28th Annual Report 2010 - 2011

GHCL Limited

Contents

Annual General Meeting – Friday, September 2, 2011
Time – 9:30 A.M.
Venue – The Institution of Engineers (India), Gujarat State Centre,
Bhaikaka Bhavan, Law College Road,
Ahmedabad - 380 006 (Opp. Gajjar Hall)
Book Closure Date - From August 26, 2011 to September 2, 2011

Important Communication to Members

Ministry of Corporate Affairs has announced "green initiatives in the Corporate Governance" and permitted companies to service notices / documents including Annual Report to the members of the company on their registered email addresses. All those Shareholders who have not yet registered their email ids or holding shares in physical form are requested to register their email ids with NSDL/CDSL and/or our RTA at ghclgogreen@linkintime.co.in along with your No. of shares and Folio No. / Client Id and DP Id.

COMPANY INFORMATION

BOARD OF DIRECTORS

Sanjay Dalmia	Chairman
Anurag Dalmia	
Neelabh Dalmia	
Dr. B C Jain	
K C Jani	Nominee (IDBI)
R M V Raman	Nominee (Exim Bank)
Surendra Singh	
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.ghclindia.com

MAJOR SUBSIDIARIES

1. Rosebys Interiors India Limited
2. Grace Home Fashions LLC
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

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
Tamilnad Merchantile Bank
Andhra Bank
Union Bank of India
Bank of India

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

The character of any organization is not only refined but also defined with the way it handles itself in challenging more so than in opportune times. The past decade has witnessed sustained growth for our company in wake of proactive initiatives taken, despite challenges faced. I am happy to communicate that going by the numbers posted, we have not only demonstrated strong resilience but also have built a robust platform upon which we shall further scale up our existing businesses and shape the future of the company.

Shaping the future calls for identifying opportunities and mitigating potential risks in order to create a sustainable value creating organization, having requisite immunity from the industry as well as macro-economical risks. This called for a three-pronged approach – adding capacities, improving realizations and strengthening cost structures.

Capacity addition: We embarked on a capacity addition initiative and in the process, identified and debottlenecked capacities, resulting in efficient and economical production in soda ash business. We continued with capacity expansion in textiles business resulting in higher volumes leading to higher growth and profitability.

Expanding reach: Our focus on textiles business to expand portfolio of value-added products and clientele, has won us large replenishment programs from the likes of K-Mart, Bed Bath & Beyond & Macy's driving both volumes and better realization.

Cost control measures: To ensure a better quality of performance, it was essential to critically examine our cost structures and eliminate the excesses without impairing the quality of products. The cost control measures resulted in us resorting to better inventory management, stricter cost control measures and lower wastages in both the businesses.

Our initiatives translated into a stout performance during the year under review. We posted a robust topline of Rs. 1511 crore, 23% up against Rs. 1225 crore in 2009-10. Our EBIDTA improved by 15% to Rs. 350 crore in 2010-11 against Rs. 303 crore in 2009-10.

The Soda Ash Industry is witnessing intensive dumping of material from EU countries as well as Ukraine, Kenya, and Turkey apart from China and Pakistan which is seriously impacting the domestic players who are already facing pressures on their margins due to rising costs and availability of raw materials. The soda ash industry is a source of employment to lakhs of people in the downstream industries like salt, which employ a large number of rural and tribal work force and any adverse impact on the soda ash industry will also have impact among these rural and tribal population. A proactive approach is therefore required from the Government

The Textile Industry, especially spinning has seen unprecedented volatility in cotton and yarn prices not seen in last two decades. This has adversely affected the entire spectrum of people associated with the industry like ginners, traders and manufacturers. Many units have been closed in the past couple of months. Being the second largest provider of employment, the Government needs to urgently initiate steps to revive the industry. Some of the steps could be power subsidy by State Government for atleast six to nine months and interest subsidy by Centre for atleast six to nine months to quickly mitigate the aforesaid challenges faced by the textile industry.

Home Textile industry from India and Pakistan is a source of supply to the retail chains in America and Europe like Wal-Mart, K-Mart, Bed Bath & Beyond, J C Penny, etc. This industry employs millions of workers in both organized and unorganized sector in both these countries. India and Pakistan have been in dialogue for improving trade relations between the two countries and therefore, it is in the interest of both these countries to see that the Home Textile industry does not suffer because of unfair competition between India and Pakistan to grab volume in the American and European retail industry. A suitable mechanism to be put in place is desirable.

Going forward, we would aim to further build upon our strengths and continue to focus on offering unparalleled quality products to our clients. Our deeply-entrenched relationships with all our customers in all spectrum of businesses in the county and abroad will further enable us to utilize our added capacities and ensure a better product mix going forward.

I would like to thank each and every stakeholder of the company for supporting us all along and believing in our credentials.

To wrap up, our focus is unwavering. Our commitment is unfaltering. Our future is exciting. And we are future-ready.

Sanjay Dalmia
Chairman

NOTICE

NOTICE is hereby given that the 28th 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 Friday, September 2, 2011 at 9.30 AM to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011, 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, 2011.
3. To appoint a director in place of Mr. Neelabh Dalmia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Sanjay Dalmia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Sanjiv Tyagi, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a director in place of Mr. Mahesh Kheria, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint M/s Jayantilal Thakkar & Co., Chartered Accountants (Firm Reg. No. 104133W) and M/s Rahul Gautam Divan & Associates, Chartered Accountants (Firm Reg. No. 120294W) 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. **Appointment of Mr. Surendra Singh as Director of the Company**

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

   "RESOLVED that Mr. Surendra Singh, who was appointed by the Board of Directors as an Additional Director of the Company and who holds office till the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956, proposing his candidature for the office of a Director, be and is hereby appointed as Director of the Company, liable to retire by rotation."

9. **Approval for payment of Commission to Non Whole time Directors:**

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

   "RESOLVED that in conformity with the provisions of Section 309 and any other applicable provisions of Companies Act, 1956, and in supercession of the earlier approval given by the members in their Annual General Meeting held on June 19, 2006, approval be and is hereby accorded to the payment of commission for a sum not exceeding 1% per annum of the net profit of the Company calculated under Section 198, 349 and 350 of the Companies Act, 1956 to some or any of the Non Executive Directors of the Company, in such manner as the Board of Directors may determine from time to time and such payment be made in respect of profits of the Company for the whole or proportionately for a part of financial years during a period of five years commencing from April 1, 2011 and expiring with the financial year ending March 31, 2016."

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura
Ahmedabad - 380009
Dated: July 18, 2011

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

Sd/-
Bhuwneshwar Mishra
General Manager & Company Secretary

NOTE

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 Friday, August 26, 2011 to Friday, September 2, 2011 (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 August 26, 2011. 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. Neelabh Dalmia (DOB – August 16, 1983) is a Director of the Company. He is Bachelor of Science in Business from Indiana University, Kelly School of Business, Bloomington, Indiana with majors in Finance and Entrepreneurship. He is a member of Share Transfer and Investors/Shareholders Grievance Committee, Subsidiary Monitoring Committee and Banking and Operations 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.
   b. Mr. Sanjay Dalmia (DOB - March 17, 1944) is Non-executive Chairman of the Company. Mr. Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He is also the Chairman of Remuneration Committee and Project Committee of the Company. He is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is a Director on the Board of Golden Tobacco Limited (formerly known as GTC Industries Limited). He does not hold any shares in the Company.
   c. Mr. Sanjiv Tyagi (DOB – February 25, 1959) is a Director of the Company. He is a graduate in arts and Diploma in Hotel Management from the prestigious Oberoi School of Hotel Management. He had worked with Oberoi Group, Holiday Inn, Radisson, Unitech etc. He has very rich experience in Hotel Industry and his area of specialization is Management. He is a member of Remuneration Committee of the Company. Mr. Tyagi is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. He is on the Board of Unitech Country Club Limited, Unitech Pioneer Recreation Ltd., Unitech Pioneer Nirvana Recreation Ltd., Landmark Dwellers Pvt. Ltd., Landmark Infracon Private Limited, Siya Management Consultants Private Limited and Jupiter Venture Lands Private Limited. He does not hold any shares in the Company.

d. Mr. Mahesh Kheria (DOB – July 18, 1955) is a Director of the Company. He is a graduate in commerce and his area of specialization is Finance & Marketing. He has very wide areas of industrial experience and very long association with the Company. He is a member of the Share Transfer and Investors/Shareholders Grievance Committee of the Company. He is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is a Director on the Board of Mass Food Products Pvt. Ltd. and Amicus Advisory Pvt. Ltd. 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. Ministry of Corporate Affairs, vide its circular no 17/95/2011 CL-V dated April 21, 2011 and subsequent to clarification issued on April 29, 2011, has announced “green initiatives in the Corporate Governance” and permitted companies to service documents to the members of the company on their registered email addresses which shall be deemed to be in compliance of provisions of Section 53 of the Companies Act read with applicable provisions of Information Technology Act 2000. Keeping in view the aforesaid circular issued by MCA, company proposes to send correspondence and documents like the notice calling the general meeting, audited financial statements, directors’ report, auditors’ report etc. in electronic form, to the email address provided by Shareholders and made available by the Depositories, instead of sending documents in physical form. As such the members are requested to furnish / register their email id’s to enable the Company to send all notices, financial statements etc. of the Company through electronic mode. Shareholders are requested to furnish / register their email ids at ghclgogreen@linkintime.co.in
10. Members are requested to send their queries, if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.
11. 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.
12. Members attending the Meeting are requested to complete the enclosed slip and deliver the same at the entrance of the meeting hall.
13. 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.
14. Dividend for the financial year ended March 31, 2004, 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 2011 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, 2004 or any subsequent financial year(s), are requested to lodge their claims with Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) (LIIPL). Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie in respect thereof.
15. 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.
16. 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 Dmat 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.
17. **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

Pursuant to as per Article 131 and 138 of the Articles of Association of the Company, the Board of Directors, by passing a resolution through circulation, had appointed Mr. Surendra Singh as an Additional Director on the Board of the Company w.e.f. November 23, 2010. Pursuant to Section 260 of the Companies Act, 1956, Mr. Surendra Singh will hold office as an Additional Director up to the date of the ensuing Annual General Meeting. The Company has received notice in writing from member proposing the candidature of Mr. Surendra Singh for the office of Director of the Company under the provisions of Section 257 of the Companies Act, 1956.

Mr. Surendra Singh, aged about 74 years (DOB – July 21, 1937) is a retired IAS officer and has held very senior position in the Central and State Governments such as Cabinet Secretary to the Government of India, Special Secretary to the Prime Minister of India, Executive Director – World Bank etc. Mr. Singh is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is on the Board of Jubiliant Life Sciences Limited, NIIT Limited, NIIT Technologies Limited, NIIT Smartserve Limited, CMC Limited and JP Morgan Mutual Fund India Private Limited. He does not hold any shares in the Company and his association with the Board will be of immense value to the overall progress of the Company. Mr. Surendra Singh fulfils the conditions of “Independent Director” as stipulated in the Clause 49 of the Listing Agreement and accordingly he will be considered as an Independent Director of the Company.

Your Directors recommend the resolution for your approval. Save and except Mr. Surendra Singh, none of the Directors of the Company is interested in the resolution.

Item No. 9

Subsection (4) of Section 309 of the Companies Act, 1956 provides for the rate of remuneration payable to the Directors who are not in the whole time employment of the Company. Since your Company has whole time Directors, the remuneration (in the form of Commission), payable to Non Whole time Director shall not exceed 1% of the net profit of the Company. Pursuant to Sub-section (5) of Section 309, such net profit shall be computed in the manner referred to in Section 198 (1) and other applicable provisions of the Companies Act, 1956.

The shareholders in their Annual General Meeting held on June 19, 2006 had approved commission for Non whole time Directors @ 1% of the net profit of the Company. However, Sub-section (7) of Section 309 provided that any Special Resolution according authority for payment of remuneration to Non Whole time Director shall not remain in force for a period of more than five years, but may be renewed, from time to time, by Special Resolution, for further period of not more than five years at a time. It is also a condition that no renewal shall be effected earlier than one year from the date on which it is to come into force. Hence the resolution is placed for approval of members. Non Executive Directors may be deemed to be concerned or interested in the passing of this resolution.

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura, Ahmedabad - 380009
Dated: July 18, 2011

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

DIRECTORS' REPORT

To
The Members,

We are pleased to present the 28th Annual Report and the audited accounts of the Company for the financial year ended March 31, 2011.

OPERATIONAL RESULTS

The summary of the financial performance of the Company for the financial year ended March 31, 2011 compared to the previous year ended March 31, 2010 is given below:

		(₹ in Lacs)
Particulars	**Year Ended March 31, 2011**	Year Ended March 31, 2010
Net Sales /Income	**151,146.70**	122,546.09
Gross profit before interest and depreciation	**34,982.54**	30,320.37
Interest	**11,043.48**	10,544.94
Profit before depreciation and amortisation - (Cash Profit)	**23,939.06**	19,775.43
Depreciation / Amortisation	**8,439.55**	7,611.18
Profit before Tax	**15,499.51**	12,164.25
Provision for Taxation – Current	**52.52**	12.00
Provision for Taxation – Deferred	**3814.45**	(1,932.29)
Profit after Tax	**11,632.54**	14,084.55
Balance brought forward from last year	**23,786.07**	28,431.93
Prior period adjustments	**64.29**	(11.29)
Excess provision for tax for earlier years	**75.52**	21.93
Amount available for appropriation	**35,558.42**	42,527.15
Appropriations		
Transfer to General Reserve	**1,163.25**	1,408.45
Transfer to General Reserve as per Scheme of Arrangement	**17,500.00**	15,000.00
Proposed Dividend	**2,000.39**	2,000.39
Tax on Dividend	**324.51**	332.24
Balance carried to Balance Sheet	**14,570.27**	23,786.07

PERFORMANCE HIGHLIGHTS

Soda Ash

The Global Soda Ash demand was 46 million tons in 2010 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. In 2010 the markets have recovered much faster than the earlier expectation. Demand for Soda Ash remained robust during the year, price pressure from key inputs such as salt and energy weighed heavily. However, there has been a noticeable improvement in the soda ash prices from the fourth quarter onwards and the industry is optimistic about the price trend. Emerging economies – particularly in China and the wider Southeast Asia region, the Middle East, South Asia and South America continue to be "growth driver" for Soda Ash. Rising GDPs and urbanization in these regions have led to a higher per capita consumption of products manufactured using soda ash. Demand for glass and detergents in emerging world markets surged in the last few years. Hence the global outlook looks promising for soda ash. The demand for soda ash is forecast to grow at about 3 to 4 percent per year over the next five years.

The strong rebound of the Indian Economy was witnessed in Soda Ash also as demand growth rebounded to a very healthy 6% in 2010. 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 Kenya, 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 tampered Chinese Imports to some extent, the said duty has lapsed in April 2011. Continued imports from other European producers like Turkey/Russia/Romania and Ukraine where domestic markets still remain weak and remains a challenge. An application for Anti-Dumping has been filed with the ADD and continuous follow up is on to get an expeditious order.

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. The Company's domestic production of Soda Ash for the year under review at 710012 tons, which was 8.12% higher as compared to the previous year. The Company achieved sales of Soda Ash 656969 tons during the year including exports.

Soda Ash manufacturers are experiencing a tough time, as high input and energy cost seem to affect the profit margins. 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 22378 tons against 20161 tons in the previous year, which is higher by 11.00%. During the year the Company achieved sales of Bi-Carbonate 22912 tons against 19648 tons in the previous year, which is higher by 17.00%.

Home Textiles

The Indian Textile Industry, 2nd largest in the world, continued its growth journey during 2010-11, which was due to continuation of Government of India's stimulus package especially the extension of TUFs (Textile up-gradation Fund scheme). The industry registered a growth of around 10% during the year 2010-11 with exports also registering a significant growth.

GHCL has also achieved remarkable performance in its textile business for the year 2010-11 in terms of overall performance and profitability of the Company. The revenue has gone up by 49% to ₹ 571 Crore as compared to ₹ 383 Crore in the last year and the operating profit has sharply increased from ₹18.07 Crore in 2009-10 to ₹ 53.97 Crore in 2010-11 which is a significant increase of 199%.

The above performance has been achieved due to our constant marketing efforts winning us large orders from the major retailers of the world. Your company, with its State-of-art textile facilities from spinning to made-ups, has cautiously rationalized 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, Macys, 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 Management is taking further initiatives in terms of adding more capacities in value-add segment, Weaving and Cut & Sew Facility which would have significant benefit in the coming years.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2.00 per Equity Share for the financial year ended March 31, 2011.

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. The subscribers had an option to convert bonds into shares at a price based on price mechanism determined in the offering documents and Bond could be converted at a price of ₹ 147.9533 per share equivalent to USD 3.2278 is exercisable between September 2006 to March 2011. At the beginning of Financial year 2010-11, the outstanding FCCBs were USD 29.00 million. During the Financial year 2010-11, the Company had repurchased (bought back) FCCBs aggregating to face value of USD 21.00 million and extinguished the same in line with the approval received from Reserve Bank of India. Further, on March 18, 2011, the Company had paid full and final outstanding amount in respect of the balance Bond having face value of USD 8.00 million along with interest & premium thereon before the maturity date of said Bond i.e. March 21, 2011. After said buy back and redemption, there is no outstanding of FCCBs as on March 31, 2011.

During the financial year your Company has transferred to investors' education and protection fund account (IEPF) a sum of ₹ 31.80 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 ₹ 0.27 lacs have been transferred to IEPF during the financial year, which is included in ₹ 31.80 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

The soda ash production of GHCL Upsom, Romania, a step down subsidiary of the Company, was adversely affected due to outstanding issues with gas supplier M/s Romgaz and accordingly the management had taken decision to close down production. Romgaz (gas supplier to GHCL Upsom) has initiated insolvency proceedings against GHCL Upsom, Romania. Thereafter, your company had engaged Roland Berger, a consultant to conduct study and submit its report about operational viability of GHCL Upsom. Based on the Preliminary findings, Roland Berger has reported that resumption of operations may not be viable without major investments and incentives from the Romanian Government. Accordingly, the Management is in dialogue with BCR Bank, Romgaz and the Romanian Government to work out a re-organization plan of GHCL Upsom, if feasible.

Rosebys Interiors India Limited (RIIL), a subsidiary, is engaged in the business of Home and Life Style Retailing. RIIL's Retail Business Model was franchisee based model driven by minimum guarantee to the franchises and the same has not proved financially viable for the last two years. RIIL is now in the process completely revamping its business. Keeping in view of long term strategy, the Board of Directors of GHCL in its meeting held on February 25, 2011 had given in-principle approval for sale of its investment held in Rosebys Interiors India Limited. Accordingly, a merchant banking firm has been engaged to locate a suitable buyer to meet its objective.

The operations of Colwell & Salmon USA, subsidiary company engaged in the IT outsourcing business, have been stopped as the same are not viable. Also, another non operating subsidiary namely Fabient Global Limited has been voluntarily wound up during the year by following the process of Easy Exit Scheme 2011.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, on February 8, 2011, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. As required under the said circular, the Board of Directors of your Company at its meeting held on July 18, 2011 give its consent for not attaching the Balance Sheet of its subsidiaries, as they would be made available to its members at the Company's website. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any members of the company on receipt of a written request from them at the Registered Office of the Company. The Annual Accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company these documents on any working day during business hours. The Consolidated Financial Statements presented by the Company include financial results of its subsidiary companies. Details regarding subsidiaries have been provided in note no. 12 (refer page no. 43 of Annual Report) and also under Statement u/s 212 of the Companies Act, 1956 (refer page no. 54 to page no. 56).

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, 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

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 2010-11 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 bought back and/ or filly paid and there is no outstanding FCCB in the books of the Company.

DIRECTORS

Shri Sanjay Dalmia, Shri Neelabh Dalmia, Shri Sanjiv Tyagi and Shri Mahesh Kheria directors retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their appointments at the ensuing Annual General Meeting.

Shri Surendra Singh was appointed as Additional Directors with effect from November 23, 2010. The Company has received notice u/s 257 of the Companies Act, 1956 from shareholder signifying intention to propose at the ensuing Annual General Meeting the candidature of Shri Surendra Singh Director of the Company. The Board recommends his appointment at the ensuing Annual General Meeting.

Mr. Naresh Chandra, Director resigned w.e.f November 3, 2010. Your Directors wish to record their gratitude and appreciation for the contribution by above director 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, as amended, are set out in Annexure to the Directors' Report and forms part of the Report. However, having regard to the provisions of Section 219 (1)(b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto . Any member 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 2011-12.

