sree Meenakshi Mills Division at Madhuri sold during the year.


SCHEDULE 6 : INVESTMENTS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
LONG TERM INVESTMENTS - (AT COST)		
OTHER THAN TRADE		
Quoted		
8,300 Equity Shares of HDFC Bank Limited of Rs. 10/- each fully paid up	0.83	0.83
68,598 Equity Shares of IDBI Limited of Rs. 10/- each fully paid up	49.34	49.34
2,595 Equity Shares of Dena Bank of Rs. 10/- each fully paid up	0.70	0.70
272,146 Equity Shares of GTC Industries Limited of Rs.10/- each fully paid up	495.01	495.01
4,500 Equity Shares of Canara Bank of Rs. 10/- each fully paid up	1.58	1.58
	<u>547.46</u>	<u>547.46</u>
Unquoted		
Govt. securities - 7 year National Savings Certificates (Pledged with Government Authorities)	0.83	1.83
SHARES IN WHOLLY OWNED SUBSIDIARY COMPANIES - (UNQUOTED)		
1000 Equity Shares of \$ 1 each fully paid of Teliforce holding India limited (Subscribed during the year)	0.45	
CURRENT INVESTMENTS		
(Acquired during the year) (At lower of cost and fair value- fully paid)		
10248965 Units of LICMF Income Plus- Growth	1,500.00	
1572378 units of Reliance Medium Term Fund- Retail Plan- Growth	300.00	
19925 units of Reliance Money Manager Fund- IP- Growth	250.00	2,050.00
Shares of Romanian Bank	0.78	0.78
Shares of Bega Invest SA Timisoara	7.90	7.90
	<u>8.68</u>	<u>8.68</u>
CURRENT INVESTMENTS IN SUBSIDIARY COMPANY - (UNQUOTED)		
50,000 Equity Shares of Rosebys Interiors India Limited (RIIL) of Rs. 10/- each fully paid up	5.00	5.00
(5,000 shares pledged with IDBI Bank and 12500 shares pledged with J&K Bank against Loan to RIIL)		
(See Note No. 1 (e) of Schedule 16)		
	<u>2,612.42</u>	<u>562.97</u>
	As at 31.03.2010	As at 31.03.2009
	Book Value	Book Value
	Market Value	Market Value
Quoted	547.46	547.46
Others	2,064.96	230.04
	<u>2,612.42</u>	<u>562.97</u>


SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
CURRENT ASSETS		
Inventory (as taken, valued and certified by the Management)		
At cost or net realisable value which ever is lower		
Raw materials	16,822.66	12,162.75
Finished goods	7,729.41	10,129.73
Stock in process	1,157.31	1,149.89
Stores and spares	7,011.88	5,340.04
Total	32,721.26	28,782.41
Sundry Debtors (Unsecured, considered good unless stated otherwise)		
Outstanding over six months		
Considered good	863.63	542.01
Considered doubtful	921.13	905.24
Provision for Doubtful Debts	(920.76)	(904.75)
	864.00	542.50
Other debts	14,124.84	13,589.87
Total	14,988.84	14,132.37
Cash & Bank Balances		
Cash balance on hand	20.87	19.46
Current Account with Banks		
- Scheduled Banks	2,268.48	3132.68
- Non Scheduled Banks	80.42	1,400.46
Fixed deposit		
- Scheduled Banks	127.34	67.80
In Margin Account	504.99	776.52
Total	3,002.10	5,396.92
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received - Considered Good	13,114.22	15,851.13
Loan to Employee Stock Option Scheme Trust	6,430.10	6,371.10
Due from Wholly owned Subsidiary Companies		
- Loans	11,267.98	5,514.40
- Advances	-	2,504.96
	11,267.98	8,019.36
Interest Accrued on Investments	0.57	1.23
Balances with Customs, Port Trust, Central Excise etc.	692.81	2,247.02
Income Tax paid / FBT paid / TDS (net of provisions of Rs.599. 87 Lacs Previous Year Rs.596.65 lacs)	800.60	615.43
Total	32,306.28	33,105.27

SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2010 (Rs. in Lacs)	As at 31.03.2009 (Rs. in Lacs)
CURRENT LIABILITIES		
Sundry Creditors for Goods and Expenses	24,175.81	24,029.18
Sundry Creditors for Capital Expenditure	1,774.90	2,513.10
* Sundry Creditors - Micro, Small & Medium Enterprises	39.05	203.70
Advances against sale of Assets	-	800.00
Advances from Customers	208.06	669.12
Trade Deposits from Dealers	135.17	150.32
**Investor Education & Protection Fund in respect of		
- Unclaimed Dividend	226.41	226.73
- Unclaimed Fixed Deposits	1.20	2.96
- Interest Accrued on Unclaimed Fixed Deposits	0.22	0.43
Other liabilities	5,868.39	5,907.17
Interest accrued but not due	906.95	959.90
Total	33,336.16	35,462.60
PROVISIONS		
Wealth Tax	34.49	37.48
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Tax on Dividend	332.24	339.97
Total	2,367.12	2,377.84

* See Note No. 16 of Schedule 16

** The figure reflects the position as of 31st March, 2010. The actual amount to be transferred to the Investor Education & Protection Fund in this respect shall be determined on the due date.


SCHEDULE 9 : OTHER INCOME

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Interest on Investment	0.35	0.78
Dividend Income	2.94	2.46
Interest on Income Tax Refund	3.75	10.08
Profit on sale of Assets (net)	34.53	30.53
Profit on sale of Investment (net)	0.74	-
Claim Received	-	693.03
Bad debts written off recovered	6.00	-
Sundry Credit Balances Written back (net)	47.98	95.62
Rent Income	277.53	275.30
Miscellaneous Income	379.84	362.57
Total	753.66	1,470.37

SCHEDULE 10 : MANUFACTURING EXPENSES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Raw Materials Consumed	42,900.99	48,317.01
Stores and Spares	3,925.91	3,876.61
Repairs and Maintenance		
Machinery	1,048.07	1,127.05
Building	91.53	96.91
Others	171.02	176.57
	<u>1,310.62</u>	<u>1,400.53</u>
Power, Fuel and Water	25,509.54	33,947.89
Other Manufacturing Expenses	3,242.67	2,533.18
Packing Expenses	3,208.48	2,881.19
Operating Expenses for Services	525.03	279.29
Total	80,623.24	93,235.70

SCHEDULE 11 : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Salaries, Wages and Bonus	10,374.53	10,632.77
Contribution to PF and other funds	1,381.97	1,595.41
Staff Welfare	497.68	507.52
Commission to Wholetime Directors	410.00	270.00
Total	12,664.18	13,005.70


SCHEDULE 12 : ADMINISTRATIVE AND MISCELLANEOUS EXPENSES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Travelling & Conveyance	855.85	1,007.96
Rent and Lease Rent	591.73	593.33
Rates and Taxes	164.00	215.84
Insurance	477.91	468.02
Loss on Exchange (net)	415.62	4,919.19
Commission to Non Wholetime Directors	130.00	131.00
Communication Expenses	327.37	384.73
Legal & Professional Expenses	1,840.17	2,054.49
Miscellaneous Expenses	2,145.80	1,817.65
Loss on sale of Investment (net)	-	57.05
Deferred Revenue Expenditure Written Off	5.22	10.18
Sundry Balances Written Off (net)	-	36.27
Bad Debts / Irrecoverable amounts written off (net)	-	1.12
Donation	98.78	42.66
Provision for Doubtful Debts	0.41	-
Total	7,052.86	11,739.49

SCHEDULE 13 : SELLING AND DISTRIBUTION EXPENSES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Cash Discount	1,145.67	2,058.48
Freight and Forwarding	5,610.17	4,772.73
Commission on Sales	2,302.63	2,070.78
Sales Promotion Expenses	581.05	303.42
Total	9,639.52	9,205.41

SCHEDULE 14 : DECREASE IN STOCK

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Opening stock		
Finished Goods	10,102.26	11,122.17
Stock in Process	947.93	944.98
(A)	11,050.19	12,067.15
Closing stock		
Finished Goods	7,729.41	10,102.26
Stock in Process	1,157.31	947.93
(B)	8,886.72	11,050.19
Decrease in Stock	Total (A-B)	1,016.96

SCHEDULE 15 : FINANCIAL EXPENSES

	For the Year Ended 31.03.2010 (Rs. in Lacs)	For the Year Ended 31.03.2009 (Rs. in Lacs)
Interest - Fixed Loans	8,664.47	9,324.75
- Others	3,007.77	3,504.78
Other Financial Charges	545.13	480.75
	12,217.37	13,310.28
Less : Interest and Financial charges capitalised	276.60	667.17
Less : Interest Income Others	58.89	28.74
Total	11,881.87	12,614.37



