

31ST ANNUAL REPORT 2013-2014



GHCL Limited

Contents

Company Information	1
Chairman Statement	2
Notice	3
Directors' Report	10
Management Discussion & Analysis	16
Corporate Governance Report	21
Secretarial Audit Report	33
Independent Auditors' Report	35
Balance Sheet	38
Statement of Profit & Loss	39
Cash Flow Statement	40
Notes	42
Statement u/s 212 of The Companies Act, 1956	64
Independent Auditors' Report on Consolidated Financial Statements	66
Consolidated Balance Sheet	67
Consolidated Statement of Profit & Loss	68
Consolidated Cash Flow Statement	69
Notes to Consolidated Accounts	71
E-service of documents through Email	86
Form No. SH-13-Nomination Form	87
Form No. SH-14-Cancellation or Variation of Nomination	89
Attendance Slip and Proxy Form	91

Annual General Meeting – Thursday, August 21, 2014
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 Monday, August 11, 2014 to Thursday, August 21, 2014

Important Communication to Members

Ministry of Corporate Affairs had announced “green initiatives in the Corporate Governance” and permitted companies to service notices / documents including Annual Report to the members of the company on their email addresses. All those Shareholders who have not yet registered their email ids or holding shares in physical form are requested to register their email ids with NSDL/CDSL and/or our RTA 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	Non-Executive Chairman
Anurag Dalmia	Non-Executive Director
Neelabh Dalmia	Non-Executive Director
Dr. B C Jain	Independent Director
D C Jain	Nominee Director (IDBI Bank)
R M V Raman	Nominee Director (Exim Bank)
Surendra Singh	Independent Director
G C Srivastava	Independent Director
Mahesh Kheria	Independent Director
Sanjiv Tyagi	Independent Director
S H Ruparell	Non-Executive Director
R S Jalan	Managing Director
Raman Chopra	CFO & 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)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
Website: www.ghclindia.com

MAJOR SUBSIDIARIES

1. Grace Home Fashions LLC
2. Others - As per Statement given U/S 212

COMPANY IDENTIFICATION NO.

CIN – L24100GJ1983PLC006513

STATUTORY AUDITORS

Jayantilal Thakkar & Co.
Rahul Gautam Divan & Associates

SECRETARIAL AUDITORS

Dr K R Chandratre
Practicing Company Secretary

WORKS

SODA ASH

Village - Sutrapada,
Near Veraval,
Distt. Gir Somnath - 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, Irukandurai Village
Sankaneri Post Radhapuram
Taluk, Tirunelveli District
Tamilnadu
- (b) Chinnaputhur village,
Dharapuram Taluk,
Erode District, Tamil Nadu

BANKERS / FINANCIAL INSTITUTIONS

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

SHARE TRANSFER AGENTS

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

The Indian economy today stands at a crucial junction. We now have a stable government at the centre after a high voltage election and despondency and pessimism has given way to hope. There is a belief that the new government, which has won a massive mandate, will take urgent steps to mend the economy and put in back on track of high growth and job creation.

In the year gone by, the Indian economy continued to be buffeted by myriad challenges. The GDP growth for financial year 2013-14 remained under 5.0% for second year in a row and way below our potential of 9.0% plus growth rate. A number of factors including inflation, investment bottlenecks and tighter monetary policy are responsible the economy losing steam. The slowdown has taken a toll across sectors with companies cutting output, putting off expansion plans and reducing staff strength.

Even as the new government has taken charge, a weak monsoon, jump in food prices, and Iraq crisis with consequent rise in oil prices pose an immediate challenge. The government will have to tackle these issues on a war footing and at the same time, find a long-term solution that insulates India better from such fluctuations.