AUDITORS' REPORT

The Auditors have qualified on certain matters and the same are clarified in notes on accounts no. 2 and 31 which are forming part of Balance Sheet as at March 31, 2011 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, 19 56, 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, 2011 the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there has been no material departures from the same ;

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, 2011 and of the profits of the Company for the financial year ended March 31, 2011;

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, 2011 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 18, 2011 **SANJAY DALMIA**
Place: New Delhi **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 stabilized and efforts are being made for 100% briquette usage during non-monsoon months.
3 Revamping of Old nano filtration plant done, reduced load on high energy consuming RO plants and cost intensive seawater processing.
4 Detailed energy audit by CII was carried out, recommendations being implemented in phases.

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

1 Installation of condensing turbine for better steam power balance.
2 Installation of 120 TPH motor driven boiler feed water pump.
3 Implementation of CII recommendations.
4 Installation of Narmada water pipe line. This will eliminate operation of high energy consuming RO plants.

B. POWER & FUEL CONSUMED	**Year ended March 31,2011**	Year ended March 31,2010
1 Electricity		
(i) Purchased Units (lacs kwh)	**777.50**	623.17
Total amount (₹ lacs)	**4,216.65**	3,305.66
Rate per Unit (₹)	**5.42**	5.30
(ii) Own Generation		
(a) Through DG		
Units (lacs kwh)	**69.03**	79.13
Units per ltr of Diesel Oil	**3.34**	3.41
Cost per Unit (₹)	**10.66**	9.58
(b) Through GTG		
Units (lacs kwh)	**221.14**	206.27
Units per SCM of Gas	**3.76**	3.58
Cost per Unit (₹)	**5.00**	4.56
(c) Through TG		
Units (lacs kwh)	**1,627.52**	1,587.95
Cost per Unit (₹)	**1.80**	1.61
2 Coal		
Quantity (MT)	**1,89,147.00**	1,71,061.25
Total Cost (₹ lacs)	**10,374.43**	8,210.85
Average Rate (₹/MT)	**5,484.85**	4,799.95
3 Lignite		
Quantity (MT)	**2,97,254.00**	3,27,680.00
Total Cost (₹ lacs)	**4,401.46**	3,549.91
Average Rate (₹/MT)	**1,480.71**	1,083.35

4 Consumption per Unit of Production

		Electricity (kwh/MT)	
	Production (MT)	**Year ended March 31, 2011**	Year ended March 31, 2010
Soda Ash	7,10,012	**252.49**	256.32
Salt	35,818	**31.34**	37.05
Yarn	12,743	**5.18**	4.64
Cloth (Fabric '000 Meters)	30,336	**0.76**	0.73
Coal -Soda Ash (MT/MT)	7,10,012	**0.27**	0.25
Lignite - Soda Ash (MT/MT)	7,10,012	**0.42**	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	₹ 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	
Options lapsed in respect of 5 employees who have left / retired in earlier years.	90000	
Variation of Terms of Options	Nil	
Money realized by exercise of options	Nil	
Total Number of Options in force as on March 31, 2011	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.	₹ 76.95 per share	

MANAGEMENT DISCUSSION AND ANALYSIS 2011

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, 2011 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

The Indian economy has emerged with remarkable rapidity from the slow down caused by the global financial crisis of 2007-09. During the year 2010-11, the Indian economy has grown by 8.60% as compared to growth of 8% achieved in 2009-10 as per the revised estimates released by CSO. Agricultural growth was above trend, following a good monsoon. The index of Industrial production (IIP) which grew by 10.4% during the first half of 2010-11, moderated subsequently. However, other indicators, such as the manufacturing PMI, tax collections, corporate sales and earnings growth, credit off-take by industry (other than infrastructure) and export performance, suggested that economic activity was strong.

The global economy during the first quarter of 2011 continued with the momentum of late 2010. The global manufacturing purchasing managers’ Index (PMI) for February 2011 was closed to record high, while the global services PMI recorded its fastest pace of expansion in almost five years. Although these indices slipped somewhat in March 2011, they signaled continuing expansion. However, consumer confidence in major countries, which improved during January to February 2011, moderated in March 2011 on the back of higher oil prices.

GDP growth in US, which was strong at 3.1% in Q4 of 2010, slipped to 1.8% reflecting a decline in government spending, declaration in private consumption and increase in imports. Clearly a number of weaknesses persist. The US housing market remains weak. More generally, unemployment rates continue to remain elevated in major advanced economies, albeit with some improvement in US. Finally and most importantly, commodity price increases have accelerated, engendering global inflationary fears and posing downside risks to growth.

The Brent crude price surged form an average of US$75 barrel during May –September 2010 to US$123 a barrel by April 2011. The International Monetary Fund’s (IMF) in its April 2011 World Economic Outlook (WEO) has assumed US$ 107 barrel for the full year 2011. Initially, oil prices were buoyed by strong global demand and excessive liquidity. Since February 2011, oil prices come under further pressure on account of apprehensions about supply disruptions due to political developments in the Middle East and North African (MENA) region. The demand for oil is expected to increase with the possibility of Japan substituting some of its shut-in nuclear power capacity with oil based generation, combined with higher energy usage once reconstruction gets underway.

In the recent period, commodity prices have been rising due to strong demand from emerging market economies (EMEs) and financialisation of commodity markets. According to the Food and Agriculture Organization (FAO), international food prices rose by 37% in March 2011, reflecting both higher demand and weather related supply disruptions. The increase in global food prices was led by the prices of cereals (60%), edible oils (49%) and sugar (41%).

Commodity prices are now exerting a direct impact on inflation in advanced economies, despite substantial negative output gaps. They have also accentuated inflationary pressures in EMEs, which were already experiencing strong revival in demand. While major EMEs have been tightening monetary policies for more than year now, the European Central Bank has recently raised its policy rate – the first central bank to do so among the major advanced economies – after maintaining them at historically low levels for almost two years. Central banks in other advanced economies are also under pressure to withdraw monetary accommodation. The above trend poses appreciable downside risks to global economic activity.

As per Government estimates, the Indian Economy is poised for more than 8% growth in fiscal 2011-12. However, Inflation which was the primary macroeconomic concern throughout 2010-11, still remains the biggest challenge to the growth of Indian economy. High inflation was driven by combination of factors, both structural and transitory. As food price inflation moderated, consumer price index (CPI) measures of inflation declined to 8.8 - 9.1 percent in March 2011 from 13.3 - 15.0 percent in April 2010. Over the same period, whole sale price index (WPI) inflation remained elevated reflecting increases in non food primary articles prices and importantly, non food manufactured product prices. This led to a broad convergence of WPI and CPI inflation by the end of 2010-11. The signs of moderation in Indian economy emerged in the 2nd half of 2010-11. Going forward, high oil and other commodity prices and the impact of the anti-inflationary monetary stance will weigh on growth. Growth is expected to moderate in 2011-12 from its pace in 2010-11. First, notwithstanding, the preliminary indication of a normal monsoon by the India Metrological Department (IMD) during 2011, agricultural growth is likely to revert to its trend growth from the higher base of last year. Second, the pace of industrial activity has been slowing mainly due to the impact of past monetary policy actions and high input prices.

The global recovery is expected to sustain in 2011, although growth will slow down marginally from its pace in 2010. According to IMF WEO (April 2011) global growth is likely to moderate from 5.0% in 2010 to 4.4% in 2011. Growth is projected to decelerate in advanced economies due to waning of impact of fiscal stimulus, and high oil and other commodity prices. Growth in EMSs is also expected to decelerate on account of monetary tightening and rising commodity prices.

COMPANY PERFORMANCE- PERFORMANCE HIGHLIGHTS

- Revenue for the financial year ended 31st March 2011 has increased by 23.35% to ₹ 1511.46 Crore as against ₹ 1225.46 Crore for the previous Financial Year ended 31st March 2010.
- Profit before financial expenses and depreciation for the financial year ended March 31, 2011 has risen by 15.38% to ₹349.83 Crore as compared to ₹303.20 Crore for the previous Financial Year ended 31st March 2010.
- PBT (Profit Before Tax) for the financial year ended March 31, 2011 is higher by 27.42% at ₹ 154.99 Crore against ₹ 121.64 Crore for the previous Financial Year ended 31st March 2010.

INORGANIC CHEMICALS (SODA ASH) GLOBAL SODA ASH INDUSTRY

Demand-Supply Scenario

Demand

The Global Soda Ash demand was 46 million tons in 2010 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 2009. In 2010 the markets have recovered much faster than the earlier expectation. Demand for Soda Ash remained robust during the year, price pressure from key inputs such as salt and energy weighed heavily. However, there has been a noticeable improvement in the soda ash prices from the fourth quarter onwards. The industry is optimistic about the price trend. Emerging economies – particularly in China and the wider Southeast Asia region, the Middle East, South Asia and South America continue to be "growth driver" for Soda Ash. Rising GDPs and urbanization in these regions have led to a higher per capita consumption of products manufactured using soda ash. Demand for glass and detergents in emerging world markets surged in the last few years. Hence the global outlook is promising for soda ash. The demand for soda ash if forecast to grow about 3 to 4 percent per year over the next five years.

Supply

China is the largest Soda Ash player in the world by having a capacity of 25 Mn. MT which is around 45% of the world capacity, whereas US capacity is only 11.41 Mn. MT. As per Chemsult March 2011 China's operating capacity is 80-85% in 2010, produced 20.3 million tons and domestic consumption was 18.7 million tons. The five main US natural soda ash producers are - FMC, General Chemical (TCL), OCI Wyoming, Solvay and Searless 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. US produced 10.4 million tones of soda ash and their annual production represents a 95.5% operating rate, based upon present operating/ effective capacity. US consumption was 5 million tons and exported 5.4 Million tons.

The world's largest deposit of trona is in the Green River Basin of Wyoming in USA having a presence of world's major companies in the area contributing to the sustained growth of US exports. With abundant reserves, US soda ash players dominate the international trade. US faith in global soda ash demand is demonstrated by the fact that a couple of weeks back, FMC confirmed plans to more than double soda ash production capacity at its site in Granger, Wyoming, to 1.2m by late 2013 - early 2014 and have already finalised the Design, Engineering & Construction consultants for the same. US exports appear to be at an all time high and growing steadily with a major surge to Asia and South America. Price hikes by China have given US producers a big edge as well as a strong boost to margins.

Industry Outlook

There is a noticeable tightness in global soda ash markets and most analysts expect a rebound in soda ash demand over the next few months driven by glass production in China, India and other Asian countries. At the same time there is an extremely sharp increase in input costs for soda ash manufacturers in all regions. Consequently, supported by rising demand and cost pressures soda ash prices are expected to rise in all regions in the second half of the year. World's total soda ash demand which at present is at 46.00 Mn MT is expected to grow by at least 3-4 % over the medium term with more than 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 consumption from 10.85 kilograms in 2007 to an expected 12.00 kilograms in 2011.

China is likely to add at least 1.00 to 1.5 Mn MT capacities every year 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.

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 55%, Detergents 15%, Chemical 10% and others 20%.

Indian Scenario

The strong rebound of the Indian Economy was witnessed in Soda Ash also as demand growth rebounded to a very healthy 6% in 2010. 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 Kenya, Europe, Pakistan & other countries like Turkey & Russia 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 had tampered Chinese Imports to some extent, the said duty has lapsed in April 2011. Continued imports from other European producers like Turkey/Russia/Romania and Ukraine where domestic markets still remain weak remain a big challenge for the Indian soda Ash industry. An application for Anti-Dumping has been filed with the ADD authorities and continuous follow up is on to get an expeditious order.

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 3.1 Mn MT. In last financial year (2010-11) the capacity utilization was of only 77% of the domestic production capacity.

The total size of the Indian soda ash market is about 2.7 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, however currently the sourcing of these raw materials are posing a problem for the industry on various counts. Notwithstanding these constraints, availability of energy efficient technological plants and the position to cater to the soda ash needs of high growth markets viz. Middle East & South East Asian and SAARC countries gives the Indian producers an edge. 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 40% while 60% is light).

In its first phase of expansion, GHCL has raised its domestic capacity by about 40 per cent to 8.5 lakhs tons. The Romanian Soda Ash Operations, however, remain shut due to high gas prices and outstanding issues with gas supplier M/s Romgaz, which has initiated insolvency proceedings against GHCL Upsom, Romania. The Management is in dialogue with BCR Bank, Romgaz and the Romanian Government to work out a re-organization plan of GHCL Upsom, if feasible.

In India 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, St Gobain Glass and Phillips.

Opportunity And Concerns

The Indian industry suffers from the weaknesses of concentration of 95% capacity in Gujarat and the cost of transport to markets in South and East India, which constitutes 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 (CSI) Satisfaction initiatives and the speedy response to the needs of the market place. The impact of Global slowdown also impacted Romania Soda Ash operations as the unit remains shut.

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.

Textiles – Outlook & Growth

The Indian Textiles Industry has a formidable presence in the National Economy and is the 2nd largest in the World. The Textile Industry contributes about 14% to the country's Industrial Production and around 20% to the Country's Export earnings according to the Annual Report of The Ministry of Textiles. It is one of the largest provider of employment in India with direct employment to more than 35 million people.

The industry which grew only at 3-4% in six decades has now accelerated to annual growth rate of more than 10%. This has been possible due to dismantling of Global quotas in 2005 in the Textiles arena which led India and China emerge as winners. This also led to aggressive realignment of production and outsourcing facilities being shifted to India and China due to the cost advantage it brings. Favorable Government policies such as low finance cost under TUFs comparable to any country in the World, capital subsidy and setting up of Textile and Apparel parks etc, are the other major positives which are driving the growth in the Textile sector. After registering a decline in 2008-09 due to global financial crisis, the textile industry emerged very strongly registering a growth of around 8% in 2009-10 and around 10% in 2010-11. The Textile exports have also witnessed a significant growth of more than 20% during 2010-11 and stood at around US$20Bn. The Government has now set a target of US$ 30Bn for Textile exports during the year 2011-12. 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 which augurs well for the sector.

GHCL - Textiles

GHCL Limited is one of the largest integrated textile manufacturers in the country with an installed spinning capacity of 147,000 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, sateens stripes, dobbies and jacquards.

GHCL has achieved remarkable performance in its textile business for the year 2010-11 in terms of overall performance and profitability of the company. Due to its sustained marketing efforts, the company has successfully made deep in roads with large Global Retailers for their replenishment programs. GHCL currently has a customer base comprising of major retailers like Wal-Mart, K-Mart, Sears, Macys, Bed Bath & Beyond, J C Penny and House of Fraser etc. in both US and European Markets. 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 year 2010-11 saw an unprecedented increase in cotton prices which increased by more than 100% as compared to last year. However, due to its good cotton coverage, the company was able to overcome the impact of increase in cotton cost. However, this may pose a major challenge in the year 2011-12.

Opportunities, Threats And Risk Mitigants:

With the strong growth in Indian Economy as well as good recovery in Global Economy, there is a significant opportunity of growth for the Indian Textile Industry. Exports to the US, EU and other countries are likely to gain further momentum in the coming months.

However, there are significant challenges from other countries like Bangladesh, Vietnam etc in terms of managing the cost and retaining the market share. In 2010-11 cotton crop season (Oct'10 – Sept'11), the cotton prices had increased abnormally in the first half of the year creating a risk element of a steep fall in the cotton prices during the second half of the year. This could have a major impact on the performance of the spinning division of the company. GHCL recognizes this challenge and is taking steps to minimize the cost of production to overcome the above. The company is planning to enhance the volume of production and is implementing new Open End project to improve the performance. The cost and sourcing of fabric remains another challenge area. To overcome this, the company is expanding its weaving capacity by 50% to have better control on the fabric availability and cost.

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 advice 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 ₹2000 Crore have been allocated by the Government through Technology up-gradation 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.

Rosebys - Retail Business

GHCL's retail initiative under its company Rosebys Interiors India Limited (RIIL) was primarily focused in the business of Home and Life Style Retailing. RIIL's Retail Business Model was franchisee based model driven by minimum guarantee to the franchises and the same has not proved financially viable for the last two years. RIIL is now in the process completely revamping its business. Keeping in view of its long term strategy, GHCL has decided to divest this business and has accordingly engaged a merchant banking firm to find a suitable buyer for RIIL.

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, 2011, the Company had 2964 employees on its permanent rolls covering all divisions. During the financial year 2010-11, the company, continuing its belief in the ability of its people to achieve various goals, targets and objectives in realization of its vision and mission took many efforts in their development – both professional and managerial.

The Indian corporate world, which was not much affected by the global financial turmoil a couple of years ago, has realized that more than the material resources, it is the human capital that would be bringing in the real results of doing business. Subsequently, there has been renewed focus across industries and sectors to acquire talent, develop competencies and retain key performers to keep their edge over competition. Corporates have also been liberal in extending salaries, benefits, perks and relaxed working conditions to their staff, again to retain and motivate good performers. The company, as it has always been doing, during the year 2010-11 also paid significant attention towards improvement of employees' potential, their commitment to the interests of the organization as well as building an unparalleled team spirit amongst them. So much so that, the company has declared 2011 as the HR year which has paved way for introducing a host of initiatives aimed at establishing the human resources function at the core of the organization.

The various projects initiated a year back viz. DISHA, the top management forum established for integration of people development with business goals, MILAP, the unit / location wise get-together with a wider participation of employees to address various day to day people related issues etc. have established themselves and are now contributing to the overall objectives of people development.

Another significant initiative was the launch of a Monthly News Digest which is being published electronically and is available to all employees in the company. This digest carries news and articles on company business, management development issues, cultural activities, achievements of employees etc. and within a year of its publication has emerged as the prime medium of the organization for internal communication. It has also helped in giving proper recognition to commendable performances by employees even from the remotest manufacturing sites.

Further, with the objective of improving the value systems in the organization, certain core values have been identified and formally rolled out across the organization for everyone to recognize, adopt and practice in all their company related activities. These values viz. Respect, Ownership, Trust and Integrated Teamwork together are expected to bring a quantum jump in the way employees interact and deal with colleagues as well as their external contacts.

In the area of executive performance management, the company has started assessment of performance and potential separately to plan and implement employee development programmes more effectively. As far as performance appraisal is concerned, now a broad based evaluation process has been implemented to negate chances of errors and subjectivity. Executives are being thoroughly assessed on their professional skills, performance on the job, potential for leadership and higher responsibilities as well as team skills and rewarded accordingly. In addition to the annual performance appraisal process, shop floor performance is also being acknowledged and rewarded through two schemes viz. On the Spot Reward and Exemplary Performance Award. These schemes have proved to be very successful in motivating employees in their everyday work.

With an aim to gauge the image of the company as an employer, evaluation of job candidates' feedback on recruitment process as well as feedback from separating employees are being obtained and analysed. Necessary corrective measures are being adopted on a regular basis to bring in improvements in these areas.

On the industrial relations front, the company enjoys absolute peace and harmony with no loss of even a single day's production. The employees' unions share and appreciate the collaborative and pro-employee approach of the management and support it in many ways than one.

Corporate Social Responsibility – Though, the company has always been doing the right things towards fulfilling its obligations towards the social wellbeing, to do even more, a separate trust – GHCL Foundation Trust – has been created with the prime objective of implementing various projects for the betterment of society in localities around its operations. The trust, directly under the supervision of the top management is expected to give a clear direction and speed to such operations. It has already completed various assignments which have benefited the local population around the Sutrapada Plant. Gradually, the trust with external participation will be expanding its activities to wider geographical areas than confining itself to our own peripheries.

Environment Protection – During the year 2010-11 also, the company remained focused on its commitment towards conservation of environment and natural resources. The beginning was aptly done by celebrating the Earth Day on 22nd April 2011. Thereafter, periodically many campaigns and projects have been done on this front viz. Save Water campaign, Environment Day celebration, participation in Eco-Sarjan Exhibition as part of Swarnim Gujarat Prakruti Utsav, Ozone day celebration, Observation of Energy conservation day etc. to name a few. Thus, it is only obvious that, the company received the prestigious Green Supplier Award to its Soda Ash Plant from M/s Philips Electronics India.

Healthcare & Safety – Our manufacturing plants take utmost importance to employee health. In addition, the local population is also often invited to take benefit from medical camps, equipment supply schemes etc. Imparting proper training on safety measure is a regular activity at all production sites of the company. Blood donation camps, eye check up camps, Cardiac medical camp, seminars on Yoga, Naturopathy and Traffic Awareness etc. are some of the activities completed during the year. Another major initiative undertaken during the year was Tobacco Eradication Movement at the soda ash and home textiles divisions which was a great success and continued for many months after its launch until achieving its goals.