SCHEDULE 16: NOTES TO CONSOLIDATED ACCOUNTS

1 CONSOLIDATION

- a GHCL Limited together with its subsidiaries (Collectively "The Group") is engaged in the business of manufacturing and trading of Inorganic Chemicals, Home Textiles, IT enabled services 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 (AS - 21) on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
- 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	% of Holding either directly or through Subsidiary	
		As at 31st March, 2010	As at 31st March, 2009
1 Colwell & Salmon Communications Inc., USA	USA	100	100
2 Fabient Global Limited	India	100	100
3 Fabient Textiles Limited	India	100	100
4 Grace Home Fashions LLC	USA	75	75
5 Indian Britain B.V.	Netherlands	100	100
6 Indian England N.V.	Netherlands	100	100
7 GHCL Inc.	USA	100	100
8 SC GHCL Upsom SA	Romania	95.67	95.67
9 GHCL International Inc.	USA	100	100
10 Dan River Properties LLC	USA	100	100
11 Old Apparel Inc.	USA	100	100
12 Old Apparel Property Inc.	USA	100	100
13 GHCL Global Sourcing Limited	Isle of Man	100	100
14 Rosebys International Limited	India	100	100

- d During the year the group has incorporated the following wholly owned Subsidiary:-

Name of the Subsidiary	% Holding	Country	Date of Incorporation
Teliforce Holding India Limited	100%	Cyprus	26th February 2010

- e Financial results of Rosebys Interiors India Limited (Consolidated), are not consolidated as the control is intended to be partly divested at an appropriate time, as per Accounting Standard 21 " Consolidated Financial Statements".
- f Since the assets including investments in Old Apparel Inc and Old Apparel Properties Inc , USA stepdown subsidiaries of the Company were sold during 2008-09 and thereafter the companies remained dormant, therefore no accounts were prepared for these companies for the year 2009-10. Further subsequent to the balance sheet date, these companies were dissolved on April 7, 2010.
- g Following subsidiaries of the Company, are under administration/closure hence No accounts are available for the same.

Name of Subsidiaries	Date of administration	Status
Dan River Inc.	20th April, 2008	Under administration
Dan River International Limited (Non operating)	20th April, 2008	Under administration
Dan River Factory Stores Inc. (Non operating)	20th April, 2008	Under administration
The Bibb Company LLC (Non operating)	20th April, 2008	Under administration
Textile and Design Limited	25th September, 2008	Under Liquidation
Textile and Design (No.1) Limited -Non operating	25th September, 2008	dissolved as at 23rd September 2009
Textile and Design (No.2) Limited -Non operating	25th September, 2008	dissolved as at 23rd September 2009
Textile and Design (No.3) -Non operating	25th September, 2008	Under Liquidation

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

GHCL Global Sourcing Limited (Non operating) 3rd June, 2009

- h SC GHCL Upsom SA , Romania a stepdown subsidiary of the company follow different accounting year. (1st January to 31st December) The accounts of this subsidiary are prepared upto the reporting date of parent company to facilitate consolidation.

- i The accounts of certain subsidiaries which are 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.

The list of such subsidiaries are given below:-

Indian Britain BV

Indian England NV

GHCL Global Sourcing Limited

GHCL Inc.

GHCL International Inc.

Dan River Properties LLC

Old Apparel Inc.

Old Apparel Properties Inc.

SC GHCL Upsom SA

Grace Home Fashions LLC

- j All material inter- company balances and transactions are eliminated on consolidation.

- k 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 not amortised.

- l 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 companies and further movements in their share in the equity, subsequent to the date of investments attributable to their equity. In case of S.C. GHCL Upsom S.A., since the minority interest was less than the losses for the year hence the minority interest is restricted to NIL as per AS -21 "Consolidated Financial Statements".

- m 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 subsidiaries except Colwell & Salmon Communications Inc. USA, S.C. GHCL Upsom SA, Romania and Grace Home Fashions LLC, USA, are 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 Colwell and Salmon Communications Inc., S. C. GHCL Upsom SA and Grace Home Fashions LLC has been recognised in Profit and Loss account.

- n 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.
6. Parent and subsidiaries follow different method of accounting with regard to revalued fixed assets.

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 AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

- 1 Investments other than in Subsidiaries have been accounted as per Accounting Standard 13 -"Accounting for Investments".

2 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.