The cost of energy is going to be one contentious issue in the days ahead if the fighting Iraq spreads to adjoining regions. The government will have to maintain a fine balance between passing some of the impact of higher oil prices to consumers and at the same time, ensure that the nascent recovery in the economy doesn't suffer a setback. Similarly, efforts should be made to delink food prices to the extent possible from vagaries of monsoon. It is observed that every year, food prices fluctuate depending on the quantum of rainfall. It is thus important that productivity of items of mass consumption like potatoes and onions is raised, more storage facilities are introduced, and supply chains are strengthened.

Further, if a liberal dose of reforms coupled with a gradual reduction in interest rates can revive confidence in India, investments will start to flow, stalled projects can take off again and new projects will come up. The global economy is also making a gradual recovery from the throes of the prolonged slowdown. India, with its massive plans to spruce up infrastructure including building 100 new smart cities, could well emerge as the growth engine of the world as it unfolds big dollar spending.

Amid the turmoil in the economy, the growth momentum has continued at your company with growth both in revenues and net profit in the last financial year as we played according to our strengths and did not allow external events to overwhelm us or shake our long term vision. The growth in both topline and bottomline has come despite higher input prices.

Thus, revenues for the last financial year rose by 4.75% to 2229 crore rupees compared with 2128 crore rupees for financial year 2012-13. Profit before financial expenses and depreciation went up by 3.25% to 433 crore rupees in financial year 2013-14 while profit before tax climbed 7.25% at 150 crore rupees in the same period. Net profit for financial year 2013-14 rose to 116 crore rupees from 114 crore rupees in the previous financial year. The company has also recommended a dividend of ₹ 2.00 per Equity Share for the financial year ended March 31, 2014 as a token of gratitude towards its shareholders, who continue to repose faith in GHCL's management and future growth.

Displaying alacrity, your company replaced all its borrowing through FCNR (B) route with rupee loan after the Indian currency depreciated sharply against the dollar. Despite borrowing under rupee route, we managed to maintain Weighted Average Interest Rate at around 9.55%.

I would now turn to detail performances of each of our divisions.

Despite depressed market conditions, I am happy to report that the company achieved highest domestic sale of 6.44 lakh MT of soda ash in the last financial year. The sale of soda ash was 6.74 lakh MT including exports. The production of soda ash during 2013-14 was at 7.12 lakh MT against the installed capacity of 8.50 lakh MT per annum. With capacity utilisation of 83%, your company did better than the industry average of 80%. While domestic demand had been flat in 2013-14, it is expected that on the back of improved GDP and growth in both glass and detergent segments, a 3% to 4% rise in soda ash demand is likely in the current year 2014-15.



The new government at the centre is expected to provide fresh impetus to the textile industry, given that it also has a huge potential for exports. In addition, States of Gujarat, Maharashtra, Madhya Pradesh have special incentive for textile industry. Hence, the outlook for the textile industry is positive and there are huge opportunities in future. The Indian textile industry is currently about \$60 billion. The Industry plays a major role in the economy of the country and contributes about 11% to Industrial Production, 12% to export earnings, and around 4% to GDP of the country.

The Revenue of Home Textile division was 663 crore rupees during financial year 2013-14, up nearly 7.5% from 617 crore rupees in the year ago period. We have now made deep inroads in the export market and further secured large replenishment orders from the big Global Retailers in US and Europe. Sentiment in the US looks better and we are focusing on that market for large volumes. With depreciation in Rupee, there is lot of interest in US retail to shift some more business to India and that is yet another positive for the Indian home textile industry. That said, pricing pressures still remain and that may have some bearing on the margins.

The Revenue of Yarn division jumped nearly 16% on year to 442 crore rupees during financial year 2013-14. The performance of yarn business improved due to both rise in demand and an increase in yarn prices. However, shortage of skilled labour and grim power situation is the main challenge for the yarn industry including GHCL though the company managed to partially offset impact of power deficit through aggressive power trading. The outlook for spinning industry looks better. With stable cotton prices, timely cotton coverage and improved yarn price scenario, we expect a profitable period ahead for the company in this segment.