Providing Economic Stability – It is an undeniable fact that, the company provides formidable economic stability and support to the local population around its manufacturing sites. The sustained progress in the living standards and economic condition of families living around such areas sufficiently reflect the positive change the operations of company's plants have brought in. In addition, through its community development initiatives, the company keeps contributing to the educational, cultural and general welfare of the local population. By undertaking maintenance of road, water resources, schools, places of worship etc, the company is very much a part of the life of people there.

In short, the company has always attached sufficient importance and significance towards welfare of the society, environment, employees, general public as well as government and community organizations while pursuing to achieve its business objectives and missions. In other words, the vision of the company towards the development of human resources is just not confined to the skill development of its own employees but aimed at the overall development of everyone associated with it.

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2011

(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.

Corporate Social Responsibility (CSR)

Social Welfare and Community development is at the core of GHCL's CSR philosophy and this continues to be a priority in the management agenda. The management has engaged M/s. ERNST & YOUNG PVT. LTD., Mumbai, (E & Y) to conduct **"Need Assessment Survey"** of 15 nearby villages of Plant, mines and SMCD. WASMO (Water & Sanitation Management Organization), Gandhi Nagar has agreed to be a partner for drinking water projects implementation. GHCL is undertaking education centers with affiliation to the Government schools in mining, SMCD and lignite divisions to provide education and day care to the children of labourers working in these fields. CSR division has been strengthened to focus mainly on education, health & hygiene, sanitation, medical facilities, drinking water, agriculture, water conservation / rain water harvesting, women & child welfare etc. These projects will be undertaken in nearby villages and five adopted villages around our business units. The company also supports and partners with several NGOs in community development and health initiatives.

In an initiative to the Social, Environment and Quality Compliances, GHCL Team demonstrated excellent level of Compliance in all the areas by implementing and practicing various international standards resulted in ISO 9001 certification and satisfied performance on social and Environmental aspects.

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, 2011 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2011

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. Surendra Singh[2]		
	Mr. G. C. Srivastava		
	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[3]		
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:

1. 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.
2. The Board had appointed Mr. Surendra Singh (Ex-IAS) as an Additional Director w.e.f. November 23, 2010.
3. Subsequent to the year end, EXIM Bank had nominated Mr. R. M. V. Raman in place of Mr. R. W. Khanna as a Nominee Director of the Company w.e.f. April 30, 2011.

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, 2011, five Board Meetings were held on April 28, 2010, July 29, 2010, October 29, 2010, January 25, 2011 and February 25, 2011. 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, 2011 is given herein below:

Sl. No.	**NAME**	**Date Of Board Meeting**					**AGM Attendance (September 9, 2010)**
		April 28, 2010	**July 29, 2010**	**October 29, 2010**	**January 25, 2011**	**February 25, 2011**	
1	Mr Sanjay Dalmia	Yes	Yes	Yes	Yes	Yes	Yes
2	Mr Anurag Dalmia	Yes	Yes	Yes	Yes	No	Yes
3	Mr Neelabh Dalmia	Yes	Yes	Yes	Yes	No	No
4	Dr. B C Jain	Yes	Yes	Yes	Yes	Yes	Yes
5	Mr. G. C. Srivastava	Yes	Yes	Yes	Yes	Yes	No
6	Mr S. H. Ruparell	Yes	No	No	No	No	No
7	Mr. Surendra Singh[1]	N/A	N/A	N/A	Yes	Yes	N/A
8	Mr K C Jani – Nominee IDBI Bank	Yes	Yes	Yes	No	Yes	No
9	Mr R W Khanna – Nominee EXIM Bank	Yes	No	Yes	Yes	Yes	No
10	Mr Naresh Chandra[2]	Yes	Yes	No	N/A	N/A	No
11	Mr Mahesh Kheria	Yes	Yes	Yes	Yes	No	No
12	Mr. Sanjiv Tyagi	Yes	Yes	No	Yes	Yes	No
13	Mr R S Jalan	Yes	Yes	Yes	Yes	Yes	Yes
14	Mr Tej Malhotra	Yes	Yes	Yes	Yes	No	Yes
15	Mr Raman Chopra	Yes	Yes	Yes	Yes	Yes	Yes

Note:

1. The Board had appointed Mr. Surendra Singh (Ex-IAS) as an Additional Director w.e.f. November 23, 2010.
2. Mr. Naresh Chandra resigned w.e.f November 3, 2010.
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. Sanjay Dalmia, Mr. Neelabh Dalmia, Mr. Mahesh Kheria and Mr. Sanjiv Tyagi 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, 2011 and the same is reproduced herein below:

Sl. No.	Name of the Director	Director Identification Number (DIN)	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	00206992	1	-	-
2	Mr. Anurag Dalmia	00120710	1	-	-
3	Mr. Neelabh Dalmia	00121760	-	-	-
4	Dr. B C Jain	00319666	-	-	-
5	Mr. Surendra Singh	00003337	5	3	5
6	Mr. K C Jani	02535299	-	-	-
7	Mr. R W Khanna	00234994	2	-	1
8	Mr. S H Ruparell	00705817	-	-	-

Sl. No.	Name of the Director	Director Identification Number (DIN)	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
9	Mr. Mahesh Kheria	00161680	-	-	-
10	Mr. G. C. Srivastava	02194331	-	-	-
11	Mr. Sanjiv Tyagi	00225812	3	-	-
12	Mr. R S Jalan	00121260	-	-	-
13	Mr. Tej Malhotra	00122419	-	-	-
14	Mr. Raman Chopra	00954190	3	-	-

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.

During the financial year ended March 31, 2011, 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 three Independent Directors having expertise in financial and accounting areas. 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 rendered by the Statutory Auditors.

c. Reviewing with management the annual financial statements before submission to the Board for approval, focusing primarily on;

- Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of Section 217(2AA) of the Companies Act, 1956
- Any changes in accounting policies and practices and reasons for the same.
- Major accounting entries based on exercise of judgement by management.
- Qualifications in draft audit report.
- Significant adjustments made in the financial statements arising out of audit findings.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with 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, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

f. 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, 2011, the Audit Committee of the Board met four times and as per requirement of the Listing Agreement, the gap between any two meetings of the Committee is less than four months. 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
Category	Independent Director (Expertise in Finance, Banking & Accounting)	Nominee Director - IDBI Ltd (Expertise in Banking & Finance)	Independent Director (Expertise in Tax & Accounting)
Date of the Meeting			
April 27, 2010	Yes	Yes	Yes
July 28, 2010	Yes	Yes	Yes
October 29, 2010	Yes	Yes	Yes
January 25, 2011	Yes	No	Yes
Whether attended Last AGM (Yes/No)	Yes	No	No

Note: Managing Director, Executive Director (Finance), Mr. Neelabh Dalmia - Director, 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 27th Annual General Meeting held on September 9, 2010 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 recommends the same for the approval of the Board. The Committee recommends remuneration package of Executive Directors to the Board by reference to individual performance, experience and market conditions with a view to 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, 2011, the Remuneration Committee met twice on May 12, 2010 and July 29, 2010. 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, 2011			
	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			
May 12, 2010	Yes	Yes	Yes
July 29, 2010	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 etc.

The Non - Executive Directors do not draw any remuneration from the Company other than the sitting fee and such commission as may be determined by the Board from time to time within the overall approval given by the shareholders and pursuant to the relevant provisions of the Companies Act, 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 board meeting, audit committee meeting, remuneration committee meeting, subsidiary monitoring committee meeting and project committee meeting attended by Director during the financial year;
- Overall contribution and roll outside the Meeting;
- Role and responsibilities towards growth of the Company.

Details of remuneration, commission and sitting fee paid/payable to the Directors of the Company for the financial year ended March 31, 2011 are given below:

Non-Whole time Directors **(in Rupees)**

Name	**Sitting Fees**	**Commission**
Mr. Sanjay Dalmia	1,40,000	13,72,500
Mr. Anurag Dalmia	80,000	10,80,000
Mr. Neelabh Dalmia	1,60,000	11,25,000
Dr. B C Jain	3,20,000	19,19,659
Mr. Surendra Singh	40,000	5,40,000
Mr. S. H. Ruparell	20,000	2,70,000
Mr. G. C. Srivastava	2,80,000	18,97,159
Mr. K. C. Jani – Nominee IDBI*	2,20,000	14,93,182
Mr. R W Khanna– Nominee EXIM Bank*	80,000	10,80,000
Mr. Naresh Chandra	40,000	5,40,000
Mr. Mahesh Kheria	80,000	10,80,000
Mr. Sanjiv Tyagi	1,20,000	11,02,500
TOTAL	**15,80,000**	1,35,00,000

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	1,80,07,448	1,94,00,000
Mr. Tej Malhotra, Sr. Executive Director (Operations)	1,04,75,752	1,02,00,000
Mr. Raman Chopra, Executive Director (Finance)	97,38,248	1,14,00,000
Total	**3,82,21,448**	**4,10,00,000**

(a) The agreement with the Whole Time Directors is for a period of five years. However, Mr. Tej Malhotra was reappointed for the 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, 2011 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 57 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 57 complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2011:

Sl. No.	Type of Complaints	Total No. of Complaints received during the financial year ended March 31, 2011	Total No. of Complaints resolved during the financial year ended March 31, 2011	No. of Complaints pending as on March 31, 2011*
1	Non-receipt of dividend	269	269	0
2	Share transfer including Dmat request	42	42	0
3	Non receipt of Annual Report	35	35	0
	Total	346	346	0

*There are no complaints pending as on March 31, 2011 except the complaints pending at court or at the end of shareholders due to non submission of the information desired by RTA.

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. Bhuwneshwar Mishra, General Manager & Company Secretary of the Company is the Secretary of the Committee.

Mr. Bhuwneshwar 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, 2011 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, 2011 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

(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, 2011, the Subsidiary Monitoring Committee of the Board met five 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
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)
Date of the Meeting				
April 27, 2010	Yes	Yes	Yes	Yes
July 28, 2010	Yes	Yes	Yes	Yes
October 29, 2010	Yes	Yes	Yes	Yes
January 25, 2011	Yes	Yes	Yes	No
February 25, 2011	Yes	Yes	No	Yes

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, 2011. 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
2009-10	September 9, 2010	10.00 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
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

*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 2009-10:

No special resolution was passed at the 27th Annual General Meeting held on September 9, 2010.

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

Extraordinary General Meeting (EGM)

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

Year 2010-11:

No EGM was held during the financial year 2010-11.

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.

(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 the following:

(i) During the financial year 2008-09, SEBI had passed ad interim, ex-parte order dated April 20, 2009. SEBI had 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 had 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. 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 had filed detailed reply and also given various representations to the SEBI. Further, Dr. K M Abraham, Hon'ble Whole time Member of SEBI, vide his order dated March 14, 2011, revoked his earlier direction issued in the ex-parte order passed in 2009 in respect of GHCL Limited, Chairman, Managing Director, Company Secretary and other 10 promoter entities of GHCL Limited and accordingly they are now free to deal in the securities market. However, investigation is going on and the matter is still pending.

(ii) In other matter, Securities Exchange Board of India (SEBI) vide its Show Cause Notice No. EAD-7/PB/CS/28204/2010 dated November 30, 2010 ("the Notice") had inter alia alleged that GHCL has violated the provisions of Clause 35 of the Listing Agreement and other regulations by not disclosing shares held by promoters which are subject matter of Arbitration process with Indiabulls as an "encumbered shares". Similar notices have also been served to promoters entities. The Company had filed its representation & written submission to the SEBI and stated that the Company has sufficiently disclosed the facts from time to time, as per requirement of law. However, due to ambiguity in the provisions of Takeover Regulations and Clause 35 of Listing Agreement, SEBI has interpreted the term "pledge or otherwise encumbered" different than the view of the Company. Based on the representations, SEBI could not establish the alleged violations against Promoters entities in its order dated March 31, 2011. However, based on advice of legal firm, GHCL Limited had applied for consent settlement on March 16, 2011, to put an end to the protracted proceedings and with a view to avoid litigation and to safeguard the interest of the stakeholders.

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

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

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

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.

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

A qualified practicing Company Secretary has carried out Secretarial Audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

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, 2011 (Un-audited)**
1	English Newspapers in Which quarterly results were published	Economic Times (Ahmedabad edition)	July 30, 2010	October 30, 2010	January 26, 2011	April 30, 2011	April 30, 2011
		Business Line – The Hindu	July 30, 2010	October 30, 2010	January 26, 2011	April 30, 2011	April 30, 2011
2	Vernacular Newspapers in which quarterly results were published	(Economic Times - Gujarati)	July 31, 2010	October 30, 2010	January 26, 2011	April 30, 2011	April 30, 2011

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, 2011 (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, 2011 (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 29, 2010	October 29, 2010	January 25, 2011	April 29, 2011	April 29, 2011
	The Bombay Stock Exchange Ltd. (BSE)	www.bseindia.com	July 29, 2010	October 29, 2010	January 25, 2011	April 29, 2011	April 29, 2011

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	Friday, September 2, 2011	9.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380006
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2011)	By 2nd week of August 2011		
	Financial Reporting for - Quarter - II (ending September 30, 2011)	By 2nd week of November 2011		
	Financial Reporting for - Quarter - III (ending December 31, 2011)	By 2nd week of February 2012		
	Financial Reporting for - Quarter - IV (ending March 31, 2012)	By 2nd week of May 2012		
3	Date of Book Closure	Friday, August 26, 2011 to Friday , September 2, 2011 (both days inclusive)		
4	Dividend Payment	Dividend of ₹ 2.00 per share (20%) will be paid on or after Tuesday, September 6, 2011, 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
	*After final redemption of FCCBs, there is no outstanding of FCCBs as on March 31, 2011. Accordingly, we have requested Singapore Stock Exchange for delisting.			

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, 2011
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 : **rnt.helpdesk@linkintime.co.in**)
9	**Outstanding GDRs / ADRs / Warrants or any convertible instruments:**	
	In 2005, the Company had issued an aggregate of US$ 80.5 million Foreign Currency Convertible Bonds (FCCBs) at a coupon rate of 1%. The subscribers had an option to convert bonds into shares at a price based on price mechanism determined in the offering documents and Bond could be converted at a price of ₹ 147.9533 per share equivalent to USD 3.2278 is exercisable between September 2006 to March 2011. At the beginning of Financial year 2010-11, the outstanding FCCBs were USD 29.00 million. During the Financial year 2010-11, the Company had repurchased (bought back) FCCBs aggregating to face value of USD 21.00 million and extinguished the same in line with the approval received from Reserve Bank of India. Further, on March 18, 2011, the Company had paid full and final outstanding amount in respect of the balance Bond having face value of USD 8.00 million alongwith interest & premium thereon before the maturity date of said Bond i.e. March 21, 2011. After said buy back and redemption, there is no outstanding of FCCBs as on March 31, 2011.	
10	**Address for Correspondence**	
	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to ***Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : rnt.helpdesk@linkintime.co.in***)	
	For General Correspondence: **GHCL Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-39324100, Fax: 079-26423623 (Email : secretarial@ghcl.co.in)**	
11	**Dematerialization of Shares and Liquidity:** 93.06% of the Company's total equity shares representing 9,30,81,025 shares were held in dematerialized form as on March 31, 2011. 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.	

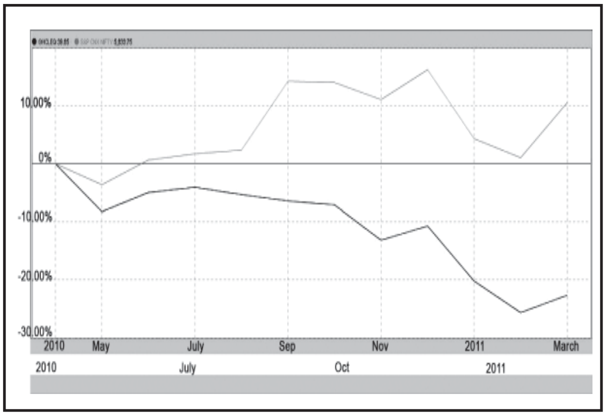
Corporate Benefits to Shareholders

Dividend declared for last 10 years		
Financial Year	**Dividend**	**Dividend (₹ per Share)**
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
2009-10	20.00%	2.00
Equity share of paid up value of ₹ 10 per share		

MONTHWISE STOCK MARKET DATA (BSE & NSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2011

MARKET PRICE DATA						
Month of the financial year 2010-11	**BSE, MUMBAI**			**NSE, MUMBAI**		
	Share Price		**Traded Quantity**	**Share Price**		**Traded Quantity**
	High	**Low**		**High**	**Low**	
April 2010	54.20	41.25	7824374	54.00	41.70	12284563
May 2010	53.30	44.90	2333893	53.40	45.00	2906166
June 2010	51.70	45.10	4089758	51.90	45.50	5672039
July 2010	50.70	46.30	3684554	50.65	46.40	5445704
August 2010	53.50	48.55	4766713	53.60	48.50	7718846
September 2010	50.00	46.80	2677819	51.90	47.00	4206777
October 2010	52.90	47.10	4921170	52.90	47.30	7389833
November 2010	51.45	42.60	2555443	51.45	42.50	4137997
December 2010	50.15	41.00	4968599	47.40	41.20	2140722
January 2011	47.10	40.50	855941	47.25	40.55	1321712
February 2011	41.50	36.20	871028	41.50	36.15	1415238
March 2011	43.70	37.25	9589130	45.70	37.30	8323503

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 2002-03 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 2002-2003.

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
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
2009-10	09-09-2010	September 2017

DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH 2011

No. of Shares held of ₹ 10 each between		No. of share-holders	% of total share-holders	No. of shares	% of total shares
From	To				
1	500	63770	86.14%	10557185	10.56%
501	1000	5486	7.41%	4678799	4.68%
1001	2000	2444	3.30%	3854484	3.85%
2001	3000	771	1.04%	1994549	1.99%
3001	4000	335	0.45%	1216873	1.22%
4001	5000	310	0.42%	1485420	1.49%
5001	10000	437	0.59%	3263817	3.26%
10001	Above	478	0.65%	72968159	72.95%
		74031	**100.00%**	**100019286**	**100.00%**

SHAREHOLDING PATTERN AS ON 31ST MARCH 2011

	Category	No. of shares held	% of share-holding
A	**Promoters Holding**		
1	**Promoters**		
	Indian Promoters	11384369	11.38%
	Foreign Promoters	5507900	5.51%
2	**Others**		
	Trust	152000	0.15%
	Sub-Total	**17044269**	**17.04%**
B	**Non-promoters Holding**		
3	**Institutional Investors**		
	Mutual Funds and UTI	21913	0.02%
	Banks, Financial Institutions & Insurance Companies	6339934	6.34%
	FIIs	243172	0.24%
	Foreign Mutual Fund	204940	0.20%
	Sub-Total	**6809959**	**6.81%**
4	**Non-institutional Investors**		
	Bodies Corporate	36346530	36.34%
	Indian public (Individuals & HUF)	35880536	35.87%
	NRIs, OCBs & Foreign Companies	2195815	2.20%
	Directors & relatives	Nil	0.00%
	Others	1742177	1.74%
	Sub-Total	**76165058**	**76.15%**
	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
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, 2011.

For GHCL LIMITED

Sd/ | Sd/
R S Jalan | Raman Chopra
Managing Director | 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, 2011 and that to the best of our knowledge and belief :
  (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee-
  (i) significant changes in internal control over financial reporting during the year;
  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For GHCL LIMITED

Sd/ | Sd/
R S Jalan | Raman Chopra
Managing Director | Executive Director (Finance)

Date: July 18, 2011

AUDITORS' CERTIFICATE

To the Members of
GHCL LIMITED

We have examined the compliance of conditions of corporate governance by GHCL Limited ('the Company'), for the financial year ended on 31^{st} March, 2011, 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	For and on behalf of
JAYANTILAL THAKKAR & CO	RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants	Chartered Accountants
(Firm Reg. No. 104133W)	(Firm Reg. No. 120294W)
(C. V. THAKKER)	(RAHUL DIVAN)
Partner	Partner
Membership No: 006205	Membership No: 100733
Place : New Delhi	
Date : 18^{th} July, 2011	

AUDITORS' REPORT

To the Members of
GHCL LIMITED

1. We have audited the attached Balance Sheet of GHCL Limited as at 31st March, 2011 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 outstanding Guarantees aggregating to ₹ 17,840 lakhs furnished on behalf of a subsidiary (considered as contingent liabilities in notes to accounts) since it cannot be quantified as on date.*

   b) 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 31 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.

   c) 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.

   d) 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;

   e) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   f) 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;

   g) On the basis of the written representations received from the Directors as at 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

   h) *Subject to our comments in paragraph 4(a) 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 31st March, 2011;

      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 : 18th July, 2011

For and on behalf of

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

(RAHUL DIVAN)
Partner
Membership No: 100733

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, 2011.)