B. NOTES

	As at 31st March,2010 (Rs. in Lacs)	As at 31st March,2009 (Rs. in Lacs)
1 (a) Estimated value of contracts remaining to be executed on Capital Account and not provided for	1,488.98	1,552.01
(b) Contingent Liabilities :		
(i) Guarantees issued by banks	1,108.84	1,001.23
(ii) Letters of Credit	539.62	4,562.96
(iii) Bills discounted with banks (since realized)	989.77	2,082.23
(iv) Claims against the Company not acknowledged as debts		
- Income Tax & Wealth Tax	48.66	41.72
- Sales Tax	3.99	-
- Excise matters	2,205.70	1,671.82
- Other claims	736.91	1,303.00
(v) Corporate guarantee & Standby Letters of Credit to Bank on behalf of subsidiaries of the Company	24,267.69	24,881.32
(vi) Premium on redemption of Foreign Currency Convertible Bonds	5,134.80	13,601.89
(c) Export Obligation on duty free imports	13,254.51	21,148.50
2 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 following effects in the current financial statements :-		
a) Gains realised on account of buyback and cancellation of 3,900 (Previous year 1,100) Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each at discount amounting to Rs. 2357.35 Lacs (Previous year Rs. 2169.91 Lacs) has been transferred to Business Development Reserve Account in accordance with the scheme.		
b) In accordance with the aforesaid Scheme, goodwill arising on amalgamation or acquisition or consolidation of financials statements of subsidiaries and which requires amortisation or impairment, any unrealizable assets whether fixed or current or tangible or intangible of the company, any diminution/write off in the value of the investments in its subsidiaries; whether in India or overseas, interest and other financial charges paid or payable on borrowings for subsidiaries by the company or by its subsidiaries or borrowings guaranteed by the company, mark to market adjustment on derivative instruments, currency swaps expenses, all the expenses / costs incurred in carrying out and implementing this Scheme, Integration expenses like plant shifting / shutting down, expenses arising on voluntary retirement offered to the employees of acquired companies, expenses for suit for bankruptcy including costs associated with existing projects / subsidiaries / divisions in part and / or whole by the Transferee Company and any additional depreciation on account of any upward revaluation of assets are to be charged to Business Development Reserve Account. Accordingly Rs. 2,772.92 Lacs (previous year Rs. 33,763.46 Lacs) has been charged to Business Development Reserve on account of diminution in the value investments in and loans & advances to and receivables from subsidiaries. Any further impairment arising out of such diminution shall be accounted for in subsequent years upon reasonable certainty that the same is non realisable and shall be charged to Business Development Reserve until such reserves exists. Further additional depreciation arising out of revaluation amounting to Rs. 1936.95 Lacs (Previous year Rs. 1,936.95 Lacs) has been charged to the Business Development Reserve.		
c) As per the Scheme, a sum of Rs. Nil (Previous year Rs. 8529.85 Lacs) pertaining to receivables from subsidiaries have been written off and adjusted against General Reserve.		
d) As per the Scheme, the Profit and Loss Account Balance as appearing in the Balance sheet of the Company as on 31st March 2009 shall be in part or full, without any further act, instrument or deed, stand re-organised and be appropriated to the General Reserve, as may be considered appropriate by the management in the interest of the company. Accordingly Rs. 15,000.00 Lacs (Previous year Rs. 10,000.00 Lacs) has been transferred from Profit and Loss Balance to General Reserve Account.		
3 Provision for taxation includes Rs. 12.00 Lacs (previous year Rs. 15.00 Lacs) for Wealth Tax.		
4 Prior Period Item of Rs. 11.29 Lacs is on account of provision for repairs and maintenance of machinery due to non receipt of invoice.		
5 In accordance with the requirements of Accounting Standard- 19 Leases issued by the Institute of Chartered Accountants of India , future obligation/ rights as at Balance Sheet Date for lease arrangements amount to :-		

	(Rs in Lacs)	(Rs in Lacs)
	Receivable	Payable
Due within one year	134.40	30.80
Due within the following four years	-	25.00
Due after five years	-	-

6. Segment

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

One subsidiaries is engaged in IT Enabled Services which are categorised as " Others".