Given our commitment towards betterment of the society, your company continued with its activities in the area of Corporate Social Responsibility with lot of passion and diligence in 2013-14. GHCL Foundation Trust has been entrusted with the task of identifying new projects and running various initiatives that are already operational. These projects, taken up around its soda ash manufacturing sites, focus on roof rain water harvesting and coastal area development, agro-based livelihood, healthcare, sanitation, education, employment generation, improving green cover, e-waste management as well as other environment protection programmes. As a responsible corporate, we also lay emphasis on primary education in the villages so that children enroll in schools.

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

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

Sanjay Dalmia
Chairman

GHCL Limited

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

NOTICE

NOTICE is hereby given that the 31st Annual General Meeting of the members of GHCL Limited will be held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, August 21, 2014 at 9.30 AM to transact the following businesses:

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

To receive, consider and adopt the Financial Statements of the Company for the financial year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and Auditors thereon.

Item no. 2: Declaration of dividend

To declare dividend on the equity shares of the Company for the financial year ended March 31, 2014.

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

To appoint a director in place of Mr. Anurag Dalmia (holding DIN 00120710), who retires by rotation and being eligible, offers himself for re-appointment.

Item no. 4: Re-appointment of Mr. Ravi Shanker Jalan

To appoint a director in place of Mr. Ravi Shanker Jalan (holding DIN 00121260), who retires by rotation and being eligible, offers himself for re-appointment.

Item no. 5: Re-Appointment of Statutory Auditors

To re-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 Statutory Auditors of the Company, to hold office from the conclusion of 31st Annual General Meeting to the conclusion of the 32nd Annual General Meeting and to authorize Board of Directors to fix their remuneration

SPECIAL BUSINESS:**Item no. 6: Appointment of Dr. B. C. Jain as Independent Director of the Company**

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

“RESOLVED that pursuant to the provisions of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any amendment thereof read with Schedule IV to the Companies Act, 2013, Dr. B C Jain (holding DIN 00319666), Independent Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under his hand signifying his candidature as a Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from April 1, 2014 and for a term up to March 31, 2019.”

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

Item no. 7: Appointment of Mr. Surendra Singh as Independent Director of the Company

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

“RESOLVED that pursuant to the provisions of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any amendment thereof read with Schedule IV to the Companies Act, 2013, Mr. Surendra Singh (holding DIN 00003337), Independent Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under his hand signifying his candidature as a Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from April 1, 2014 and for a term up to March 31, 2019.”

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

Item no. 8: Appointment of Mr. G C Srivastava as Independent Director of the Company

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

“RESOLVED that pursuant to the provisions of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any amendment thereof read with Schedule IV to the Companies Act, 2013, Mr. G C Srivastava (holding DIN 02194331), Independent Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under his hand signifying his candidature as a Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from April 1, 2014 and for a term up to March 31, 2019.”

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

Item no. 9: Appointment of Mr. Mahesh Kumar Kheria as Independent Director of the Company

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

“RESOLVED that pursuant to the provisions of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any amendment thereof read with Schedule IV to the Companies Act, 2013, Mr. Mahesh Kumar Kheria (holding DIN 00161680), Independent Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under his hand signifying his candidature as a Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from April 1, 2014 and for a term up to March 31, 2019.”

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

Item no. 10: Appointment of Mr. Sanjiv Tyagi as Independent Director of the Company

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

“RESOLVED that pursuant to the provisions of Section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any amendment thereof read with Schedule IV to the Companies Act, 2013, Mr. Sanjiv Tyagi (holding DIN 00225812), Independent Director of the Company whose period of office is not liable to determination by retirement of directors by rotation and in respect of whom the Company has received a notice in writing under his hand signifying his candidature as a Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years, with effect from April 1, 2014 and for a term up to March 31, 2019.”