(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, 2011 outstanding for a period of more than six months from the date they become payable.

(b) The disputed statutory dues aggregating to ₹307.50 lakhs that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	**Name of the statute**	**Nature of dues**	**Forum where dispute is pending**	**Period to which the amount relates**	**Amount (₹ in Lakhs)**
1	Income Tax Act, 1961	Export Sales Commission	Commissioner of Income Tax (Appeal), Ahmedabad	F. Y. 2005-2006	58.67
		TDS Payment		F. Y. 2007-2008	40.92
2	Central Excise Act, 1944	CENVAT credit	High Court Chennai	2001-02	3.20
			Customs, Excise and Service Tax Appellate Tribunal	2002-03	0.73

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in Lakhs)
3	Urban Land Tax Act	Urban Land Tax	Madurai Corporation	1981-2009	19.80
			High Court Chennai	1981-2009	12.67
			High Court Chennai	2010-2011	43.34
4	Bombay Tenancy & Agricultural Land Tax Act, 1948	Non-Agriculture conversion Premium for Land	High Court Ahmedabad	2005-2006	121.17
5	The Employee's State Insurance Act, 1948	Contribution Demand	ESI Court, Madurai	Various Years	5.69
			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 statue 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, 2011 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, 2011.

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 : 18th July, 2011

For and on behalf of

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

(RAHUL DIVAN)
Partner
Membership No: 100733

BALANCE SHEET AS AT 31ST MARCH 2011

	Schedules	As at 31.03.2011 (₹ in Lacs)		As at 31.03.2010 (₹ in Lacs)
SOURCES OF FUNDS				
Shareholder's Funds				
Capital	1	**10,001.93**		10,001.93
Reserves and Surplus	2	**91,946.60**		108,483.70
			101,948.53	118,485.63
Loan Funds				
Secured Loans	3	**130,825.41**		111,527.45
Unsecured Loans	4	**9,634.47**		7,407.78
Unsecured - Foreign Currency Convertible Bonds	4 A	-		13,023.90
			140,459.88	131,959.13
Deferred Tax Liability (Net)			**17,119.45**	13,411.12
Total			**259,527.86**	263,855.88
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block		**271,467.70**		270,432.03
Less : Depreciation		**76,465.28**		68,024.00
Net Block	5	**195,002.42**		202,408.03
Capital Work-in-Progress		**454.33**		363.74
Advances against capital expenditure		**276.82**		205.12
			195,733.57	202,976.89
Investments	6		**2,503.40**	5,917.84
Current Assets, Loans and Advances	7			
Inventories		**38,319.17**		31,096.48
Sundry Debtors		**19,129.31**		15,170.24
Cash and Bank Balances		**3,144.13**		2,497.48
Loans and Advances		**34,256.09**		31,897.78
		94,848.70		80,661.98
Less : Current Liabilities and Provisions	8			
Liabilities		**31,222.91**		23,335.75
Provisions		**2,334.90**		2,367.12
		33,557.81		25,702.87
Net Current Assets			**61,290.89**	54,959.11
Miscellaneous Expenditure				
(to the extent not written off or adjusted)				
Deferred Revenue Expenses			-	2.04
Total			**259,527.86**	263,855.88
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

(C. V. Thakker)
Partner

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

(Rahul Divan)
Partner

Place : New Delhi
Date :18th July 2011

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

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date : 18th July 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

	Schedules	For the Year Ended 31.03.2011 (₹ in Lacs)		For the Year Ended 31.03.2010 (₹ in Lacs)
INCOME				
Sales - Gross		**156,337.37**		125,386.10
Less: Excise Duty		**8,853.70**		6,227.67
			147,483.67	119,158.43
Income from Services			**1,850.29**	2,237.08
Insurance Claim for Loss of Profit			**329.34**	-
Other Income	9		**1,483.40**	1,150.58
TOTAL INCOME			**151,146.70**	122,546.09
EXPENDITURE				
Manufacturing Expenses	10		**95,602.22**	69,964.55
Purchase of Trading Goods			**1,855.90**	627.28
Payments to and Provisions for Employees	11		**9,567.38**	8,297.64
Administrative and Miscellaneous Expenses	12		**4,518.29**	4,185.11
Selling and Distribution Expenses	13		**7,061.70**	8,201.17
Excise Duty			**73.33**	(191.08)
(Increase)/Decrease in Stock	14		**(2,514.66)**	1,141.05
			116,164.16	92,225.72
Profit Before Financial Expenses and Depreciation			**34,982.54**	30,320.37
Financial Expenses	15		**11,043.48**	10,544.94
Profit Before Depreciation			**23,939.06**	19,775.43
Depreciation/ Amortisation		**10,376.50**		9,548.13
Less: Transferred from Business Development Reserve		**1,936.95**		1,936.95
			8,439.55	7,611.18
Profit Before Taxation			**15,499.51**	12,164.25
Provision For Taxes				
- Current Tax(Net of MAT Credit)			**52.52**	12.00
- Deferred Tax (Net)			**3,814.45**	(1,932.29)
Profit For The Year after Tax			**11,632.54**	14,084.54
Balance brought forward from previous year			**23,786.07**	28,431.93
Prior period adjustments (See note no 9 of Schedule 16)			**64.29**	(11.29)
Excess / (Short) provision for Tax for earlier years			**(30.61)**	21.97
Excess provision for Deferred Tax for earlier years			**106.13**	-
Transferred from General Reserve as per Scheme of arrangement			**18,475.11**	16,622.24
Receivables/Balances written off as per Scheme of arrangement			**(18,475.11)**	(16,622.24)
Amount Available For Appropriation			**35,558.42**	42,527.15
APPROPRIATIONS				
Transfer to General Reserve			**1,163.25**	1,408.45
Transfer to General Reserve as per Scheme of arrangement			**17,500.00**	15,000.00
Proposed Dividend on Equity Shares			**2,000.39**	2,000.39
Tax on Dividend			**324.51**	332.24
Balance Carried To Balance Sheet			**14,570.27**	23,786.07
			35,558.42	42,527.15
Earnings per Share(Rupees) - Basic			**11.77**	14.09
Earnings per Share(Rupees) - Diluted			**11.20**	12.30
(See note no 28 of Schedule 16)				
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
Jayantilal Thakkar & Co.
Chartered Accountants

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

(C. V. Thakker)
Partner

(Rahul Divan)
Partner

Place : New Delhi
Date :18th July 2011

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

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date : 18th July 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011

		For the Year Ended 31.03.2011 (₹ in Lacs)		For the Year Ended 31.03.2010 (₹ in Lacs)
A.	CASH FLOW FROM OPERATING ACTIVITIES			
	Net Profit before tax and Extraordinary items		**15,499.51**	12,164.25
	Adjustment for :			
	Depreciation / Amortisation	**8,439.55**		7,611.18
	Foreign Exchange Gain (Net)	**(532.21)**		(527.82)
	Interest on Investments	**(4.07)**		(0.35)
	Income From Dividend	**(3.56)**		(2.94)
	Prior Period Adjustments	**64.29**		(11.29)
	(Profit) / Loss on Sales / Discarding of Fixed Assets (Net)	**378.31**		(34.53)
	Provision for Doubtful Debts / Advances (Net)	**(109.84)**		0.41
	Profit on Sale of Investments (Net)	**(3.15)**		(0.73)
	Financial Expenses (Net)	**11,043.48**	**19,272.80**	10,544.94
	Operating Profit before Working Capital Changes		**34,772.31**	29,743.12
	Adjustments for :			
	Trade & other Receivables	**(4,090.98)**		(3,619.12)
	Inventories	**(7,222.69)**		(5,071.25)
	Trade payables	**6,512.66**	**(4,801.01)**	(1,688.23)
	Other Adjustments			
	Deferred Revenue Expenses		**2.04**	9.72
	Cash Generated from Operations		**29,973.34**	19,374.24
	Direct taxes paid		**(89.49)**	(178.25)
	Net cash from Operating Activities		**29,883.85**	19,195.99
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets		**(4,213.04)**	(7,264.57)
	Advance for Capital Expenditure		**(71.71)**	799.94
	Sale of Fixed Assets		**151.57**	104.46
	(Purchase) / Sale of Investments		**2,050.00**	(2,049.00)
	Profit on Sale of Investments (Net)		**3.15**	0.73
	Investment in Subsidiaries		**-**	(9.09)
	Advances in Subsidiaries		**(3,198.84)**	(6,581.82)
	Interest on Investments		**4.07**	0.35
	Interest Received		**77.66**	58.90
	Dividend Received		**3.56**	2.94
	Net cash used in Investing Activities		**(5,193.58)**	(14,937.16)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from Secured Loans		**59,476.55**	48,136.71
	Repayment of Secured Loans		**(32,855.43)**	(31,589.29)
	Proceeds from Unsecured Loans		**5,678.53**	7,500.00
	Repayment of Unsecured Loans		**(8,607.78)**	(4,592.22)
	Payment of Deutsche Bank debt		**(18,475.11)**	-
	Repayment of FCCBs		**(15,736.82)**	(13,293.35)
	Gain on Exchange		**532.21**	527.82
	Interest and Finance Charges Paid		**(11,731.42)**	(10,804.86)
	Dividend and tax thereon paid		**(2,324.35)**	(2,340.67)
Net Cash from Financing Activities			**(24,043.62)**	(6,455.86)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)			**646.65**	(2,197.03)
Cash and Cash Equivalents at beginning of year			**2,497.48**	4,694.51
Cash and Cash Equivalents at end of year			**3,144.13**	2,497.48

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

(Rahul Divan)
Partner

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date :18th July 2011

Place : New Delhi
Date : 18th July 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET

SCHEDULE 1 : SHARE CAPITAL

	As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
SHARE CAPITAL		
Authorised		
175,000,000 Equity Shares of ₹10/- each	17,500.00	17,500.00
	17,500.00	17,500.00
Issued, Subscribed and Paid up		
100,019,286 Equity Shares of ₹ 10/- each fully paid up	10,001.93	10,001.93
	10,001.93	10,001.93

Notes :

1) a) 21,250,400 Equity Shares of ₹ 10/- each fully paid up were issued to Financial Institutions at par on conversion of loan of ₹ 2125 Lacs.

b) 1,838,011 Equity Shares of ₹ 10/- each fully paid up were issued pursuant to the Scheme of Amalgamation for consideration other than cash.

c) 430,875 Equity Shares of ₹ 10/- each fully paid up were alloted on conversion of Foreign Currency Convertible Bonds.

SCHEDULE 2 : RESERVES AND SURPLUS

			As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
CAPITAL RESERVE				
Cash subsidy		**25.69**		25.69
Surplus on re-issue of forfeited Shares		**15.50**		15.50
Forfeiture of Preferential Convertible Warrants		**715.73**		715.73
			756.92	756.92
BUSINESS DEVELOPMENT RESERVE				
As per last Balance Sheet		**72,034.00**		75,917.64
Add: Gain/(Premium) on FCCB Buy back / redemmed		**(926.81)**		2,357.35
		71,107.19		78,274.99
Less: Diminution in value of Investment/ Advances/ Receivables	**(2,654.45)**			(4,242.70)
Less: Depreciation /Sales on Revalued Assets	**(2,092.47)**	**(4,746.92)**		(1,998.29)
			66,360.27	72,034.00
CAPITAL REDEMPTION RESERVE				
As per last Balance Sheet			**1,000.00**	1,000.00
FOREIGN CURRENCY TRANSLATION RESERVE				
As per last Balance Sheet		**1,786.11**		(4,039.09)
Adjustment during the year		**(1,835.71)**		5,825.20
			(49.60)	1,786.11
SECURITIES PREMIUM ACCOUNT				
As per last Balance Sheet			**1,815.04**	1,815.04
GENERAL RESERVE				
As per last Balance Sheet		**7,305.56**		7,519.35
Add: Transfer From Profit and Loss Account	**1,163.25**			1,408.45
Add: Transfer From Profit and Loss Account as per Scheme of arrangement	**17,500.00**			15,000.00
		18,663.25		16,408.45
		25,968.81		23,927.80
Less: Transfer to Profit and Loss Account as per Scheme of arrangement		**(18,475.11)**		(16,622.24)
			7,493.70	7,305.56
PROFIT AND LOSS ACCOUNT				
Balance as per account annexed			**14,570.27**	23,786.07
Total			**91,946.60**	108,483.70

SCHEDULE 3 : SECURED LOANS

	As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
FROM BANKS / FINANCIAL INSTITUTIONS		
Working Capital Loans	**36,811.02**	29,007.27
Rupee Term Loans	**94,014.39**	82,520.18
Total	**130,825.41**	111,527.45

Notes:

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

a) Loan aggregating to ₹ 21,185.56 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 ₹ 6,833.34 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.

c) Loan aggregating to ₹ 22,659.33 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.

d) Loan aggregating to ₹ 10,231.88 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.

e) Loan aggregating to ₹ 647.72 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.

f) Loan aggregating to ₹ 4,727.90 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.

g) Loan aggregating to ₹ 1,637.10 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.

h) Loan aggregating to ₹ 15,070.70 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.

i) Loan aggregating to ₹ 493.39 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.

j) Loan aggregating to ₹ 697.02 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.

k) Loan aggregating to ₹ 1,274.97 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.

l) Loan aggregating to ₹ 3,517.67 Lacs is secured by extension of first charge on all present movable assets of Edible Salt division situated at Thiruporur, Vedaranyam and Industrial Salt Division and exclusive first charge on the factory land and building situated at Thiruporur village, Chengalpattu Taluka, Kancheepuram District.

m) Loan aggregating to ₹ 5,037.81 Lacs is secured by an exclusive charge on immovable property situated at Plot No.B-38, Section-I, New Okhla Industrial Area (Noida), Dist.-Gautam Budh Nagar, Uttar Pradesh.

2) Working Capital Loans are secured by way of hypothecation of stock-in-trade and book debts of Soda Ash / Home Textile Division / Edible Salt / Textile Divisions and second charge on fixed assets of Soda Ash Division / Home Textile Division and Textile Division, both present and future.

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 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
Loan from banks	**9,634.47**	7,407.78
Total	**9,634.47**	7,407.78

SCHEDULE 4A :UNSECURED FOREIGN CURRENCY CONVERTIBLE BONDS

	As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
Foreign Currency Convertible Bonds	-	13,023.90
Total	-	13,023.90

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. During the year the Company has bought back/ redeemed and cancelled 2900 (Previous year 3900) No. of Foreign Currency Convertible Bonds (FCCBs) of a face value of US $ 10,000 each, at a premium/discount to the face value. As on 31st March, 2011 outstanding balance of FCCBs is NIL.

SCHEDULE 5 : FIXED ASSETS

(₹ In Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-04-2010	Additions (Deletions)	As at 31-03-2011	As at 01-04-2010	Additions (Deletions)	As at 31-03-2011	As at 31-03-2011	As at 31-03-2010
TANGIBLE ASSETS								
Freehold Land	39,549.98	-	39,381.51	-	-	-	39,381.51	39,549.98
		(168.47)			-			
Leasehold Land	38,732.43	-	38,732.43	1,065.06	485.57	1,550.63	37,181.80	37,667.37
	-	-	-		-			
Buildings	17,331.05	108.73	17,356.15	3,893.00	495.97	4,364.50	12,991.65	13,438.05
		(83.63)			(24.47)			
Plant and Machinery	155,081.58	3,475.99	156,459.41	54,543.64	7,228.46	60,283.85	96,175.56	100,537.94
	-	(2,098.16)	-	-	(1,488.25)	-		
Wind Turbine Generators	4,044.93	-	4,044.93	1,115.44	213.57	1,329.01	2,715.92	2,929.49
		-			-			
Furniture and Fixtures	927.53	31.33	601.81	507.87	84.71	354.47	247.34	419.66
	-	(357.05)	-	-	(238.11)	-		
Office Equipments	1,290.05	150.23	1,387.72	629.29	127.54	732.21	655.51	660.76
	-	(52.56)	-	-	(24.62)	-		
Vehicles	398.94	48.88	384.58	164.65	35.56	163.64	220.94	234.29
	-	(63.24)	-	-	(36.57)	-		
Leased Mines	6,114.43	52.18	6,166.61	2,200.27	611.53	2,811.80	3,354.81	3,914.16
INTANGIBLE ASSETS								
Goodwill	262.32	-	262.32	262.32	-	262.32	-	-
		-			-			
Software	534.51	44.86	449.20	286.10	113.84	276.74	172.46	248.41
		(130.17)			(123.20)			
Salt Works Reservoirs and Pans	6,164.28	76.75	6,241.03	3,356.36	979.75	4,336.11	1,904.92	2,807.92
Total	**270,432.03**	**3,988.95**	**271,467.70**	**68,024.00**	**10,376.50**	**76,465.28**	**195,002.42**	**202,408.03**
		(2,953.28)			**(1,935.22)**			
Previous Year	261,930.87	8,909.52	270,432.03	58,752.87	9,548.13	68,024.00	202,408.03	
		(408.36)			(277.00)			

1. Buildings include a sum of ₹ 91.40 Lacs (previous year ₹ 91.40 Lacs) being cost of office premises acquired on ownership basis.
2. Leased mines represent expenditure incurred on development of mines.
3. Cash Subsidy amounting to ₹ 823.35 including (previous years ₹ 823.35 Lacs) relating to Home Textile division at Vapi has been reduced from respective Fixed Assets.
4. Some of the fixed assets have been revalued earlier 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 ₹ 1,01,184.68 lacs.
5. Deletion of Free Hold Land includes ₹ 155.52 lacs being revaluation amount of land of Sree Meenakshi Mills Division at Madurai sold during the year.