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

BUSINESS SEGMENT

Rs. in Lacs

	INORGANIC CHEMICALS		TEXTILES		Others		Total	
	Apr. 09 - Mar. 10	Apr. 08 - Mar. 09	Apr. 09 - Mar. 10	Apr. 08 - Mar. 09	Apr. 09 - Mar. 10	Apr. 08 - Mar. 09	Apr. 09 - Mar. 10	Apr. 08 - Mar. 09
SEGMENT REVENUE								
External Revenue	96,879.62	109,022.52	37,939.48	38,318.65	3,183.18	3,964.67	138,002.28	151,305.83
Less : Inter Segment Revenue							-	-
Total Revenue	96,879.62	109,022.52	37,939.48	38,318.65	3,183.18	3,964.67	138,002.28	151,305.83
SEGMENT RESULT	17,273.62	22,586.18	1,228.31	(1,686.55)	58.73	(4,645.99)	18,560.67	16,253.64
Unallocated Corporate Expenses.							1,393.41	1,593.52
Operating Profit							17,167.25	14,660.12
Interest Expenses							11,881.87	12,614.37
Interest Income							-	-
Other Income							488.78	1,214.31
Unallocated Corporate Other Income							264.88	256.06
Total Other Income							753.66	1,470.38
Profit from Ordinary Activities							6,039.04	3,516.13
Exceptional Items							-	-
NET PROFIT BEFORE TAXES							6,039.04	3,516.13
OTHER INFORMATION								
Segment Assets	203,683.38	220,687.08	94,088.46	87,147.10	10,209.24	6,048.16	307,981.07	313,882.33
Unallocated Corporate . Assets							14,254.62	8,843.79
Total Assets	203,683.38	220,687.08	94,088.46	87,147.10	10,209.24	6,048.16	322,235.69	322,726.12
Segment Liabilities	107,539.44	106,257.26	42,842.96	42,724.70	39,487.31	33,217.68	189,869.71	182,199.64
Unallocated Corporate . Liabilities							36,209.93	57,189.13
Total Liabilities	107,539.44	106,257.26	42,842.96	42,724.70	39,487.31	33,217.68	226,079.64	239,388.77
Capital Expenditure	9,217.40	11,816.68	827.33	2,106.08	227.45	0.54	10,272.19	13,923.30
Unallocated Capital Expenditure							53.23	53.23
Total Capital Expenditure	9,217.40	11,816.68	827.33	2,106.08	227.45	0.54	10,325.42	13,976.52
Depreciation	6,680.85	6,371.70	2,342.20	2,242.16	119.58	174.82	9,142.64	8,788.68
Unallocated Depreciation							54.78	58.70
Total Depreciation	6,680.85	6,371.70	2,342.20	2,242.16	119.58	174.82	9,197.42	8,847.38
Non-Cash Expenses other than Depreciation	4.97	9.37	0.25	0.69	-	0.12	5.22	10.18
Unallocated Non Cash Expenses other than Depreciation								1.63
Total Non Cash Expenses other than Depreciation	4.97	9.37	0.25	0.69	-	0.12	5.22	11.81

GEOGRAPHICAL SEGMENT

Particulars	India		Rest of The World		Total	
	Apr. 09 - Mar. 10	Apr. 08 - Mar. 09	Apr. 09 - Mar. 10	Apr. 08 - Mar. 09	Apr. 09 - Mar. 10	Apr. 08 - Mar. 09
Segment Revenue	121,395.51	124,011.11	16,606.77	27,294.72	138,002.28	151,305.83
Carrying Costs of Segment Assets	289,555.89	298,345.47	32,679.81	24,380.65	322,235.70	322,726.12
Additions to Fixed Assets and Intangible Assets	8,838.88	13,374.31	1,486.54	602.21	10,325.42	13,976.52

7 Related Party Transactions:
Related Party
a Having Significant influence

Rosebys Interiors India Limited

Scope Exim Private Limited holding 25% shares in Grace Home Fashions LLC.

b Key Management Personnel:

Mr. R. S. Jalan, Managing Director

Mr. Tej Malhotra, Sr. Executive Director - Operations

Mr. Raman Chopra, Executive Director - Finance
 Mr. Ion Bogdan- Whole time Director - Subsidiary Company

c **Relative of Key Management Personnel:**

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

8 Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2010

Rs. in Lacs

Sl. No.	Type of Transactions	Having significant influence	Key Management Personnel	Relative of Key Management Personnel
1	Purchase or Sale of Goods / others			
	- Sale	69.01		
		(451.48)		
	-Expenses	-		
		(0.57)		
2	Remuneration		918.82	
			(606.66)	
3	Leasing and hire purchase transaction			3.30
				(3.21)
4	Services			
	- Income	301.26		
		(204.28)		
	- Expenses	3.35		
		-		
4	Loans & Advances (Net)	3,259.70		
		(26,579.59)		
5	Equity	0.45		
		-		
6	Balances as at 31st March, 2010			
	Loans & Advances	11,279.53		
		(8,019.83)		
	Sundry Creditors	-		
		(0.96)		
	- Debtors	36.65		
		-		

Figures in brackets relate to period ended 31 March 2009

Balances of Loans & Advances, debtors and creditors are after writing off of Rs. 19968.46 Lacs (Previous year 18363.45 Lacs), Rs. 489.19 Lacs (Previous year 5710.76 Lacs) and 0.96 Lacs (Previous Year Nil)