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

Item no. 11: Authorization to borrow money exceeding aggregate of the Paid up Capital and Free Reserves of the company

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

“RESOLVED THAT in supersession of the Ordinary Resolution adopted at the 22nd Annual General Meeting held on September 2, 2005 and pursuant to the provisions of Section 180 (1)(c) and other applicable provisions, if any, of the Companies Act 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors (including the committee thereof, in exceptional circumstances and subject to ratification by the Board of Directors) to borrow moneys in excess of the aggregate of the paid up shares capital and free reserves of the company, provided that the total money borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the company's bankers in the ordinary course of business, shall not be in excess of ₹ 1500 Cr (Rupees One Thousand Five Hundred Crores);

RESOLVED FURTHER THAT in order to secure the loan taken in line with above authorisation, the Board of Directors of the Company (including the committee thereof) be and is hereby authorised to create a charge, mortgage, hypothecation, pledge or otherwise, in respect of all, or any of the company's assets and do all such acts, deeds and things and executive and certify all such documents and writings as may be necessary, expedient and incidental thereto.

Item no. 12: Ratification of remuneration of Cost Auditors of the Company

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

“RESOLVED that pursuant to provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors of the Company be and is hereby authorized to appoint and fix

the remuneration of Cost auditors from time to time and such remuneration shall be considered as ratified by the Shareholders until the remuneration of each such cost auditors crossed the limit of ₹10 lacs per cost auditor for each cost audit period.

“RESOLVED FURTHER that Board of Directors be and is hereby authorized to fix the remuneration of cost auditors from time to time not exceeding the limit of ₹ 10 lacs per cost auditor for each cost audit period and reimburse the out of pocket expenses as may be incurred by the cost auditor during the course of their audit and performance of their duties as cost auditors of the company.

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura
Ahmedabad - 380009
Dated: May 28, 2014

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

Bhuvneshwar Mishra
General Manager &
Company Secretary

NOTES

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

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

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, August 11, 2014 to Thursday, August 21, 2014 (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 11, 2014. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose.
6. The relevant details of directors seeking reappointment under Items No. 3 to 4, as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges is given herein below.

a. Mr. Anurag Dalmia (DOB - May 11, 1956) is a Director of the Company. Mr. Dalmia is a member of the Project Committee of the Company. Mr. Dalmia is an eminent



Industrialist and has also representing PHD Chambers of Commerce and Industry and Confederation of Indian Textile Industry. Mr. Dalmia is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. He does not hold any shares in the Company.

- b. Mr. R S Jalan (DOB - October 10, 1957) is Managing Director of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Corporate Finance and Textiles. Mr. R S Jalan has around 29 years of Industrial experience. Mr. Jalan is a Director on the Board of Sumedha Investments Pvt. Ltd., Sachin Holdings Pvt. Ltd and India Hostels Pvt. Ltd. He is a member of Share Transfer & Investors' Grievances Committee, Banking & Operations Committee and CSR Committee of the Company. He is neither a member of 10 Committees nor the Chairman of more than 5 Committees. Mr. Jalan holds 50,843 equity shares of the Company in his individual name and 100 equity shares in HUF.

7. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Share Transfer Registrar of the Company in respect of their physical share folios, if any.

8. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or / change in such bank details. Further instruction, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depositories Participants.

9. **The Company will send the correspondence and documents including Annual Report etc. in electronic form, to the e-mail address of the members, instead of sending documents in physical form. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail ids at ghclgogreen@linktime.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. Voting through electronic means:

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Clause 35B of the Listing Agreement and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

- (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.

- (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date August 11, 2014, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

(d) The e-voting period commences at 9:30 a.m. on Friday, August 15, 2014 and ends at 5:30 p.m. on Sunday, August 17, 2014. The e-voting module shall be disabled by CDSL for voting thereafter.

- (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(f) Instructions for members for e-voting are as under:

- i) Log on to the e-voting website www.evotingindia.com
- i) Click on "Shareholders" tab.
- iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- v) Next enter the Image Verification as displayed and Click on Login.
- vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.



DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

viii) After entering these details appropriately, click on "SUBMIT" tab.

ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

In case of members receiving the physical copy:

(A) Please follow all steps from sl. no. (i) to sl. no. (xvii) mentioned above to cast vote.

(B) The e-voting period begins at 9.30 a.m. on Friday, August 15, 2014 and ends at 5.30 p.m. on Sunday, August 17, 2014. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date / record date i.e. August 11, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

(g) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(h) Mr. Pramod Mehendale, Practicing Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

(i) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in employment of the Company and forward his report of the votes cast in favour or against to the Chairman.

(j) The Results shall be declared on or after the Annual General Meeting (AGM) by the Chairman or the person authorised by him. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ghclindia.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.

12. All documents referred to in the Notice and Explanatory Statement is available for inspection at the Registered Office of the Company during the business hours between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.

13. Members attending the Meeting are requested to complete the enclosed slip and deliver the same at the entrance of the meeting hall.

14. Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports as the practice of distribution of copies of the report at the meeting has been discontinued.
15. Dividend for the financial year 2006-07 (15 months), which remains unpaid or unclaimed, is due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in the month of July 2014 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, 2007 or any subsequent financial year(s), are requested to lodge their claims with Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) (LI IPL). Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie in respect thereof.
16. **Electronic Clearing Service (ECS) Facility:** With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in physical form should submit their PAN details to the Company or Registrar and Transfer Agent i.e. Link Intime India Pvt. Limited.
18. **Nomination Facility:** Members holding shares in physical form may obtain the nomination form from the Company's Registrar and Share Transfer Agent. Copy of the nomination form has also been attached in the Annual Report. Members holding shares in electronic form may obtain the nomination form from their respective Depository Participants.

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

Item no. 6

Dr. B C Jain (DOB – October 8, 1938) is a Non-Executive Independent Director of the Company. He is a Director of the Company since April 19, 1986. Dr. Jain is LL.B, ACCS, Ph. D. and Fellow member of Institute of Chartered Accountants of India (ICAI) and his area of specialization is Finance, Banking and Accounting. He was on the Board of Union Bank of India, Central Bank of India and Bank of India. He has also been the Central Council Member of ICAI and the Member of Peer Review Board of ICAI. He is also Joint Secretary of Uttar Pradesh Cricket Association. Dr. Jain is the Chairman of Audit Committee and a member of Nomination and Remuneration Committee of the Company. He is not a member or Chairman of any Board or Committee other than GHCL Limited. He is partner in M/s B C Jain & Co., Chartered Accountants. He does not hold any shares in the Company.

Dr. B C Jain was an Independent Director retiring by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Dr. Jain being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. The Company has received a notice in writing under his hand signifying his candidature for the office of Director of the Company.

In the opinion of the Board, Dr. B C Jain (holding DIN 00319666) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Dr. B C Jain as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.

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

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

Item no. 7

Mr. Surendra Singh (DOB – July 21, 1937) is a Non-Executive Independent Director of the Company. He is a Director of the Company since November 23, 2010. Mr. Singh 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. His area of specialization is Corporate Governance, Industrial Policy and General Administration. Mr. Singh is the member of Nomination and Remuneration Committee of the Company. 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 NIIT Limited, NIIT Technologies Limited, NIIT Smartserve Limited and JP Morgan Mutual Fund India Private Limited. He is also a partner in M/s S & C Partners. He does not hold any shares in the Company.

Mr. Surendra Singh was an Independent Director retiring by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Singh being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. The Company has received a notice in writing under his hand signifying his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. Surendra Singh (holding DIN 00003337) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent

of the management. Copy of the draft letter for appointment of Mr. Surendra Singh as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.