SCHEDULE 6 : INVESTMENTS

		As at 31.03.2011 (₹ in Lacs)		As at 31.03.2010 (₹ in Lacs)
LONG TERM INVESTMENTS - (AT COST)				
OTHER THAN TRADE				
Quoted				
8,300	Equity Shares of HDFC Bank Limited of ₹ 10/- each fully paid up	**0.83**		0.83
68,598	Equity Shares of IDBI Limited of ₹ 10/- each fully paid up	**49.34**		49.34
2,595	Equity Shares of Dena Bank of ₹ 10/- each fully paid up	**0.70**		0.70
272,146	Equity Shares of GTC Industries Limited of ₹ 10/- each fully paid up	**495.01**		495.01
4,500	Equity Shares of Canara Bank of ₹ 10/- each fully	**1.58**		1.58
			547.46	547.46
Unquoted				
	Govt. securities - 7 year National Savings Certificates (Pledged with Government Authorities)		**0.82**	0.82

SCHEDULE 6 : INVESTMENTS

			As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ 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 (Written off during the year)	-		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
500000	Equity Shares of ₹ 10 each fully paid of Fabient Global Limited (Written off during the year)	**-**		50.00
50000	Equity Shares of ₹ 10 each fully paid of Fabient Textile Limited	**5.00**		5.00
750	Equity Shares of $ 10 each fully paid of Grace Home Fashion LLC	**3.64**		3.64
1000	Equity Shares of $ 1 each fully paid of Teliforce Holding India Limited	**0.45**		0.45
50,000	Equity Shares of ₹ 10/- each fully paid up of Rosebys International Limited	**5.00**		5.00
			1,950.12	3,314.56
CURRENT INVESTMENTS - (UNQUOTED)				
(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
CURRENT INVESTMENT IN SUBSIDIARY COMPANY - (UNQUOTED)				
50,000	Equity Shares of Rosebys Interiors India Limited ₹ 10/- each fully paid up (12500 shares pledged with J&K Bank against Loan to Rosebys Interiors India Limited) (See Note No 6 of Schedule 16)		**5.00**	5.00
	Total		**2,503.40**	5,917.84

	As at 31.03.2011 Book Value	As at 31.03.2011 Market Value	As at 31.03.2010 Book Value	As at 31.03.2010 Market Value
Quoted	**547.46**	**544.01**	547.46	559.63
Others	**1,955.94**	**-**	5,370.38	-
	2,503.40		5,917.84	

(Details of Investments purchased and sold during the year - See Note No. 24 of Schedule 16)

SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES

		As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ 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		**20,581.38**	16,631.30
Finished goods		**7,454.15**	6,401.60
Stock in process		**2,619.42**	1,157.31
Stores and spares		**7,664.22**	6,906.27
Total		**38,319.17**	31,096.48
Sundry Debtors (Unsecured, considered good unless stated otherwise)			
Outstanding over six months			
Considered good	**147.62**		396.98
Considered doubtful	**0.41**		110.25
Provision for Doubtful Debts	**(0.41)**		(110.25)
		147.62	396.98
Other debts		**18,981.69**	14,773.26
Total		**19,129.31**	15,170.24

SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES

	As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
Cash & Bank Balances		
Cash balance on hand	**16.41**	10.79
Current Account with Banks		
- Scheduled Banks	**2,755.06**	1,837.56
- Non Scheduled Banks		
Deustche Bank (maximum balance ₹ 1885.59 Lacs, Previous Year ₹ 1220.86 Lacs)	**16.62**	16.80
Fixed deposit		
- Scheduled Banks	**334.26**	127.34
(Pledged with Govt. Authorities / Banks - ₹ 67.18 Lacs, Previous Year ₹ 52.85 Lacs)		
In Margin Account	**21.78**	504.99
Total	**3,144.13**	2,497.48
LOANS AND ADVANCES		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received - Considered Good	**12,340.38**	12,767.40
Loan to Employee Stock Option Scheme Trust	**6,403.20**	6,430.10
Share application money for Shares in Subsidiary Company	**10,320.51**	9,266.35
Loans due from Wholly owned Subsidiary Companies	**4,012.21**	2,240.42
Interest Accrued on Investments	**0.56**	0.57
Balances with Customs, Port Trust, Central Excise etc.	**396.75**	392.33
Income Tax paid / FBT paid / TDS (net of provisions of ₹52.52 Lacs Previous Year ₹599.87 lacs)	**782.48**	800.61
Total	**34,256.09**	31,897.78

SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
CURRENT LIABILITIES		
Sundry Creditors for Goods and Expenses	**23,386.06**	16,415.30
Sundry Creditors for Capital Expenditure	**796.92**	905.56
* Sundry Creditors- Micro, Small & Medium Enterprises	**44.86**	39.05
Advances from Customers	**329.66**	110.55
Trade Deposits from Dealers	**159.83**	135.17
**Investor Education & Protection Fund in respect of		
- Unclaimed Dividend	**234.69**	226.41
- Unclaimed Fixed Deposits	**0.95**	1.20
- Interest Accrued on Unclaimed Fixed Deposits	**0.20**	0.22
Other liabilities	**6,183.74**	5,402.25
Interest accrued but not due	**86.00**	100.04
Total	**31,222.91**	23,335.75
PROVISIONS		
Wealth Tax	**10.00**	34.49
Proposed Dividend on Equity Shares	**2,000.39**	2,000.39
Tax on Dividend	**324.51**	332.24
Total	**2,334.90**	2,367.12

* See Note No. 29 of Schedule 16

** The figure reflects the position as of 31st March, 2011. 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 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Interest on Investment	**4.07**	0.35
Dividend Income	**3.56**	2.94
Interest on Income Tax Refund	**-**	3.75
Gain on Foreign Exchange (net)	**532.21**	527.82
Profit on sale of Assets (net)	**-**	34.53
Profit on sale of Investment (net)	**3.15**	0.73
Bad debts written off recovered	**4.40**	6.00
Sundry Balances Written back (net)	**74.27**	47.98
Rent Income (Tax Deducted at Source ₹ 20.85 Lacs Previous year ₹ 52.41 Lacs)	**177.25**	263.80
Provision for Doubtful Debts written back	**109.84**	-
Miscellaneous Income	**574.65**	262.68
Total	**1,483.40**	1,150.58

SCHEDULE 10 : MANUFACTURING EXPENSES

		For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Raw Materials Consumed		**59,361.42**	40,613.87
Stores and Spares		**3,384.07**	3,220.75
Repairs and Maintenance			
Machinery	**1,221.92**		923.76
Building	**71.71**		91.53
Others	**214.42**		157.05
		1,508.05	1,172.34
Power, Fuel and Water		**22,790.82**	18,686.72
Other Manufacturing Expenses		**4,482.26**	3,242.68
Packing Expenses		**4,019.94**	2,994.14
Operating Expenses for Services		**55.66**	34.05
Total		**95,602.22**	69,964.55

SCHEDULE 11 : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

	For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Salaries, Wages and Bonus	**7,473.10**	6,792.94
Contribution to PF and other funds	**953.61**	624.21
Staff Welfare	**730.67**	470.49
Commission to Whole time Directors	**410.00**	410.00
Total	**9,567.38**	8,297.64

SCHEDULE 12 : ADMINISTRATIVE AND MISCELLANEOUS EXPENSES

	For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Travelling & Conveyance	**719.38**	788.96
Rent and Lease Rent	**519.41**	360.43
Rates and Taxes	**78.56**	87.77
Insurance	**560.80**	431.70
Commission to Non Whole time Directors	**135.00**	130.00
Communication Expenses	**153.08**	175.04
Legal & Professional Expenses	**1,157.42**	1,399.54
Miscellaneous Expenses	**741.32**	707.58
Deferred Revenue Expenditure Written Off	**1.61**	5.22
Donation	**73.40**	98.46
Provision for Doubtful Debts	**-**	0.41
Deficit on Sale/Discarding of Fixed Assets (Net)	**378.31**	-
Total	**4,518.29**	4,185.11

SCHEDULE 13 : SELLING AND DISTRIBUTION EXPENSES

	For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Cash Discount	**1,340.11**	1,124.29
Freight and Forwarding	**3,934.74**	4,586.32
Commission on Sales	**1,675.29**	2,261.18
Sales Promotion Expenses	**111.56**	229.38
Total	**7,061.70**	8,201.17

SCHEDULE 14 : (INCREASE)/DECREASE IN STOCK

		For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Opening stock			
Finished Goods		**6,401.60**	7,752.03
Stock in Process		**1,157.31**	947.93
	(A)	**7,558.91**	8,699.96
Closing stock			
Finished Goods		**7,454.15**	6,401.60
Stock in Process		**2,619.42**	1,157.31
	(B)	**10,073.57**	7,558.91
(Increase)/Decrease in Stock	**Total (A-B)**	**(2,514.66)**	1,141.05

SCHEDULE 15 : FINANCIAL EXPENSES

	For the Year Ended 31.03.2011 (₹ in Lacs)		For the Year Ended 31.03.2011 (₹ in Lacs)
Interest -Fixed Loans		**8,301.68**	7,333.45
- Others		**2,423.19**	3,005.78
Other Financial Charges		**442.23**	536.84
		11,167.10	10,876.07
Less : Interest and Financial charges capitalised	**45.96**		272.23
Less : Interest from Subsidiary Company	**43.67**		-
Less : Interest Income Others	**33.99**		58.90
		123.62	331.13
Total		**11,043.48**	10,544.94

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 straght 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 ₹ 10,000 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, which ever 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 recorded as deduction from the cost of the assets concerned in arriving at its book value.

Impairment of Assets

Impairment loss is provided to the extent the carrying amount of assets exceeds their recoverable amount. Recoverable amount is the higher of an asset's net selling price or its value in use. Value in use is the present value of estimated future cash 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 of current tax and deferred tax charge or credit. The deferred tax assets and/ or liabilities are calculated by applying tax rates and tax laws that have been enacted at the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation (due to amalgamation) under tax laws, are recognized, only if there is virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing difference are recognized only to the extent there is a reasonable certainty of its realization. At each Balance Sheet date, the carrying amount of deferred tax assets are reviewed to re-assess realization.

Provisions, Contingent Liabilities and Contingent Assets

In accordance with Accounting Standard - 29 Provisions, Contingent Liabilities and Contingent Assets, 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, 2011 (₹ in Lacs)	As at 31st March, 2010 (₹ in Lacs)
1	a)	Estimated value of contracts remaining to be executed on Capital Account and not provided for			**1,888.58**	1,335.40
	b)	Contingent Liabilities :				
		(i)	Guarantees issued by banks		**1,316.07**	1,108.84
		(ii)	Letters of Credit		**76.05**	526.68
		(ii)	Bills discounted with banks (since realized)		**3,512.80**	989.77
		(iv)	Claims against the Company not acknowledged as debts			
			-	Income Tax & Wealth Tax	**140.49**	48.66
			-	Sales Tax / VAT	**5.99**	3.99
			-	Excise & Service Tax	**2,769.16**	2,205.70
			-	Other claims	**620.00**	736.91
		(v)	Corporate guarantee to Bank on behalf of subsidiaries of the Company		**45,192.84**	63,298.69
		(vi)	Premium on redemption of Foreign Currency Convertible Bonds		**-**	5,134.80
	c)	Export Obligation on duty free imports			**7,836.21**	13,254.51

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 /(premium) paid on account of buyback/redemption and cancellation of 2,900 (Previous year 3,900) Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each at discount /(premium) amounting to (₹ 926.81 Lacs) (Previous year ₹ 2357.36 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 ₹2654.45 Lacs (previous year ₹ 4,242.70 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 ₹ 1936.95 Lacs (Previous year ₹ 1,936.95 Lacs) has been charged to the Business Development Reserve.

c) As per the Scheme, a sum of ₹ 18,475.11 Lacs (Previous year ₹16,622.24 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 2010 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 ₹ 17,500.00 Lacs (Previous year ₹ 15,000 Lacs) has been transferred from Profit and Loss Balance to General Reserve Account.

3 Provision for taxation includes ₹ 10.00 Lacs (previous year ₹ 12.00 Lacs) for Wealth Tax .

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

a) Closure/Dissolution of the company

Closure/Dissolution of the company	Country	Date of Closure/Dissolution
Old Apparel Inc. Old Apparel Properties Inc.	USA	7th April, 2010
Textile & Design (No. 3)	UK	22nd June 2010
Dan River Inc. Dan River Factory Stores Inc. (Non Operating) Dan River International Limited (Non Operating) The Bibb Company LLC (Non Operating)	USA	10th September, 2010
Fabient Global Limited (Non Operating)	India	31st December 2010

b) Textile & Design Limited UK, subsidiary of the company which had filed for administration during 2008-09 is under Liquidation since 28th September, 2009.

5 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.

6 Rosebys Interiors India Limited, a 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 investment is classified as a current investment. Management is actively looking at divestment opportunity and has accordingly engaged a Merchant Banking Firm to achieve its objective of divestment.

7 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

	(₹ in Lacs) Payable
Due within one year	143.70
Due within the following four years	172.87
Due after five years	22.41

8 The value of closing stock of Finished Goods includes excise duty not paid ₹ 75.16 Lacs (previous year ₹36.65 Lacs). The value of Lignite at mines includes excise duty, royalty & clean energy cess of ₹ 19.60 Lacs (previous year ₹ 0.74 Lacs) on the closing stock. The Value of Salt at Salt Fields includes Cess & Royalty of ₹ 15.11 Lacs (previous year ₹ 38.95 Lacs) on Closing Stock. This has however, no impact on the profit for the year.

9 Prior Period Item of ₹ 64.29 Lacs is on account of reversal of Excess provision for Wealth Tax and expenses.

10 Loans & Advances includes ₹ 7,524.94 Lacs (previous year ₹ 7348.08 Lacs) paid as advance for purchase of materials and services outstanding for more than six months and considered good.

11 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, 2011 (₹ in Lacs)	For the Year Ended 31st March, 2010 (₹ in Lacs)
Employer's contribution to Provident Fund/Pension Scheme	**391.39**	459.87
Employer's contribution to Superannuation Fund	**156.54**	146.20

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

Defined Benefit Plan

Gratuity (Funded)

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

Leave Encashment (Unfunded)

The Company recognises the leave encashment expenses in the 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, 2011 (₹ in Lacs)	For the Year Ended 31st March, 2010 (₹ in Lacs)
Liability at the beginning of the year	**603.07**	507.67
Paid during the year	**73.95**	59.11
Provided during the year	**157.59**	154.51
Liability at the end of the year	**686.71**	603.07

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

Particulars	**For the Year Ended 31st March, 2011 (₹ in Lacs)**	For the Year Ended 31st March, 2010 (₹ in Lacs)
Obligation at year beginning	**1,660.29**	1,462.59
Service cost	**283.36**	116.99
Interest cost	**144.13**	123.86

Particulars	For the Year Ended 31st March, 2011 (₹ in Lacs)	For the Year Ended 31st March, 2010 (₹ in Lacs)
Actuarial gain	**58.73**	19.58
Benefits paid	**(94.54)**	(62.72)
Obligation at year end	**2,051.97**	1,660.29
Change in plan assets		
Plans assets at year beginning, at fair value	**1,646.19**	1,324.39
Expected return on plan assets	**143.39**	115.50
Actuarial gain/(loss)	**(2.49)**	118.32
Contributions	**193.48**	150.70
Benefits paid	**(94.54)**	(62.72)
Plan Assets at year end, at fair value	**1,886.03**	1,646.19
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	**1,886.03**	1,646.19
Present value of the defined benefit obligation at the end of the year	**2,051.97**	1,660.29
Assets recognised in the Balance Sheet	**(165.94)**	(14.10)
Gratuity cost for the year		
Service cost	**283.36**	116.99
Interest cost	**144.13**	123.86
Expected return on plan assets	**143.39**	115.50
Actuarial gain/(loss)	**61.22**	(98.75)
Net Gratuity cost	**345.32**	26.60
Investment details of plan assets		
% of the Plan Assets invested in debt instruments	**88.79%**	89.19%
% of the Plan Assets invested in equity	**11.21%**	10.81%
Assumptions		
Mortality Table -LIC	**1994-96 (Ultimate)**	1994-96 (Ultimate)
Interest rate	**8.25%**	8.25%
Estimated rate of return on plan assets	**8.00%**	8.00%
Estimated future salary growth	**7.00%**	7.00%

12 a **Related Party Transactions**

Subsidiaries :

Colwell & Salmon Communications Inc.

Indian Britain B.V.

Indian England N.V.

Indian Wales N.V.

GHCL Inc.

GHCL International Inc.

Dan River Properties LLC

Grace Home Fashions LLC

GHCL Rosebys Limited

Textile & Design Limited

Rosebys UK Limited

S C GHCL Upsom SA

Rosebys Interiors India Limited

Fabient Textile Limited

Rosebys International Limited

Teliforce Holding India Limited

Old Apparel Inc (Dissolved as at 7th April 2010)

Old Apparel Properties Inc. (Dissolved as at 7th April 2010)

Textile & Design (No.3) (Dissolved as at 22nd June 2010)

Dan River Inc. (Dissolved as at 10th September 2010)

Dan River International Limited (Dissolved as at 10th September 2010)

Dan River Factory Stores Inc. (Dissolved as at 10th September 2010)

The Bibb Company LLC (Dissolved as at 10th September 2010)

Fabient Global Limited (Dissolved as at 31st December 2010)

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, 2011

(₹ in Lacs)

	Type of Transactions	Subsidiary	Key Management Personnel	Relative of Key Management Personnel
1	**Purchase or Sale of Goods / others**			
	- Sale	3,223.19	-	-
		(2,460.07)		
	- Expenses	3.47	-	-
		-		
2	**Leasing & Hire purchase transactions**	-	-	3.30
				(3.30)
3	**Finance**			
	- Loans & Advances - Net	20,515.23	-	-
		(4,956.16)		
	- Equity	-	-	-
		(9.09)		
	- Advance for Share Application	1,054.16	-	-
		(1,246.53)		
4	**Services**			
	- Income	112.68	-	-
		(301.26)		
	- Expenses	-	-	-
		(3.35)		
	- Others/Interest charged	44.71	-	-
		-		
5	**Remuneration**	-	791.58	-
			(743.18)	
6	**Balances as at 31st March, 2011**			
	- Investments *	1,955.12	-	-
		(3,319.56)		
	- Loans & Advances - Net *	4,012.21	-	-
		(2,240.42)		
	- Debtors *	2,385.04	-	-
		(867.25)		
	- Creditors *	-	-	-
		(6.17)		

Figures in brackets relate to year ended 31st March, 2010

* Balances of investment, Loans & Advances, debtors and creditors are after writing off of ₹ 1,364.44 Lacs (Previous year Nil), ₹ 18,737.5 Lacs (Previous year 19,968.46 Lacs), ₹ 393.24 Lacs (Previous year 489.19 Lacs) and ₹ 6.17 Lacs (Previous Year 0.96 Lacs)

13 Disclosure as per Clause 32 of the Listing Agreement.

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

₹ in Lacs

Name of the Company	Relationship	Amount o/s as at 31st March, 2011	Max. Balance outstanding	Investment outstanding during the year
Colwell & Salmon Communications Inc.	Subsidiary	-	262.39	1,314.44
Fabient Global Limited	Subsidiary	-	0.04	50.00
Dan River Properties LLC	Subsidiary	1,933.67	2,013.17	-
Teleforce Holdings India Limited	Subsidiary	2,078.54	2,128.15	0.45
GHCL International Inc.	Subsidiary	-	18,475.11	-

ii) Loans and Advances in the nature of Loans where there is no interest comprise employee loans of ₹ 169.07 Lacs (previous year ₹128.93 Lacs).

14 **Deferred Tax**

(₹ in Lacs)

	As at 31st March, 2010	**Current Year Charge/(Credit)**	**As at 31st March, 2011**
a) Deferred tax liability on account of:			
i) Depreciation	15,830.10	2.96	15,833.06
ii) Others			
Deferred Revenue Expenditure	2,188.25	(513.91)	1,674.34
Total (A)	**18,018.35**	**(510.95)**	**17,507.40**
b) Deferred tax assets on account of:			
i) Employee Benefit	503.89	(175.10)	328.79
ii) State & Central Taxes & Cess	21.94	-	21.94
iii) Provision for Bad Debts	37.87	(1.25)	36.62
iv) Disallowance u/s 40 (a)	1.26	(0.66)	0.60
v) Carry forward loss as per IT Act	4,042.27	(4,042.27)	-
Total (B)	**4,607.23**	**(4,219.28)**	**387.95**
Total (A-B)	**13,411.12**	**(3,708.33)**	**17,119.45**

Current year change/(Credit) includes Rs. 106.13 Lacs on account of prior period adjustment credited to Profit and Loss Account.