9 Deferred Tax

(Rs. in Lacs)

	As At 1st April, 2009	Current Year Charge/(Credit)	As At 31st March, 2010
a) Deferred tax liability on account of:			
i) Depreciation	14,256.46	1,573.63	15,830.09
ii) Others			
Deferred Revenue Expenditure	2,298.32	(110.00)	2,188.32
TOTAL (A)	16,554.78	1,463.63	18,018.41
b) Deferred tax assets on account of:			
i) Employee Benefit	418.44	85.42	503.86
ii) State & Central Taxes & Cess	22.03	-	22.03
iii) Provision for Bad Debts	37.86	-	37.86
iv) Disallowance u/s 40 (a)	1.26		1.26
v) Overseas subsidiaries	922.31	3,288.63	4,210.94
TOTAL (B)	1,401.90	3,374.05	4,775.95
TOTAL (A-B)	15,152.88	(1,910.42)	13,242.46

Current year charge/(credit) includes Rs. 21.87 lakh on account of restatement of previous years deferred tax charged above.

10. Category-wise quantitative data about derivative instruments that are outstanding are disclosed as per the requirement of Accounting Standard - 30 issued by the Institute of Chartered Accountants of India.

Particulars	As at 31st March, 2010			As at 31st March, 2009		
	No. of Contracts	USD Equivalent (In Lacs)	INR Equivalent (In Lacs)	No. of Contracts	USD Equivalent (In Lacs)	INR Equivalent (In Lacs)
a) Long Term Export Options (Dollar Receivables)	6	214.50	9,074.79	7	388.50	16,486.59
Forward (Dollar Receivables)	29	188.55	8,735.62	1	20.00	1,032.55
Forward (GBP Receivables)	2	7.10	512.33	-	-	-
Forward (EURO Receivables)	2	10.00	632.85	-	-	-
b) The Company entered the derivative instruments to hedge the foreign currency risk of fluctuation and protect interest rate risk and not for speculation purposes.						
c) Foreign currency exposures that are not hedged by a derivative instrument or otherwise are						

Particulars	As at 31st March, 2010 (Rs. in Lacs)	As at 31st March, 2009 (Rs. in Lacs)
Import Payable	10,129.41	10465.90
Foreign Currency Loans & Interest thereon	8,883.37	-

11. Managerial Remuneration (Parent Company)

	For the Year Ended 31st March, 2010 (Rs. in Lacs)	For the Year Ended 31st March, 2009 (Rs. in Lacs)
(a) Whole time Directors		
Salaries	274.25	258.33
Contribution to Provident and Superannuation funds	28.27	26.41
Perquisites	25.63	26.05
Gratuity	5.03	4.69
Commission	410.00	270.00
(b) Other Directors		
Sitting Fees	16.00	15.20
Commission	130.00	131.00
Total	889.18	731.68

12. **Deferred Revenue Expenditure:**

Deferred Revenue Expenditure comprises of carrying amount as per Accounting Standard -26 on Intangible Assets issued by the Institute of Chartered Accountants of India.

a Voluntary Retirement Scheme Expenses

Compensation under the Company's voluntary retirement scheme paid/provided is being written off equally over a period of three years.

b Prepayment Premium

Premium paid on prepayment of Term Loans / Non -convertible Debenture is charged off over the tenure of the loan in proportion to the principle amount outstanding.

13. **Intangible Assets**

Intangible Asset, meeting the definition as per the provisions of Accounting Standard 26 Intangible Assets issued by the Institute of Chartered Accountants of India, comprises of :

a **Salt Pans**

Expenditure on the development of salt pans is being written off over a period of five years.

b **Software**

Expenditure on purchased software, ERP System and IT related expenses is being written off over a period of three years.

c **Goodwill**

Goodwill is amortized over a period of five years except goodwill arising out of consolidation

14 **Impairment of Assets**

In pursuance of Accounting Standard 28- Impairment of Assets issued by the Institute of Chartered Accountants of India, 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 no further impairment of assets is not considered necessary.