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

Except Mr. Surendra Singh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item no. 8

Mr. G C Srivastava (DOB – September 20, 1947) is a Non-Executive Independent Director of the Company. He is a Director of the Company since May 10, 2008. Mr. Srivastava is an ex-IRS. He had joined Indian Revenue Service in 1971 and retired on September 30, 2007 as Director General of International Taxation. He is having very rich experience in Tax and Accounting. Mr. Srivastava is the member of Audit Committee of the Company. He is a Director on the Board of India Bulls Asset Management Co. Limited. Mr. Srivastava is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He does not hold any shares in the Company.

Mr. G C Srivastava was an Independent Director retiring by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Srivastava being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. The Company has received a notice in writing under his hand signifying his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. G C Srivastava (holding DIN 02194331) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. G C Srivastava as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense value to the overall progress of the Company and

it is desirable to continue to avail valuable services of Mr. G C Srivastava as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Srivastava as an Independent Director, for the approval by the shareholders of the Company. Being Non Executive Director of the Company, Mr. Srivastava may be entitled to receive sitting fee, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be determined by the Board of Directors upon recommendation of the Nomination and Remuneration Committee, within the overall approval given by the shareholders. As per the provisions of Section 197 read with Section 149 of the Companies Act, 2013 and being Independent Director of the Company, Mr. Srivastava shall not be entitled to any stock option.

Except Mr. G C Srivastava, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item no. 9

Mr. Mahesh Kumar Kheria (DOB – July 18, 1955) is a Non-Executive Independent Director of the Company. He is a Director of the Company since February 27, 1998. Mr. Kheria is a graduate in commerce and his area of specialization is Finance & Marketing. He has very wide areas of industrial experience and very long association with the Company. Mr. Kheria is the Chairman of the Share Transfer and Investors' Grievances Committee of the Company. He is a Director on the Board of Mass Food Products Pvt. Ltd. and Amicus Advisory Pvt. Ltd. Mr. Kheria is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He does not hold any shares in the Company.

Mr. Mahesh Kumar Kheria was an Independent Director retiring by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Kheria being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. The Company has received a notice in writing under his hand signifying his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. Mahesh Kumar Kheria (holding DIN 00161680) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Mahesh Kumar Kheria as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense value to the overall progress of the Company and it is desirable to continue to avail valuable services of Mr. Mahesh Kumar Kheria as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kheria as an Independent Director, for the approval by the shareholders of the Company. Being Non Executive Director of the Company, Mr. Kheria may be entitled to receive sitting fee, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be

determined by the Board of Directors upon recommendation of the Nomination and Remuneration Committee, within the overall approval given by the shareholders. As per the provisions of Section 197 read with Section 149 of the Companies Act, 2013 and being Independent Director of the Company, Mr. Kheria shall not be entitled to any stock option.

Except Mr. Mahesh Kumar Kheria, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 9. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item no. 10

Mr. Sanjiv Tyagi (DOB – February 25, 1959) is a Non-Executive Independent Director of the Company. He is a Director of the Company since April 30, 2009. He is a graduate in arts and PG Diploma in Hotel Management from the prestigious Oberoi School of Hotel Management. He had worked with Oberoi Group, Holiday Inn, Radisson, Unitech etc. He has very rich experience in the Industry and his area of specialization is Management. Mr. Tyagi is the Chairman of CSR Committee and also the member of Nomination and Remuneration Committee of the Company. He is a Director 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. Mr. Tyagi is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He does not hold any shares in the Company.

Mr. Sanjiv Tyagi was an Independent Director retiring by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149, 152, 160 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, Mr. Tyagi being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term up to March 31, 2019. The Company has received a notice in writing under his hand signifying his candidature for the office of Director of the Company.

In the opinion of the Board, Mr. Sanjiv Tyagi (holding DIN 00225812) fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management. Copy of the draft letter for appointment of Mr. Sanjiv Tyagi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.