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

	For the Year Ended 31st March, 2011 (₹ in Lacs)	For the Year Ended 31st March, 2010 (₹ in Lacs)
Materials for trial run & start up for machinery	**-**	11.52
Insurance	**-**	2.87
Financial Charges	**3.45**	-
Interest Charges	**45.96**	294.17
Total Preoperative Expenses	**49.41**	308.56
Add : Preoperative expenses incurred up to previous year	**36.61**	107.57
	86.02	416.13
Less : Capitalised during the year	**37.79**	379.52
Balance	**48.23**	36.61

16 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, 2011 (₹ in Lacs)		For the Year Ended 31st March, 2010 (₹ in Lacs)
Manufacturing Expenses		**11,453.82**		7,147.28
Stores and spares consumed		**308.65**		32.32
Power and Fuel		**274.51**		329.50
Excise Duty, Cess and Royalty		**784.24**		827.12
Repairs and maintenance				
Building		**10.00**		10.47
Plant and machinery		**35.59**		87.71
Earth work		**69.30**		110.07
Others		**11.09**		7.86
Salaries and Wages		**681.82**		736.38
Traveling & Conveyance		**54.43**		35.51
Lease Rent		**65.83**		61.12
Rates and taxes		**11.75**		9.41
Insurance		**67.78**		113.05
Misc. Expenses (Including Deferred Revenue & Intangible Expenses)		**102.06**		80.39
Less: Interest on Investments (other than trade)	**(1.60)**		(0.30)	
Other Misc. Income	**(51.17)**	**(52.77)**	(186.04)	(186.34)
TOTAL		**13,878.10**		9,401.85

17 Payment to Auditors

	For the Year Ended 31st March, 2011 (₹ in Lacs)	For the Year Ended 31st March, 2010 (₹ in Lacs)
a) To Statutory Auditors (excluding service tax)		
Audit fee	**20.00**	20.00
Tax Audit Fee	**1.60**	1.25
Limited Review Report	**8.00**	8.00
Certification	**1.96**	2.32
Audit of consolidated financial statements	**8.00**	8.00
Taxation matters	**0.50**	0.70
Others	**6.52**	0.93
Out of pocket expenses	**0.78**	1.00
Total	**47.36**	42.20
b) To Cost Auditors (excluding service tax)		
Audit Fee	**1.20**	1.00
Out of pocket expenses	**0.26**	0.15
Total	**1.46**	1.15

18 Managerial Remuneration

	For the Year Ended 31st March, 2011 (₹ in Lacs)	For the Year Ended 31st March, 2010 (₹ in Lacs)
a) Whole time Directors		
Salaries	**316.80**	274.25
Contribution to Provident and Superannuation funds	**34.67**	28.27
Perquisites	**23.95**	25.63
Gratuity & Leave Encashment	**6.16**	5.03
Commission	**410.00**	410.00
b) Other Directors		
Sitting Fees	**15.80**	16.00
Commission	**135.00**	130.00
	942.38	889.18

	For the Year Ended 31st March, 2011 (₹ in Lacs)	For the Year Ended 31st March, 2010 (₹ in Lacs)
c) Computation of Net Profit as per Section 349 / 350 of the Companies Act, 1956		
Profit for the year (as per Profit & Loss Account)	**11,632.54**	14,084.55
Add :		
Depreciation as per accounts	**8,439.55**	7,611.18
Provision for Taxation	**3,866.97**	(1,920.29)
Managerial Remuneration & Sitting fees	**942.38**	889.18
Provision for Doubtful Debts	**(109.84)**	0.41
Prior period adjustments	**64.29**	(11.29)
Deferred Revenue Expenses charged to Profit and Loss Account	**2.04**	9.72
	24,837.93	20,663.46
Less :		
Depreciation as per section 350 of Companies Act, 1956	**8,439.55**	7,611.18
Profit on Sale of Investment (Net)	**3.15**	0.73
Capital Profit on Sale of Assets	**40.39**	42.87
Premium paid on FCCBs	**2,770.00**	-
Net Profit u/s 349 of the Companies Act, 1956	**13,584.84**	13,008.68
Commission payable to		
Managing Director and Executive Directors as decided by the Board	**410.00**	410.00
Non - Whole time Directors as decided by the Board	**135.00**	130.00
19 Expenditure in Foreign Currencies		
Foreign Travel	**58.68**	176.32
Commission on Export Sales	**395.11**	252.00
Interest and Commitment Charges	**702.21**	610.94
Others	**167.62**	452.81
20 Remittances during the year in foreign currency on account of		
Dividends to non-resident shareholders (₹ In Lacs)	**119.58**	119.81
Dividend for the financial year ended	**2009-10**	2008-09
Number of non-resident shareholders	**667**	684
Number of Shares	**5,979,159**	5,990,259
21 Earnings in Foreign exchange		
Export of Finished Goods on FOB basis	**25,458.18**	22,226.85
Recovery towards Freight etc. on Exports	**456.81**	1,287.01
Export Income from Services	**129.69**	348.30
22 Value of imports on CIF basis		
Raw Materials and Utilities	**8,320.42**	10,586.72
Components and spare parts	**993.04**	731.86
Capital Goods	**867.31**	909.74
Trading Goods	**838.68**	-

23 Quantitative information in respect of Company's operations

(a) Capacity (as certified by the Management)

		For the Year Ended 31st March, 2011		For the Year Ended 31st March, 2010	
	UNIT	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.	**147,080**	**N.A.**	140,000	N.A.
Sodium bicarbonate	MT	**27,000**	**N.A.**	27,000	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, 2011 Quantity	₹ in Lacs	For the Year Ended 31st March, 2010 Quantity	₹ in Lacs
(b)	**Opening 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
(c)	**Production**					
	Soda Ash - (Gross)	**MT**	**710,012**		676,069	
	Refined Salt	**MT**	**35,818**		26,589	
	Yarn	**MT**	**12,743**		11,471	
	Cloth - Job work + Own Production	**MTRS. ('000)**	**30,336**		37,903	
	Bicarb - (Produced from Soda Ash)	**MT**	**22,378**		20,161	
	Bed Sheet Sets - Job Work	**MTRS. ('000)**	**13,080**		9,146	
(d)	**Purchase of Trading Goods**	**₹ in Lacs**		**1,855.90**		627.28
(e)	**Purchase of Cloth**	**MTRS. ('000)**	**10,740**		7,440	
(f)	**Consumption for internal use ***					
	Soda Ash	**MT**	**49,512**		41,949	
	Yarn	**MT**	**1,257**		2,991	
	Cloth	**MTRS. ('000)**	**31,009**		23,074	
(g)	**Sales**					
	Soda Ash	**MT**	**656,969**	**94,162.28**	656,683	84,470.96
	Yarn	**MT**	**11,119**	**25,735.74**	8,560	16,859.93
	Cloth	**MTRS. ('000)**	**11,115**	**6,494.03**	23,290	10,655.21
	Bed Sheet Sets	**MTRS. ('000)**	**13,201**	**22,184.06**	8,355	10,723.35
	Others		**N.A.**	**7,761.26**	N.A.	2,676.65
				156,337.37		125,386.10
(h)	**Closing Stock**					
	Soda Ash	**MT**	**13,960**	**1,228.68**	10,429	891.97
	Yarn	**MT**	**594**	**1,340.11**	227	354.89
	Cloth	**MTRS. ('000)**	**564**	**920.90**	1,612	1,749.29
	Bed Sheet Sets	**MTRS. ('000)**	**1,776**	**3,532.86**	1,896	3,328.84
	Others		**N.A.**	**431.60**	N.A.	76.61
				7,454.15		6,401.60

* Including transit differences and process wastage.

		UNIT	Quantity 2011	₹ in Lacs 2011	Quantity 2010	₹ in Lacs 2010
(i)	**Consumption of Raw Materials and Consumables**					
	Salt	**MT**	**1,319,222**	**8,043.88**	**1,245,961**	**7,073.69**
	Lime Stone	**MT**	**1,397,603**	**5,305.07**	**1,334,749**	**4,120.69**
	Coke	**MT**	**106,498**	**10,504.03**	**87,131**	**7,559.55**
	Cotton & Staple Fiber	**MT**	**17,953**	**16,817.84**	**16,002**	**11,294.01**
	Yarn	**MT**	**2,536**	**6,240.23**	**1,237**	**2,381.05**
	Fabric	**MTRS. ('000)**	**9,566**	**11,950.86**	**6,898**	**6,606.76**
	Others		**N.A.**	**499.51**	**N.A.**	**1,578.12**
				59,361.42		**40,613.87**

The Consumption of Lime Stone and Cotton & Staple Fiber is net of undersize realization/sales of ₹ 559.12 Lacs (previous year ₹ 334.86 Lacs) and ₹ 753.90 Lacs (Previous year 869.49 lacs).

(j) Consumption of Raw Materials	For the Year Ended 31st March, 2011		For the Year Ended 31st March, 2010	
Stores and Spares	**Value of Consumption**	**% AGE**	Value of Consumption	% AGE
Raw Materials :				
Imported	**1,735.14**	**2.92%**	1,205.35	2.97%
Indigenous	**57,626.28**	**97.08%**	39,408.52	97.03%
	59,361.42	**100.00%**	40,613.87	100.00%
Stores and Spares :				
Imported	**869.86**	**25.70%**	588.56	18.27%
Indigenous	**2,514.20**	**74.30%**	2,632.19	81.73%
	3,384.07	**100.00%**	3,220.75	100.00%

24 Details of Investments purchased & sold during the year

Particulars of Investment	**No. of Units**
LIC Liquid Fund - Growth Plan	8,895,162
LICMF Liquid Fund - Growth	2,060,739
LICMF Savings Plus Fund - Growth	2,370,996
LICMF Savings Plus- Growth	10,248,965
Reliance Money Manager Fund- Ip- Growth	19,925
Reliance Liquid Fund- Treasury Plan Ip Growth	2,449,605
Reliance Medium Term Fund - Retail Plan- Growth	1,572,378

25 **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.

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.

26 **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.

27 **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 has provided for an appropriate impairment of assets.

28 **Earnings per Share (EPS)**

Basic EPS Earnings per Share has been computed as under:		**For the Year Ended 31st March, 2011**	For the Year Ended 31st March, 2010
Profit after Taxation (₹ in Lacs)		**11,632.54**	14,084.55
(Less)/Add : Prior year Adjustment		**139.81**	10.63
	(A)	**11,772.35**	14,095.18
The weighted average number of Equity Shares for Basic EPS	(B)	**100,019,286**	100,019,286
Earnings per share (Face value of ₹ 10/- per share) (A) / (B)		**11.77**	14.09
Diluted EPS			
Profit after Taxation (₹ in Lacs)		**11,820.50**	14,253.17
Number of Equity Shares for Basic EPS		**100,019,286**	100,019,286
Add : Adjustment for FCCB convertible into Equity Shares		**5,528,100**	15,857,298
The weighted average number of Equity Shares for Diluted EPS		**105,547,386**	115,876,584
Earnings Per Share		**11.20**	12.30

29 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	₹ in Lacs **As at 31st March, 2011**	₹ in Lacs As at 31st March, 2010
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	-	-

30 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, 2011**			As at 31st March, 2010		
		No. of Contracts	**Foreign Currency Equivalent**	**INR Equivalent**	No. of Contracts	Foreign Currency Equivalent	INR Equivalent
			(In Lacs)	**(In Lacs)**		(In Lacs)	(In Lacs)
a)	Long Term Export Options (Dollar Receivables)	**3**	**81.00**	**3,337.41**	6	214.50	9,074.79
	Forward (Dollar Receivables)	**47**	**424.37**	**20,185.65**	29	188.55	8,735.62
	Forward (GBP Receivables)	**3**	**9.00**	**657.66**	2	7.10	512.33
	Forward (EURO Receivables)	**6**	**24.58**	**1,602.22**	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. Mark to Market profit on outstanding derivatives instruments as on 31st March 2011 stood ₹ 151.62. lacs (Previous Year loss ₹ 511.34 lacs) arising from hedging transactions by the company for its foreign currency related exposures. The company has not taken credit for the profit on mark to market basis during the year.Since the same would considered on maturity of the contracts.

c) Foreign currency exposures that are not hedged by a derivative instrument or otherwise are

Particulars	**As at 31st March, 2011 (₹ in Lacs)**	As at 31st March, 2010 (₹ in Lacs)
Import Payable	**9,575.93**	10,129.41
Foreign Currency Loans & Interest thereon	**13,958.12**	8,883.37

31 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. ₹ 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 a appropriate provison 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 had advanced interest free loan of ₹ 6,403.20 Lacs (Previous year 6,430.10 Lacs) to the Trust for the purpose of purchased of shares from the open market for allotment of shares to the eligible employees upon exercising their option.

The current market value of the shares held by ESOS Trust is lower than the cost of acquisition of these shares by ₹ 5,395 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 option have been vested with the eliglible empolyees March 24th 2010. However none of the employees has exercised the option during the year ended 31 March 2011.

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 ₹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 ₹ 967.00 Lacs.

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

	Particulars	Details
a)	No of Options granted	16,55,000 (Each option is equivalent to one equity share on exercise of option)
b)	Pricing Formula	₹ 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	16,55,000
j)	Number of options lapsed for 5 employees left/retired during/earlier year	90,000
k)	Total Number of Options in force as at 31st March, 2011	1,565,000
l)	Number of employees to whom options are granted	33

(i) Senior Managerial person at the time of grant of option

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	₹ 76.95 per share

32. Subsequent to the Balance Sheet date, GHCL Upsom, Romania, a step down subsidiary of the Company, the plant of which was lying closed since January 2010 due to impending gas issues, has been put under administration on 8th June, 2011. The Company is in dialogue with Bankers and government agencies to work out a feasible re-organisation plan.

33 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 the Board

For and on behalf of Jayantilal Thakkar & Co. Chartered Accountants	For and on behalf of Rahul Gautam Divan & Associates Chartered Accountants	Sanjay Dalmia Chairman	Dr B.C.Jain Director
(C. V. Thakker) Partner	(Rahul Divan) Partner	R. S. Jalan Managing Director	Raman Chopra Executive Director - Finance
Place : New Delhi Date : 18th July 2011		Place : New Delhi Date : 18th July 2011	Bhuwneshwar Mishra General Manager & 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, 2011**

II. Capital raised during the year (Amount in ₹ Thousands)

Public Issue	**NIL**	Right Issue	**NIL**
Bonus Issue	**NIL**	Private Placement	**NIL**

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

Total Liabilities	**25952786**	Total Assets	**25952786**
Sources of Funds		**Application of Funds**	
Paid-up Capital	**10,00,193**	Net Fixed Assets	**1,95,73,357**
Reserves and Surplus	**91,94,660**	Investments	**2,50,340**
Secured Loans	**1,30,82,541**	Net Current Assets	**61,29,089**
Unsecured Loans	**9,63,447**	Misc. Expenditure	**-**
Deferred Tax Liability	**17,11,945**		

IV. Performance of Company (Amount in ₹ Thousands)

Turnover	**1,51,14,670**	Total Expenditure	**1,35,64,719**
Profit/Loss Before Tax	**15,49,951**	Profit After Tax	**11,63,254**
Earning per Share in ₹	**11.77**	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	Colwell & salmon Communi cation Inc	Indian Britain B.V.	Rosebys Interior India Limited	Fabient Global Limited	Indian England N.V.	Indian Wales N.V.	SC GHCL Upsom SA	GHCL INC. USA.	GHCL Inter national Inc.	GHCL Rosebys Limited	Rosebys UK Ltd	Grace Home Fashion LLC	Fabient Textiles Limited	Rosebys Inter national Ltd	Teliforce Holding India Ltd
1.00	The financial period of the Subsidiary Company ended on	31st March 2011	31st March 2011	31st March 2011	31st December 2010	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011	31st March 2011
2.00	Date from which they become subsidiary Companies	12th December 2002	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	18th September 2008	07th July 2008	06th June 2008	13th March 2009	26th February 2010
3.00	Number of shares held by GHCL Ltd.	2000 Equity Shares	221586 Equity Shares	50000 Equity Shares	500000 Equity Shares	45380 Ordinary Shares	60000 Ordinary Shares	155614464 shares of	500000 Equity Shares	1000 Equity Shares	10,000,001 Ordinary shares	200 Shares	7500 Shares	50000 shares	50000 shares	1000 shares
	with its nominees in the subsidiaries at the end of the	of USD 1/- each	of EURO 100/-each	of ₹ 10/- each	of ₹ 10/- each	of EURO 1/- each	of EURO 1/- each	RON 0.25/- share	of USD 0.01 each	of USD 0.01 each	of GBP 1/- each	of GBP 1 /- each	of USD 1 /- each	of ₹ 10 /- each	of ₹ 10/- each	of USD 1/- each
	financial year of the subsidiary Company.															
3.10	Extent of interest of holding Company at the end of the	100.00%	100.00%	96.45%	100.00%	100.00%	100.00%	95.67%	100.00%	100.00%	100.00%	100.00%	75.00%	100.00%	100.00%	100.00%
	financial year of the subsidiary Company.															
3.20	Name of the Immediate Holding Company	GHCL Limited	GHCL Limited	GHCL Limited	GHCL Limited	Indian Britan BV	Rosebys Interiors India Limited	Indian England NV	Indian Britain BV	GHCL Inc.	Indian Wales NV	GHCL Rosebys Ltd	GHCL Limited	GHCL Limited	GHCL Limited	GHCL Limited
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 years ended 31st March 2011 (Including Exceptional Item)	USD 0.31 Mn	USD (0.03 Mn)			USD (33.66 Mn)	USD (5.81 Mn)	RON (23.34 Mn)	USD (NIL)	USD 39.06 Mn	GBP 0.00 Mn	GBP (0.02 Mn)	USD (0.15 Mn)			USD (0.07 Mn)
		INR 171.85 Lacs	INR (13.13 Lacs)	INR (1790.94 Lacs)	INR (49.42 Lacs)	INR (14579.29 Lacs)	INR (2649.11) Lacs)	INR (4603.42 Lacs)	INR (NIL)	INR 17802.27 Lacs	INR 00.00 Lacs	INR (351.28 Lacs)	INR (67.87 Lacs)	INR (3.30 Lacs)	INR (0.05 Lacs)	INR (29.16 Lacs)
4.10.20	For the previous financial years of the subsidiary Company	USD (0.77 Mn)	USD (26.00 Mn)			USD 20.42 Mn	USD (51.87 Mn)	RON (120.36 Mn)	USD (40.98 Mn)	USD (41.15 Mn)	GBP (10.00 Mn)	GBP 0.01 Mn	USD (0.30 Mn)			N.A.
	since it became the holding Company's subsidiary.	INR (376.10 Lacs)	INR (13198.85 Lacs)	INR (2254.40 Lacs)	INR (0.58 Lacs)	INR 10525. 87 Lacs	INR (23109.91 Lacs)	INR (16024.52 Lacs)	INR (19206.31 Lacs)	INR (18833.90 Lacs)	INR (8509.79 Lacs)	INR 340.40 Lacs	INR (134.35 Lacs)	INR (0.15 Lacs)	INR (0.09 Lacs)	

S.No.	Name of Subsidiary Company	Colwell & salmon Communi cation Inc	Indian Britain B.V.	Rosebys Interior India Limited	Fabient Global Limited	Indian England N.V.	Indian Wales N.V.	SC GHCL Upsom SA	GHCL INC. USA.	GHCL Inter national Inc.	GHCL Rosebys Limited	Rosebys UK Ltd	Grace Home Fashion LLC	Fabient Textiles Limited	Rosebys Inter national Ltd	Teliforce Holding India Ltd
4.20	Dealt with in holding company's account															
4.20.10	For the financial year ended 31st March 2011	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL	NIL	NIL
4.20.20	For the previous financial years of the subsidiary Company since it became the holding Company's subsidiary.	NIL	NIL	NIL	N.A.	NIL	NIL	NIL	NIL	N.A.	N.A.	N.A.	NIL	NIL	NIL	NIL
5	Material Changes between the end of the financial year of the Subsidiary Company and the Company's financial Statement ended 31st March 2011															
	a.) Fixed Assets b.) Investments c.) Money Lent															
	d.) Money borrowed ohter 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)

Place : New Delhi
Date : 18th July 2011

Bhuwneshwar Mishra
General Manager & Company Secretary

Details of Subsidiary Companies

(₹ In lacs)

S. No.	Name of Subsidiary Company	Colwell & Salmon Communi cation 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 Inter national Inc	GHCL Rosebys Limited	Rosebys UK Ltd	Grace Home Fashions LLC	Fabient Textiles Ltd	Rosebys Inter national Ltd	Teliforce Holding India Ltd
a	Capital	0.98	11,933.75	5.18	50.00	26.83	35.47	6,849.87	2.27	-	8,510.00	0.17	3.64	5.00	5.00	0.45
b	Reserves	(204.25)	(11,934.72)	(3,580.46)	(50.00)	(6,096.64)	(25,727.69)	(15,662.64)	10.38	(920.65)	(8,509.79)	(10.88)	(202.22)	(3.45)	(0.14)	(29.16)
c	Total Assets	(0.62)	(0.97)	11,678.74	-	6,816.04	(245.68)	15,272.05	12.65	(16.55)	0.22	(10.71)	(198.58)	1.55	4.86	2,006.16
d	Total Liabilities	202.65	-	15,254.01	-	12,885.85	25,446.54	24,085.61	-	904.10	-	-	-	-	-	2,034.88
e	Investments (Except in case of Investment in Subsidiary)	-	-		-			0.78				-	-	-	-	-
f	Turnover/ Total Income	1,255.14	0.02	8,005.38	-	488.09	0.08	467.82	-	-	-	-	2,616.56	0.03	0.05	46.39
g	Profit before Taxation (Including Exceptional Item)	338.41	(13.13)	(1790.94)	(49.42)	(14,579.29)	(2,649.11)	(4,603.42)	-	17,802.27	-	(351.28)	(67.35)	(3.30)	(0.05)	(29.16)
h	Provision for Taxation	166.56	-	-	-	-	-	-	-	-	-	-	0.52	-	-	-
i	Profit After Taxation	171.85	(13.13)	(1790.94)	(49.42)	(14,579.29)	(2,649.11)	(4,603.42)	-	17,802.27	-	(351.28)	(67.87)	(3.30)	(0.05)	(29.16)
j	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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, Rosebys Interiors India Ltd and Grace Home Fashion LLC , in which company holds 95.67%, 96.45% and 75 % respectively

2) No Books of accounts are available since the companies are under Administration/Liquidation and/or no control:-
   - a) Dan River Properties Inc.
   - b) Textile & Design Ltd

3) The above details have been annexed in terms of general circular No. 2/2011(No. 5/12/2007-CL-III) dated 8th February 2011 issued by the Govt. of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956

4) During the year the following companies has been closed :-
   - a) Fabient Global Limited (Dissolved as at 31st December 2010)
   - b) Dan River Inc. (Dissolved as at 10th September 2010)
   - c) Dan River International Limited (Dissloved on 10th September 2010)
   - d) Dan River Factory Stores Inc. (Dissloved on 10th September 2010)
   - e) The Bibb Company LLC (Dissloved on 10th September 2010)
   - f) Textile & Design (No.3) (Dissloved on 22nd June 2010)
   - g) Old Apparel Inc (Dissolved as at 7th April 2010)
   - h) Old Apparel Properties Inc. (Dissolved as at 7th April 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, 2011 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 ₹ 2.48 lakhs as at 31st March, 2011 and total revenues of ₹ NIL lakhs for the year ended on that date.

   b) The Consolidated Financial Statements also includes the unaudited financial statements of seven subsidiaries which reflect total assets (net) of ₹ 40,567 lakhs as at 31st March, 2011 and total revenue of ₹ 4,400 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been certified by the management.

   c) As mentioned in Note 1(d) 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(d) 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 four subsidiaries, which are directly owned by the above mentioned subsidiary for the same reasons mentioned in para c (i) above.