15 **Earnings per Share (EPS)**

Basic EPS	For the Year Ended 31st March, 2010	For the Year Ended 31st March, 2009
Earnings per Share has been computed as under:		
Profit after Taxation (Rs. in Lacs)	7,956.55	2,495.54
(Less)/Add : Prior Period Adjustment	(11.29)	228.09
	A	7,945.26
	B	100,019,286
The weighted average number of Equity Shares for Basic EPS		100,019,286
Earnings per share (Face value of Rs 10/- per share) (A) / (B)	7.94	2.72
Diluted EPS		
Profit after Tax and Minority interest from continued operations (Rs. in Lacs)	8,125.16	2,978.31
Number of Equity Shares for Basic EPS	100,019,286	100,019,286
Add : Adjustment for Warrants convertible into Equity Shares		
Add : Adjustment for FCCB convertible into Equity Shares	15,857,298	24,378,540
The weighted average number of Equity Shares for Diluted EPS	115,876,584	124,397,826
Earnings Per Share (Diluted)	7.01	2.39

16 The details of amounts outstanding to Micro, Small and Medium Enterprises under the "Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under,

Sr. No.	Particulars	As at 31st March, 2010 Rs. in Lacs	As at 31st March, 2009 Rs. in Lacs
1	Principal amount due and remaining unpaid	-	-
2	Interest due on (1) above and the unpaid interest	-	-
3	Interest paid on all delayed payments under the MSMED Act	-	-
4	Payment made beyond the appointed day during the year	-	-
5	Interest due and payable for the period of delay other than (3) above	-	-
6	Interest accrued and remaining unpaid	-	-
7	Amount of further interest remaining due and payable in succeeding years	-	-

17 The shareholders in their Extra Ordinary General Meeting held on 19th March, 2008 had approved the Employees Stock Option Scheme (ESOS 2008). Accordingly, the Employees Stock Option granted pursuant to ESOS 2006 (Series - 1) had been cancelled and equivalent number of options were granted by the compensation committee meeting held on 24th March, 2008. Under ESOS 2008 the compensation committee has assured a minimum price appreciation guarantee @ 20% on the Exercise Price i.e. Rs. 76.95 per share i.e. the latest available closing price prior to the date of grant of options i.e. 24th March, 2008. Company has made an appropriate provision for a same during the year

As per SEBI (ESOS & ESPS) Guidelines 1999 the Employees Stock Option Scheme is administered by the registered Trust named GHCL Employees Stock Option Trust (ESOS Trust). The Company has advanced interest free loan of Rs. 6,430.10 Lacs (Previous year 6,371.10 Lacs) to the Trust for the purpose of purchase of shares from the open market for allotment of shares to the eligible employees upon exercising their option from time to time.

The current market value of the shares held by ESOS Trust is lower than the cost of acquisition of these shares by Rs. 5,288.52 Lacs which is on account of market volatility. The impact of fall in market value, if any would be appropriately considered by the company in its profit and loss account at the time of exercise of Options by the eligible employees. As per ESOS scheme, 15, 65,000 options have been vested with the eligible employees on March 24, 2010. However, none of the employees have exercised the options during the period ended 31 March 2010.

The total number of shares purchased by ESOS Trust was 4,995,386 shares. Of these, 1,579,922 shares were illegally sold by a party against which ESOS trust has initiated legal proceedings and has got a favorable award from the Court. Additionally, ESOS Trust had taken a loan of Rs.1,057.00 Lacs from various companies and had created a third-party pledge of 2,068,000 shares on behalf of these lender companies. The lender companies could not fulfill their obligations toward the aforesaid third parties and consequently the pledge was invoked by these parties. ESOS trust got a favorable arbitration award against the lender companies whereby the lender companies would restore 2,068,000 shares in favour of ESOS Trust upon ESOS trust repaying their loan of Rs. 1,057.00 Lacs.

The details as per regulation 12 of SEBI (ESOS & ESPS) Guidelines 1999 are as follows:

Particulars	Details																													
a) Number of Options at beginning of the year	1,615,000 (Previous Year 16,55,000) (Each option is equivalent to one equity share on exercise of option)																													
b) Pricing Formula	Rs. 76.95 (Market Price i.e. the latest available closing price prior to the date of grant of options)																													
c) Options Vested	15,65,000 (Vesting period is two years from the date of grant i.e. March 24, 2008 to March 24, 2010)																													
d) Options Exercised	Nil																													
e) Total Number of shares arising as a result of exercise of options	Nil																													
f) Option Lapsed	Nil																													
g) Variation of Terms of Options	Nil																													
h) Money realized by exercise of options	Nil																													
i) Total Number of Options as at 1st April, 2009	16,15,000 (Previous Year 16,55,000)																													
j) Number of options lapsed for 3 employees left/retired during the year	50,000 (Previous Year 40,000)																													
k) Total Number of Options in force as at 31st March, 2010	1,565,000																													
l) Number of employees to whom options are granted	33																													
(i) Senior Managerial person	<table border="1"> <thead> <tr> <th>Name</th> <th>No. of Options Granted</th> <th>Name</th> <th>No. of Options Granted</th> </tr> </thead> <tbody> <tr> <td>Mr. R.S. Jalan</td> <td>200,000</td> <td>Mr. BRD Krishnamoorthy</td> <td>75,000</td> </tr> <tr> <td>Mr. Tej Malhotra</td> <td>125,000</td> <td>Mr. R S Pandey</td> <td>75,000</td> </tr> <tr> <td>Mr. Raman Chopra</td> <td>100,000</td> <td>Mr. N N Radia</td> <td>75,000</td> </tr> <tr> <td>Mr. Sunil Bhatnagar</td> <td>100,000</td> <td>Mr. M Sivabalasubramaniam</td> <td>75,000</td> </tr> <tr> <td>Mr. K V Rajendran</td> <td>100,000</td> <td>Mr. Neeraj Jalan</td> <td>75,000</td> </tr> <tr> <td>Mr. Nikhil Sen</td> <td>75,000</td> <td></td> <td></td> </tr> </tbody> </table>		Name	No. of Options Granted	Name	No. of Options Granted	Mr. R.S. Jalan	200,000	Mr. BRD Krishnamoorthy	75,000	Mr. Tej Malhotra	125,000	Mr. R S Pandey	75,000	Mr. Raman Chopra	100,000	Mr. N N Radia	75,000	Mr. Sunil Bhatnagar	100,000	Mr. M Sivabalasubramaniam	75,000	Mr. K V Rajendran	100,000	Mr. Neeraj Jalan	75,000	Mr. Nikhil Sen	75,000		
Name	No. of Options Granted	Name	No. of Options Granted																											
Mr. R.S. Jalan	200,000	Mr. BRD Krishnamoorthy	75,000																											
Mr. Tej Malhotra	125,000	Mr. R S Pandey	75,000																											
Mr. Raman Chopra	100,000	Mr. N N Radia	75,000																											
Mr. Sunil Bhatnagar	100,000	Mr. M Sivabalasubramaniam	75,000																											
Mr. K V Rajendran	100,000	Mr. Neeraj Jalan	75,000																											
Mr. Nikhil Sen	75,000																													
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of option granted during that year	None																													
(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	None																													
m) Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share"	Not Applicable																													



Particulars	Details
n) Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	Not Applicable
o) Weighted Average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Not Applicable
p) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :	Options are granted at Market price
Risk - Free interest Rate	Not Applicable
Expected Life	Not Applicable
Expected Volatility	Not Applicable
Expected Dividends	Not Applicable
The price of the underlying share in the market at the time of grant of option Rs. 76.95 per share	

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

19 Previous Year's figures have been regrouped and reclassified wherever necessary.

Signature to Schedules 1 to 16

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

(Gautam R. Divan)
Partner

R. S. Jalan
Managing Director

Raman Chopra
Executive Director - Finance

Bhwneshwar Mishra
Company Secretary

Place : New Delhi
Date : 29th July 2010

Place : New Delhi
Date : 29th July 2010

GHCL Limited

Registered Office : GHCL HOUSE, Opp. Punjabi Hall
Navrangpura, Ahmedabad-380 009

ATTENDANCE SLIP

I hereby record my presence at the Twenty Seventh ANNUAL GENERAL MEETING of the Company held on Thursday, September 9, 2010 at 10:00 a.m. at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall).

Folio No. / DPID/CL.ID-No.	No. of Shares
Names :	
SIGNATURE OF THE ATTENDING MEMBER / PROXY	

- Notes:
1. Shareholder/Proxy holder wish to attend the meeting must bring the Attendance Slip to the meeting and hand over at entrance duly signed.
 2. Shareholder/Proxy holder desire to attend the meeting should bring his copy of the Annual Report for reference at the meetings.

GHCL Limited

Registered Office : GHCL HOUSE, Opp. Punjabi Hall
Navrangpura, Ahmedabad-380 009

PROXY FORM

I/We of
 in the district of being a Member/Members of
 the above named Company, hereby appoint..... of
 in the District of or failing him of
 in the District of as my/our Proxy to
 attend and vote for me/us and on my/our behalf at the Twenty Seventh Annual General Meeting of the
 Company, to be held on Thursday, September 9, 2010 at 10:00 a.m. and at any adjournment thereof.

Signed this..... day of 2010

Reference Folio:/DPID/CL.ID

No. of Shares:

Signature



Note: The Proxy Form should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of Meeting.

If undelivered, please return to:



GHCL Limited

Registered Office:

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