4. *Provision has not been made for outstanding Guarantees aggregating to ₹ 17,840 lakhs furnished on behalf of a subsidiary (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:

   i) 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.

   ii) 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, 2011;

   (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 : 18th July, 2011

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

(RAHUL DIVAN)
Partner
Membership No: 100733

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedules		As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
SOURCES OF FUNDS				
Shareholder's Funds				
Share Capital	1	**10,001.93**		10,001.93
Reserves and Surplus	2	**73,840.75**		86,162.71
			83,842.68	96,164.63
Loan Funds				
Secured Loans	3	**159,927.06**		156,702.22
Unsecured Loans	4	**9,634.47**		7,407.78
Unsecured - Foreign Currency Convertible Bonds	4 A	**-**		13,023.90
			169,561.53	177,133.90
Deferred Tax Liability (Net)			**17,119.45**	13,242.46
	Total		**270,523.66**	286,541.00
APPLICATION OF FUNDS				
Fixed Assets				
Gross Block		**298,455.69**		311,574.48
Less : Depreciation		**86,056.02**		78,214.76
Net Block	5	**212,399.67**		233,359.72
Capital Work-in-Progress		**1,933.86**		2,144.58
Advances against capital expenditure		**1,163.07**		1,101.33
			215,496.60	236,605.63
Investments	6		**554.06**	2,612.42
Current Assets, Loans and Advances	7			
Inventories		**39,914.25**		32,721.26
Sundry Debtors		**17,968.65**		14,988.84
Cash and Bank Balances		**3,251.46**		3,002.10
Loans and Advances		**32,357.33**		32,306.28
		93,491.69		83,018.48
Less : Current Liabilities and Provisions	8			
Current Liabilities		**36,687.72**		33,336.16
Provisions		**2,334.90**		2,367.12
		39,022.62		35,703.28
Net Current Assets			**54,469.07**	47,315.20
Miscellaneous Expenditure				
(to the extent not written off or adjusted)				
Deferred Revenue Expenses			**3.93**	7.73
	Total		**270,523.66**	286,541.00
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

(Rahul Divan)
Partner

Place : New Delhi
Date :18th July 2011

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

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date : 18th July 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

	Schedules	For the Year Ended 31.03.2011 (₹ in Lacs)		For the Year Ended 31.03.2010 (₹ in Lacs)
INCOME				
Sales - Gross		156,177.73		139,171.11
Less: Excise Duty		8,853.70		6,227.67
			147,324.03	132,943.44
Income from Services			3,105.43	5,058.83
Insurance Claim for Loss of Profit			329.34	-
Other Income	9		2,369.82	753.66
Total Income			153,128.62	138,755.93
EXPENDITURE				
Manufacturing Expenses	10		96,004.40	80,623.24
Purchase of Trading Goods			1,855.90	638.37
Payments to and Provisions for Employees	11		11,891.07	12,664.18
Administrative and Miscellaneous Expenses	12		5,904.65	7,052.86
Selling and Distribution Expenses	13		7,150.45	9,639.52
Excise Duty			73.33	(191.08)
(Increase) /Decrease in Stock	14		(2,640.91)	2,163.47
(Gain)/ Loss on Conversion into INR			1226.73	(952.98)
			121,465.62	111,637.58
Profit Before Financial Expenses and Depreciation			31,663.00	27,118.35
Financial Expenses	15		13,787.78	11,881.87
Profit Before Depreciation			17,875.22	15,236.48
Depreciation / Amortisation		11,942.95		11,134.37
Less: Transferred from Business Development Reserve		1,936.95		1,936.95
			10,006.00	9,197.42
Profit Before Taxation			7,869.22	6,039.06
Provision For Taxes				
- Current Tax(Net of MAT Credit)			53.05	14.80
- Deferred Tax (Net)			3,981.01	(1,932.29)
Profit For The Year after Tax			3,835.16	7,956.55
Balance brought forward from previous year			6,799.26	950.33
Prior period adjustments (See note no 2B (4) of Schedule 16)			64.29	(11.29)
Excess/(Short) provision for Tax for earlier years			(233.33)	21.93
Excess provision for Deferred Tax for earlier years			106.13	-
Transferred from General Reserve as per Scheme of Arrangement			18,475.11	16,622.24
Amount Available for Appropriation			29,046.62	25,539.76
APPROPRIATIONS				
Transfer to General Reserve			1,163.25	1,408.45
Transfer to General Reserve as per Scheme of Arrangement			17,500.00	15,000.00
Proposed Dividend on Equity Shares			2,000.39	2,000.39
Tax on Dividend			324.51	332.24
Balance Carried To Balance Sheet			8058.47	6,798.68
			29,046.62	25,539.76
Earnings per Share (Rupees) - Basic			3.77	7.97
Earnings per Share (Rupees) - Diluted			3.62	7.01
(See Note No. 2B (15) of Schedule 16)				
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
Jayantilal Thakkar & Co.
Chartered Accountants

(C. V. Thakker)
Partner

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

(Rahul Divan)
Partner

Place : New Delhi
Date :18th July 2011

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

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date : 18th July 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

		For the Year Ended 31 March 2011 (₹ in Lacs)		For the Year Ended 31 March 2010 (₹ in Lacs)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
			7,869.23	6,039.06
	Adjustment for :			
	Depreciation / Amortisation	**10,006.00**		9,197.42
	Foreign Exchange Gain (Net)	**(520.54)**		415.62
	Income from Investments	**(4.17)**		(0.35)
	Income From Dividend	**(3.56)**		(2.94)
	Prior Period Adjustments	**64.29**		(11.29)
	Profit on Sales / Discarding on Fixed Assets (Net)	**378.31**		(34.53)
	Provision for Doubtful Debts	**(909.75)**		0.41
	Profit on Sale of Investments (Net)	**(3.15)**		(0.74)
	Financial Expenses (Net)	**13,787.78**	**22,795.21**	11,881.87
	Operating Profit before Working capital Changes		**30,664.44**	27,484.53
	Adjustments for :			
	Trade & other Receivables	**790.47**		3,376.32
	Inventories	**(7,192.99)**		(3,938.85)
	Trade payables	**4,766.64**	**(1,635.88)**	(1,530.41)
	Other Adjustments			
	Deferred Revenue Expenditure (to the extent not written off)		**3.80**	69.25
	Cash (Used) / generated from Operations		**29,032.36**	25,460.84
	Direct taxes paid		**(89.49)**	(159.16)
	Net cash (used) / generated from Operating Activities		**28,942.87**	25,301.68
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of Fixed Assets		**(4,566.36)**	(7,726.16)
	Advance for Capital Expediture		**(61.73)**	796.87
	Sale of Fixed Assets		**151.57**	104.46
	(Purchase)/ Sale of Investments		**2,058.36**	(2,049.45)
	Profit on Sale of Investments (Net)		**3.15**	0.74
	Advances in Subsidiaries		**(990.24)**	(3,248.62)
	Interest Received		**33.99**	58.89
	Income from Investment		**4.17**	0.35
	Dividend Received		**3.56**	2.94
	Net cash (used) / generated from Investing Activities		**(3,363.53)**	(12,059.98)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from Secured loans		**60,978.84**	48,136.71
	Repayment of Secured Loans		**(32,855.31)**	(38,361.06)
	Proceeds from Unsecured Loan		**5,678.53**	7,500.00
	Repayment of Unsecured Loan		**(8,607.78)**	(4,592.22)
	Payment of Deutsche Bank debt		**(18,475.11)**	-
	Repayment of FCCBs		**(15,736.82)**	(13,293.35)
	Gain on Exchange		**520.54**	(415.62)
	Interest and Finance Charges Paid		**(14,508.52)**	(12,270.31)
	Dividend and tax thereon paid		**(2,324.35)**	(2,340.67)
Net Cash (used) / generated from Financing Activities			**(25,329.98)**	(15,636.52)
Net Increase in Cash and Cash Equivalents (A+B+C)			**249.36**	(2,394.82)
Cash and Cash Equivalents at beginning of year			**3,002.10**	5,396.92
Cash and Cash Equivalents at end of year			**3,251.46**	3,002.10

As per our report attached

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

(C. V. Thakker)
Partner

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

(Rahul Divan)
Partner

Place : New Delhi
Date :18th July 2011

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

Bhuwneshwar Mishra
General Manager & Company Secretary

Place : New Delhi
Date : 18th July 2011

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 1 : SHARE CAPITAL

	As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
SHARE CAPITAL		
Authorised		
175,000,000 Equity Shares of ₹10/- each	17,500.00	17,500.00
	17,500.00	17,500.00
Issued, Subscribed and Paid up		
100,019,286 Equity Shares of ₹ 10/- each fully paid up	10,001.93	10,001.93
	10,001.93	10,001.93

Notes :

1) a) 21,250,400 Equity Shares of ₹ 10/- each fully paid up were issued to Financial Institution at par on conversion of loan of ₹ 2125 Lacs.

b) 1,838,011 Equity Shares of ₹ 10/- each fully paid up were issued pursuant to the Scheme of Amalgamation for consideration other than cash.

c) 430,875 Equity Shares of ₹ 10/- each fully paid up were alloted on conversion of Foreign Currency Convertible Bonds.

SCHEDULE 2 : RESERVES AND SURPLUS

		As at 31.03.2011 (₹ in Lacs)		As at 31.03.2010 (₹ in Lacs)
CAPITAL RESERVE				
Cash subsidy		**25.69**		25.69
Surplus on re-issue of forfeited Shares		**15.50**		15.50
Forfeiture of Preferential Convertible Warrants		**715.73**		715.73
			756.92	756.92
BUSINESS DEVELOPMENT RESERVE				
As per last Balance Sheet		**65,240.32**		67,654.18
Add: Gain/(Premium) on FCCB Buy back / redeemed		**(926.81)**		2,357.35
		64,313.51		70,011.53
Less: Diminution in value of Investment/ Advances/ Receivables	**(8,725.33)**			(2,772.92)
Less: Depreciation/Sales on Revalued Assets	**(2,092.47)**	**(10,817.80)**		(1,998.29)
			53,495.71	65,240.32
CAPITAL REDEMPTION RESERVE				
As per last Balance Sheet			**1,000.00**	1,000.00
FOREIGN CURRENCY TRANSLATION RESERVE				
As per last Balance Sheet		**2,892.21**		(6,167.46)
Adjustment during the year		**(2,025.27)**		9,059.67
			866.94	2,892.21
SECURITIES PREMIUM ACCOUNT				
As per last Balance Sheet			**1,815.04**	1,815.04
GENERAL RESERVE				
As per last Balance Sheet		**7,305.56**		7,519.35
Add: Transfer From Profit and Loss Account	**1,163.25**			1,408.45
Add: Transfer From Profit and Loss Account as per Scheme of arrangement	**17,500.00**	**18,663.25**		15,000.00
		25,968.81		23,927.80
Less: Transfer to Profit and Loss Account as per Scheme of arrangement		**(18,475.11)**		(16,622.24)
			7,493.70	7,305.56
OTHER RESERVES			**353.97**	353.97
PROFIT AND LOSS ACCOUNT				
Balance as per account annexed			**8,058.47**	6,798.68
Total			**73,840.75**	86,162.71

SCHEDULE 3 : SECURED LOANS

		As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
FROM BANKS / FINANCIAL INSTITUTIONS			
Working Capital Loans		**44,857.56**	35,619.00
Foreign Currency Loans		**21,055.11**	39,041.18
Rupee Term Loans		**94,014.39**	82,042.04
	Total	**159,927.06**	156,702.22

Notes :

1) Foreign Currency Loans aggregating to ₹ 21,055.11 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 ₹ 21,185.56 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 ₹ 6,833.34 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.

   c) Loan aggregating to ₹ 22,659.33 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.

   d) Loan aggregating to ₹ 10,231.88 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.

   e) Loan aggregating to ₹ 647.72 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.

   f) Loan aggregating to ₹ 4,727.90 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.

   g) Loan aggregating to ₹ 1,637.10 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.

   h) Loan aggregating to ₹ 15,070.70 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.

   i) Loan aggregating to ₹ 493.39 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.

   j) Loan aggregating to ₹ 697.02 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.

   k) Loan aggregating to ₹ 1,274.97 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.

   l) Loan aggregating to ₹ 3,517.67 Lacs is secured by extension of first charge on all present movable assets of Edible Salt division situated at Thiruporur, Vedaranyam and Industrial Salt Division and exclusive first charge on the factory land and building situated at Thiruporur village, Chengalpattu Taluka, Kancheepuram District.

   m) Loan aggregating to ₹ 5,037.81 Lacs is secured by an exclusive charge on immovable property situated at Plot No.B-38, Section-I, New Okhla Industrial Area (Noida), Dist.-Gautam Budh Nagar, Uttar Pradesh.

3) (a) Working Capital Loans are secured by way of hypothecation of stock-in-trade and book debts of Soda Ash / Home Textile Division/ Edible Salt / Textile Divisions and second charge on fixed assets of Soda Ash Division / Home Textile Division and Textile Division, both present and future.

   b) Working Capital Loans of the foreign subsidisry 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 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 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
Loan from Banks		**9,634.47**	7,407.78
	Total	**9,634.47**	7,407.78

SCHEDULE 4A : UNSECURED FOREIGN CURRENCY CONVERTIBLE BONDS

		As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
Foreign Currency Convertible Bonds		**-**	13,023.90
	Total	**-**	13,023.90

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. During the year the Company has bought back/ redeemed and cancelled 2900 (Previous year 3900) No. of Foreign Currency Convertible Bonds (FCCBs) of a face value of US $ 10,000 each, at a premium/discount to the face value. As on 31st March, 2011 outstanding balance of FCCBs is NIL.

SCHEDULE 5 : FIXED ASSETS

₹ in Lacs

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-04-2010	**Additions (Deletions)**	**As at 31-03-2011**	**As at 01-04-2010**	**Additions (Deletions)**	**As at 31-03-2011**	**As at 31-03-2011**	**As at 31-03-2010**
TANGIBLE ASSETS								
Free hold Land	39,997.41	-	39,828.94	-	-	-	39,828.94	39,997.24
		(168.47)			-			
Leasehold Land	38,732.43	-	38,732.43	1,065.06	485.57	1,550.63	37,181.80	37,667.43
Buildings	27,921.51	172.62	28,010.48	5,406.01	800.62	6,182.14	21,828.34	22,515.44
		(83.65)			(24.49)			
Plant and Machinery	171,868.03	3,765.39	172,208.96	62,187.63	8,463.24	68,013.10	104,195.87	109,680.56
		(3,424.46)			(2,637.77)			
Furniture and Fixtures	1,071.07	31.33	609.80	528.61	101.23	358.57	251.23	504.30
		(492.60)			(271.27)			
Office Equipments	1,757.91	327.67	1,430.48	1,082.30	136.06	765.37	665.12	713.12
		(655.09)			(453.00)			
Vehicles	398.94	48.87	384.58	164.65	35.56	163.63	220.95	234.89
		(63.23)			(36.58)			
Wind Turbine Generators	4,044.93	-	4,044.93	1,115.44	213.57	1,329.01	2,715.92	2,929.49
Leased Mines	6,114.43	52.18	6,166.61	2,200.27	611.53	2,811.80	3,354.81	3,914.16
INTANGIBLE ASSETS								
Goodwill	12,890.51	-	348.25	754.58	0.60	268.92	79.32	12,136.05
		(12,542.27)			(486.26)			
Salt Works Reservoirs and Pans	6,164.28	76.75	6,241.03	3,356.36	979.75	4,336.11	1,904.92	2,807.84
Software	613.03	44.86	449.20	353.85	115.22	276.74	172.46	259.20
		(208.69)			(192.33)			
Total	311,574.48	4,519.67	298,455.69	78,214.76	11,942.95	86,056.02	212,399.67	233,359.72
		(17,638.46)			(4,101.69)			
Previous year	301,658.16	10,425.42	311,574.48	67,434.71	11,134.37	78,214.76	233,359.72	
		(509.10)			(354.32)			

1. Buildings include a sum of ₹ 91.40 Lacs (previous year ₹ 91.40 Lacs) being cost of office premises acquired on ownership basis.
2. Leased mines represent expenditure incurred on development of mines.
3. Cash Subsidy amounting to ₹ 823.35 including (previous years ₹ 823.35 Lacs) relating to Home Textile division at Vapi has been reduced from respective Fixed Assets.
4. Some of the fixed assets have been revalued earlier 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 ₹ 1,01,184.68 lacs.
5. Deletion of Free Hold Land includes ₹ 155.52 lacs being revaluation amount of land of Sree Meenakshi Mills Division at Madurai sold during the year.

SCHEDULE 6 : INVESTMENTS

		As at 31.03.2011 (₹ in Lacs)		As at 31.03.2010 (₹ in Lacs)	
LONG TERM INVESTMENTS - (AT COST)					
OTHER THAN TRADE					
Quoted					
8,300	Equity Shares of HDFC Bank Limited of ₹ 10/- each fully paid up	**0.83**			0.83
68,598	Equity Shares of IDBI Limited of ₹ 10/- each fully paid up	**49.34**			49.34
2,595	Equity Shares of Dena Bank of ₹ 10/- each fully paid up	**0.70**			0.70
272,146	Equity Shares of GTC Industries Limited of ₹ 10/- each fully paid up	**495.01**			495.01
4,500	Equity Shares of Canara Bank of ₹ 10/- each fully paid up	**1.58**			1.58
			547.46		547.46
Unquoted					
Govt. securities - 7 year National Savings Certificates					
(Pledged with Government Authorities)			**0.82**		0.83
SHARES IN WHOLLY OWNED SUBSIDIARY COMPANY - (UNQUOTED)					
1000	Equity Shares of $ 1 each fully paid of Teliforce Holding India limited	**-**			0.45
CURRENT INVESTMENTS					
(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
			0.78		8.68
CURRENT INVESTMENT IN SUBSIDIARY COMPANY - (UNQUOTED)					
50,000	Equity Shares of Rosebys Interiors India Limited of ₹ 10/- each fully paid up		**5.00**		5.00
	(12500 shares pledged with J&K Bank against Loan to Rosebys Interiors India Limited)				
	(See Note No. 1 (d) of Schedule 16)				
			554.06		2,612.42

	As at 31.03.2011		As at 31.03.2010	
	Book Value	**Market Value**	Book Value	Market Value
Quoted	**547.46**	**544.01**	547.46	559.63
Others	**6.60**	**-**	2,064.96	-
	554.06		2,612.42	

SCHEDULE 7 : CURRENT ASSETS, LOANS AND ADVANCES

		As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ 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		**20,581.38**	16,822.66
Finished goods		**8,908.21**	7,729.41
Stock in process		**2,619.42**	1,157.31
Stores and spares		**7,805.24**	7,011.88
Total		**39,914.25**	32,721.26
Sundry Debtors (Unsecured, considered good unless stated otherwise)			
Outstanding over six months			
Considered good	**443.09**		863.63
Considered doubtful	**4.28**		921.13
Provision for Doubtful Debts	**(4.28)**		(920.76)
		443.09	864.00
Other debts		**17,525.56**	14,124.84
Total		**17,968.65**	14,988.84
Cash & Bank Balances			
Cash balance on hand		**16.41**	20.87
Current Account with Banks			
- Scheduled Banks		**2,825.90**	2,268.48
- Non Scheduled Banks		**52.59**	80.42
Fixed deposit			
- Scheduled Banks		**334.78**	127.34
In Margin Account		**21.78**	504.99
Total		**3,251.46**	3,002.10
LOANS AND ADVANCES			
(Unsecured, considered good)			
Advances recoverable in cash or in kind or for value to be received - Considered Good		**12,516.13**	13,114.22
Loan to Employee Stock Option Scheme Trust		**6,403.20**	6,430.10
Share application money for Shares in Subsidiary Company		**10,320.51**	9,266.35
Loan due from Wholly owned Subsidiary Company		**1,937.71**	2,001.63
Interest Accrued on Investments		**0.56**	0.57
Balances with Customs, Port Trust, Central Excise etc.		**396.75**	692.81
Income Tax paid / FBT paid / TDS (net of provisions of ₹52.54 Lacs Previous Year ₹599.87 lacs)		**782.47**	800.60
Total		**32,357.33**	32,306.28

SCHEDULE 8 : CURRENT LIABILITIES & PROVISIONS

	As at 31.03.2011 (₹ in Lacs)	As at 31.03.2010 (₹ in Lacs)
CURRENT LIABILITIES		
Sundry Creditors for Goods and Expenses	**28,579.79**	24,175.81
Sundry Creditors for Capital Expenditure	**796.92**	1,774.90
* Sundry Creditors - Micro, Small & Medium Enterprises	**44.86**	39.05
Advances from Customers	**362.64**	208.06
Trade Deposits from Dealers	**159.83**	135.17
**Investor Education & Protection Fund in respect of		
- Unclaimed Dividend	**234.69**	226.41
- Unclaimed Fixed Deposits	**0.95**	1.20
- Interest Accrued on Unclaimed Fixed Deposits	**0.20**	0.22
Other liabilities	**6,241.69**	5,868.39
Interest accrued but not due	**266.15**	906.95
Total	**36,687.72**	33,336.16
PROVISIONS		
Wealth Tax	**10.00**	34.49
Proposed Dividend on Equity Shares	**2,000.39**	2,000.39
Tax on Dividend	**324.51**	332.24
	2334.90	2367.12

* See Note No. 2 B (16) of Schedule 16

** The figure reflects the position as of 31st March, 2011. 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 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Interest on Investment		**4.17**	0.35
Dividend Income		**3.56**	2.94
Interest on Income Tax Refund		**-**	3.75
Gain on Foreign Exchange (net)		**520.54**	-
Profit on sale of Assets (net)		**-**	34.53
Profit on sale of Investment (net)		**3.15**	0.74
Bad debts written off recovered		**4.40**	6.00
Sundry Credit Balances Written back (net)		**82.56**	47.98
Rent Income		**265.60**	277.53
Provision for Doubtful Debts written back		**909.75**	-
Miscellaneous Income		**576.09**	379.84
	Total	**2,369.82**	753.66

SCHEDULE 10 : MANUFACTURING EXPENSES

		For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Raw Materials Consumed		**59,561.39**	42,900.99
Stores and Spares		**3,384.07**	3,925.91
Repairs and Maintenance			
Machinery	**1,221.92**		1,048.07
Building	**71.71**		91.53
Others	**253.23**		171.02
		1,546.86	1,310.62
Power, Fuel and Water		**22,790.82**	25,509.54
Other Manufacturing Expenses		**4,482.26**	3,242.67
Packing Expenses		**4,019.94**	3,208.48
Operating Expenses for Services		**219.06**	525.03
	Total	**96,004.40**	80,623.24

SCHEDULE 11 : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES

		For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Salaries, Wages and Bonus		**9,507.75**	10,374.53
Contribution to PF and other funds		**1,242.65**	1,381.97
Staff Welfare		**730.67**	497.68
Commission to Wholetime Directors		**410.00**	410.00
	Total	**11,891.07**	12,664.18

SCHEDULE 12 : ADMINISTRATIVE AND MISCELLANEOUS EXPENSES

		For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Travelling & Conveyance		**730.91**	855.85
Rent and Lease Rent		**686.97**	591.73
Rates and Taxes		**78.56**	164.00
Insurance		**567.63**	477.91
Loss on Foreign Exchange (net)		**-**	415.62
Commission to Non Wholetime Directors		**135.00**	130.00
Communication Expenses		**196.07**	327.37
Legal & Professional Expenses		**1,239.89**	1,840.17
Miscellaneous Expenses		**1,816.30**	2,145.80
Deferred Revenue Expenditure Written Off		**1.61**	5.22
Donation		**73.40**	98.78
Provision for Doubtful Debts		**-**	0.41
Deficit on Sale / Discarding of Fixed Assets (net)		**378.31**	-
	Total	**5,904.65**	7,052.86

SCHEDULE 13 : SELLING AND DISTRIBUTION EXPENSES

		For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Cash Discount		**1,376.78**	1,145.67
Freight and Forwarding		**3,934.74**	5,610.17
Commission on Sales		**1,727.37**	2,302.63
Sales Promotion Expenses		**111.56**	581.05
	Total	**7,150.45**	9,639.52

SCHEDULE 14 : (INCREASE) / DECREASE IN STOCK

		For the Year Ended 31.03.2011 (₹ in Lacs)	For the Year Ended 31.03.2010 (₹ in Lacs)
Opening stock			
Finished Goods		**7,729.41**	10,102.26
Stock in Process		**1,157.31**	947.93
	(A)	**8,886.72**	11,050.19
Closing stock			
Finished Goods		**8,908.21**	7,729.41
Stock in Process		**2,619.42**	1,157.31
	(B)	**11,527.63**	8,886.72
(Increase)/Decrease in Stock	**Total (A-B)**	**(2,640.91)**	2,163.47

SCHEDULE 15 : FINANCIAL EXPENSES

			For the Year Ended 31.03.2011 (₹ in Lacs)		For the Year Ended 31.03.2010 (₹ in Lacs)
Interest - Fixed Loans				**10,999.02**	8,664.47
- Others				**2,425.31**	3,007.77
Other Financial Charges				**443.40**	545.12
				13,867.73	12,217.36
Less :	Interest and Financial charges capitalised		**45.96**		276.60
Less :	Interest Income Others		**33.99**		58.89
				79.95	335.49
		Total		**13,787.78**	11,881.87

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, 2011	As at 31st March, 2010
1	Colwell & Salmon Communications Inc.,	USA	100	100
2	Grace Home Fashions LLC	USA	75	75
3	GHCL Inc.	USA	100	100
4	GHCL International Inc.	USA	100	100
5	Dan River Properties LLC	USA	100	100
6	Fabient Global Limited	India	-	100
7	Fabient Textiles Limited	India	100	100
8	Rosebys International Limited	India	100	100
9	Indian Britain B.V.	Netherlands	100	100
10	Indian England N.V.	Netherlands	100	100
11	SC GHCL Upsom SA	Romania	95.67	95.67
12	Teliforce Holding India Limited	Cyprus	100	100

d 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".

e 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	dissolved as at 10th Sept 2010
Dan River International Limited (Non operating)	20th April, 2008	dissolved as at 10th Sept 2010
Dan River Factory Stores Inc. (Non operating)	20th April, 2008	dissolved as at 10th Sept 2010
The Bibb Company LLC (Non operating)	20th April, 2008	dissolved as at 10th Sept 2010
Textile & Design Limited	25th September, 2008	Under Liquidation
Textile & Design (No.3) -Non operating	25th September, 2008	dissolved as at 22nd June 2010

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

Fabient Global Limited (Non operating) 31st December 2010

f 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. Subsequent to the Balance Sheet date, GHCL Upsom, Romania, a step down subsidiary of the company, the plant of which was lying closed since January 2010 due to impending gas issue, has put under administration on 8th June 2011. The Company is in dialogue with Bankers and government agencies to work out a feasible re-organization plan, however on a prudent basis the company has considered impairment of goodwill arising out of consolidation such subsidiary and charge the same to BDR account.

g 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 Inc.

GHCL International Inc.

Dan River Properties LLC

SC GHCL Upsom SA

Grace Home Fashions LLC

Teliforce Holding India Limited

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

i The excess of value of investments in the subsidiary companies over its share of the net assets of the subsidiary companies, at the date on which the investments in the subsidiary companies are made, is recognised as "goodwill" being an asset in the consolidated financial statements. The net asset value, considered for the purpose of goodwill in respect of trenches of investment, is the value as at the date of the first investment for acquiring subsidiary company. Goodwill arising out of consolidation is impaired during the year.

j 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".

k 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.

l 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,2011 (₹ in Lacs)	As at 31st March,2010 (₹ in Lacs)
1	(a)		Estimated value of contracts remaining to be executed on Capital Account and not provided for	**1,888.58**	1,488.98
	(b)		Contingent Liabilities :		
		(i)	Guarantees issued by banks	**1,316.07**	1,108.84
		(ii)	Letters of Credit	**76.05**	539.62
		(iii)	Bills discounted with banks (since realized)	**3,512.80**	989.77
		(iv)	Claims against the Company not acknowledged as debts		
			- Income Tax & Wealth Tax	**140.49**	48.66
			- Sales Tax/VAT	**5.99**	3.99
			- Excise matters	**2,769.16**	2,205.70
				620.00	736.91
		(v)	Corporate guarantee to Bank on behalf of subsidiaries of the Company	**24,173.84**	24,267.69
		(vi)	Premium on redemption of Foreign Currency Convertible Bonds	**-**	5,134.80
	(c)		Export Obligation on duty free imports	**7,836.21**	13,254.51

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

a) Gains realised /premium paid on account of buyback/redeemed and cancellation of 2,900 (Previous year 3,900) Foreign Currency Convertible Bonds (FCCBs) of USD 10,000 each at discount /premium amounting to ₹ 926.81 Lacs (Previous year ₹ 2357.35 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 ₹ 8,725.33 Lacs (previous year ₹ 2,772.92 Lacs) has been charged to Business Development Reserve on account of impairment of Goodwill and 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 ₹ 1936.95 Lacs (Previous year ₹ 1,936.95 Lacs) has been charged to the Business Development Reserve.

c) As per the Scheme, the Profit and Loss Account Balance as appearing in the Balance sheet of the Company as on 31st March 2010 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 ₹ 17,500.00 Lacs (Previous year ₹ 15,000 Lacs) has been transferred from Profit and Loss Balance to General Reserve Account.

3 Provision for taxation includes ₹ 10.00 Lacs (previous year ₹ 12.00 Lacs) for Wealth Tax .

4 Prior Period Item of ₹ 64.29 Lacs is on account of reversal of Excess provision for Wealth Tax and expenses.

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 :

(₹ in Lacs)

	Payable
Due within one year	**143.70**
Due within the following four years	**172.87**
Due after five years	**22.41**

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

₹ in Lacs

	Inorganic Chemicals		Textiles		Others		Total	
	Apr. 10 - Mar. 11	Apr. 09 - Mar. 10	Apr. 10 - Mar. 11	Apr. 09 - Mar. 10	Apr. 10 - Mar. 11	Apr. 09 - Mar. 10	Apr. 10 - Mar. 11	Apr. 09 - Mar. 10
SEGMENT REVENUE								
External Revenue	92,833.48	96,879.62	56,515.43	37,939.48	1,409.89	3,183.17	**150,758.80**	**138,002.27**
Total Revenue	**92,833.48**	**96,879.62**	**56,515.43**	**37,939.48**	**1,409.89**	**3,183.17**	**150,758.80**	**138,002.27**
SEGMENT RESULT							**20,374.59**	**18,560.69**
Unallocated Corporate Expenses.							**1,087.40**	**1,393.41**
Operating Profit							**19,287.18**	**17,167.27**
Interest Expenses							**13,787.78**	**11,881.87**
Other Income							**2,216.39**	**488.77**
Unallocated Corporate Other Income							**153.43**	**264.88**
Total Other Income							**2,369.82**	**753.66**
Profit from Ordinary Activities							**7,869.22**	**6,039.06**
NET PROFIT BEFORE TAXES							**7,869.22**	**6,039.06**
OTHER INFORMATION								
Segment Assets	201,286.88	203,683.38	105,160.17	94,088.46	2,156.72	10,209.23	**308,603.77**	**307,981.07**
Unallocated Corporate . Assets							**938.58**	**14,255.48**
Total Assets	**201,286.88**	**203,683.38**	**105,160.17**	**94,088.46**	**2,156.72**	**10,209.23**	**309,542.35**	**322,236.55**
Segment Liabilities	126,361.22	107,539.44	54,646.19	42,842.96	15,607.37	39,487.31	**196,614.78**	**189,869.71**
Unallocated Corporate - Liabilities							**29,088.82**	**36,209.94**
Total Liabilities	**126,361.22**	**107,539.44**	**54,646.19**	**42,842.96**	**15,607.37**	**39,487.31**	**225,703.60**	**226,079.65**
Capital Expenditure	2,344.55	9,217.40	1,984.33	927.33	177.44	227.46	**4,506.32**	**10,372.19**
Unallocated Capital Expenditure							**13.35**	**53.23**
Total Capital Expenditure	**2,344.55**	**9,217.40**	**1,984.33**	**927.33**	**177.44**	**227.46**	**4,519.67**	**10,425.42**
Depreciation	7,079.89	6,680.85	2,712.86	2,342.20	134.10	119.59	**9,926.85**	**9,142.64**
Unallocated Depreciation							**79.15**	**54.78**
Total Depreciation	**7,079.89**	**6,680.85**	**2,712.86**	**2,342.20**	**134.10**	**119.59**	**10,006.00**	**9,197.42**
Non-Cash Expenses other than Depreciation	1.36	4.97	0.25	0.25	-	-	**1.61**	**5.22**
Total Non Cash Expenses other than Depreciation	**1.36**	**4.97**	**0.25**	**0.25**	**-**	**-**	**1.61**	**5.22**

GEOGRAPHICAL SEGMENT

Particulars	India		Rest of The World		Total	
	Apr. 10 - Mar. 11	Apr. 09 - Mar. 10	Apr. 10 - Mar. 11	Apr. 09 - Mar. 10	Apr. 10 - Mar. 11	Apr. 09 - Mar. 10
Segment Revenue	149,663.31	121,395.51	1,095.49	16,606.76	**150,758.80**	**138,002.27**
Carrying Costs of Segment Assets	293,085.68	289,555.89	16,456.67	32,680.66	**309,542.35**	**322,236.55**
Additions to Fixed Assets and Intangible Assets	3,988.95	8,909.52	530.72	1,515.90	**4,519.67**	**10,425.42**

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, 2011**

₹ 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	50.84		
		(69.01)		
2	Remuneration		814.17	
			(918.82)	
3	Leasing and hire purchase transaction			3.30
				(3.30)
4	Services			
	- Income	-		
		(301.26)		
	- Expenses	-		
		(3.35)		
5	**Finance**			
	- Loans & Advances (Net)	-		
		(3,259.70)		
	- Equity	-		
		(0.45)		
	- Advance for Share Application	1,054.16		
		(1,246.53)		
6	Balances as at 31st March, 2011			
	Loans & Advances	1,937.71		
		(2,001.63)		
	- Debtors	-		
		(36.65)		

Figures in brackets relate to period ended 31 March 2010

(₹ in Lacs)

9	Deferred Tax		**As at 1st April, 2010**	**Current Year Charge/(Credit)**	**As at 31st March, 2011**
	a)	Deferred tax liability on account of:			
	i)	Depreciation	15,830.09	2.96	15,833.05
	ii)	Others			
		Deferred Revenue Expenditure	2,188.32	(513.91)	1,674.41
		TOTAL (A)	**18,018.41**	**(510.95)**	**17,507.46**
	b)	Deferred tax assets on account of:			
	i)	Employee Benefit	503.86	(175.10)	328.76
	ii)	State & Central Taxes & Cess	22.03	-	22.03
	iii)	Provision for Bad Debts	37.86	(1.25)	36.61
	iv)	Disallowance u/s 40 (a)	1.26	(0.66)	0.60
	v)	Carry forward loss as per IT Act	4,210.94	(4,210.94)	-
		TOTAL (B)	**4,775.95**	**(4,387.94)**	**388.01**
		TOTAL (A-B)	**13,242.46**	**(3,877.01)**	**17,119.45**

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, 2011			As at 31st March, 2010		
		No. of Contracts	**Foreign Currency Equivalent (In Lacs)**	**INR Equivalent (In Lacs)**	No. of Contracts	Foreign Currency Equivalent (In Lacs)	INR Equivalent (In Lacs)
a)	Long Term Export Options (Dollar Receivables)	**3**	**81.00**	**3,337.41**	6	214.50	9,074.79
	Forward (Dollar Receivables)	**47**	**424.37**	**20,185.65**	29	188.55	8,735.62
	Forward (GBP Receivables)	**3**	**9.00**	**657.66**	2.00	7.10	512.33
	Forward (EURO Receivables)	**6**	**24.58**	**1,602.22**	2.00	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. Mark to Market profit on outstanding derivatives instruments as on 31st March 2011 stood ₹151.62 lacs (Previous Year loss ₹ 511.34 lacs) arising from hedging transactions by the company for its foreign currency related exposures. The company has not taken credit for the profit on mark to market basis during the year. Since the same would be considered on maturity of the contracts.

c) Foreign currency exposures that are not hedged by a derivative instrument or otherwise are

Particulars	**As at 31st March, 2011 (₹ in Lacs)**	As at 31st March, 2010 (₹ in Lacs)
Import Payable	**9,575.93**	10129.41
Foreign Currency Loans & Interest thereon	**13,958.12**	8,883.37

11 Managerial Remuneration (Parent Company)

		For the Year Ended 31st March, 2011 (₹ in Lacs)	For the Year Ended 31st March, 2010 (₹ in Lacs)
(a)	Whole time Directors		
	Salaries	**316.80**	274.25
	Contribution to Provident and Superannuation funds	**34.67**	28.27
	Perquisites	**23.95**	25.63
	Gratuity	**6.16**	5.03
	Commission	**410.00**	410.00
(b)	Other Directors		
	Sitting Fees	**15.80**	16.00
	Commission	**135.00**	130.00
		942.38	889.18

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.

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.

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.

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 has provided for an appropriate impairment of assets.

15 **Earnings per Share (EPS)**

Basic EPS		**For the Year Ended 31st March, 2011**	For the Year Ended 31st March, 2010
Earnings per Share has been computed as under:			
Profit after Taxation (₹ in Lacs)		**3835.15**	7,956.55
(Less)/Add : Prior Period Adjustment		**(62.92)**	10.64
	A	**3,772.24**	7,967.19
The weighted average number of Equity Shares for Basic EPS	B	**100,019,286**	100,019,286
Earnings per share (Face value of ₹ 10/- per share) (A) / (B)		**3.77**	7.97
Diluted EPS			
Profit after Tax and Minority interest from continued operations (₹ in Lacs)		**3,820.39**	8,125.18
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		**5,528,100**	15,857,298
The weighted average number of Equity Shares for Diluted EPS		**105,547,386**	115,876,584
Earnings Per Share (Diluted)		**3.62**	7.01

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, 2011 ₹ in Lacs**	As at 31st March, 2010 ₹ 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. ₹ 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 provison 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 had advanced interest free loan of ₹ 6,403.20 Lacs (Previous year 6,430.10 Lacs) to the Trust for the purpose of purchased of shares from the open market for allotment of shares to the eligible employees upon exercising their option.

The current market value of the shares held by ESOS Trust is lower than the cost of acquisition of these shares by ₹ 5,395 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 eliglible empolyees on March 24, 2010. However, none of the employees have exercised the options during the year ended 31 March 2011.

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 ₹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 ₹ 967.00 Lacs.

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

	Particulars	Details
a)	No of Options granted	16,55,000 (Each option is equivalent to one equity share on exercise of option)
b)	Pricing Formula	₹ 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	16,55,000
j)	Number of options lapsed for 5 employees left/retired during/earlier year	90,000
k)	Total Number of Options in force as at 31st March, 2011	1,565,000
l)	Number of employees to whom options are granted	33

(i) Senior Managerial person at the time of grant of option

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	₹ 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	(Rahul Divan) Partner	R. S. Jalan Managing Director	Raman Chopra Executive Director - Finance
Place : New Delhi Date : 18th July 2011		Place : New Delhi Date : 18th July 2011	Bhuwneshwar Mishra General Manager & Company Secretary

GHCL Limited

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

ATTENDANCE SLIP

I hereby record my presence at the Twenty Eighth ANNUAL GENERAL MEETING of the Company held on Friday, September 2, 2011 at 9:30 a.m. at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall).

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 Eighth Annual General Meeting of the Company, to be held on Friday, September 2, 2011 at 9:30 a.m. and at any adjournment thereof.

Signed this.. day of 2011

Reference Folio:/DPID/CL.ID

Signature

Affix
Re. 1
Revenue
stamp

No. of Shares: ....

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

Book-Post

If undelivered, please return to:

GHCL

GHCL Limited

Registered Office:
“GHCL HOUSE” Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009 (Gujarat)
www.ghclindia.com

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