The Board considers that his continued association would be of immense value to the overall progress of the Company and it is desirable to continue to avail valuable services of Mr. Sanjiv Tyagi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Tyagi as an Independent Director, for the approval by the shareholders of the Company. Being Non Executive Director of the Company, Mr. Tyagi may be entitled to receive sitting fee, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be determined by the Board of Directors upon recommendation of the Nomination and Remuneration Committee, within the overall

approval given by the shareholders. As per the provisions of Section 197 read with Section 149 of the Companies Act, 2013 and being Independent Director of the Company, Mr. Tyagi shall not be entitled to any stock option.

Except Mr. Sanjiv Tyagi, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 10. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

Item no 11

The members of the Company at their 22nd Annual General Meeting held on September 2, 2005 approved by way of an Ordinary Resolution under Section 293(1) (d) of the Companies Act, 1956 borrowings over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowings together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹ 1500 Crores (Rupees One thousand five hundred crores). Out of the above limits, the Company had availed borrowing of ₹ 876.35 Crores as on March 31, 2014 from various banks and financial institutions.

Section 180(1) (c) of the Companies Act, 2013 effective from 12th September, 2013 requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the company accorded by way of a Special Resolution.

It is, therefore, necessary for the members to pass a Special Resolution under Section 180(1)(c) and other applicable provisions of the Companies Act, 2013, as set out at Item No. 11 of the Notice, to enable to the Board of Directors to borrow money in excess of the aggregate of the paid up share capital and free reserves of the Company but not exceeding to ₹ 1500 Cr (Rupees one thousand five hundred crores).

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

Item no 12

According to Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules 2014, the Board of Directors of the Company is authorized to appoint the cost auditors of the company and approved the remuneration of cost auditors subject to ratification by shareholders. In order to give flexibility to the Board of Directors for fixing the remuneration of cost auditors from time to time, it is proposed to obtain approval of shareholders authorizing Board of Directors to approve remuneration of cost auditors, not exceeding the limit as approved by the shareholders.

Your directors place the resolution for your approval and confirm that none of the directors and key managerial personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12.

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura
Ahmedabad - 380009
Dated: May 28, 2014

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

Bhuwadeshwar Mishra
General Manager &
Company Secretary

DIRECTORS' REPORT

To The Members,

We are pleased to present the 31st Annual Report and the audited accounts of the company for the financial year ended March 31, 2014.

OPERATIONAL RESULTS

The summary of the financial performance of the Company for the financial year ended March 31, 2014 compared to the previous year ended March 31, 2013 is given below:

(₹ in Lacs)		
Particulars	Year Ended March 31, 2014	Year Ended March 31, 2013
Net Sales /Income	2,22,920.76	2,12,793.13
Gross profit before interest and depreciation	43,332.31	41,956.41
Finance Cost		
(a) Interest Cost	14,916.21	14,091.22
(b) Loss on foreign currency transactions and translation (net)	2,136.54	1,704.96
Total Finance cost (a+b)	17,052.75	15,796.18
Profit before depreciation and amortisation - (Cash Profit)	26,279.56	26,160.23
Depreciation and Amortisation	8,156.77	8,196.72
PBT before exceptional items	18,122.79	17,963.51
Exceptional items	(3,097.20)	(3,958.32)
Profit before Tax (PBT)	15,025.59	14,005.19
Provision for Tax – Current	3,521.76	2,819.45
Provision for Tax – Deferred	(125.37)	(306.91)
Profit after Tax	11,629.20	11,492.65
Balance brought forward from last year	22,218.30	14,212.44
Prior period adjustments	16.75	3.92
Excess provision for tax for earlier years	(76.31)	(1.08)
Amount available for appropriation	33,787.94	25,707.93
Appropriations		
Transfer to General Reserve	1,162.92	1,149.27
Proposed Dividend	2,000.39	2000.39
Tax on Dividend	339.97	339.97
Balance carried to Balance Sheet	30,284.66	22,218.30

PERFORMANCE HIGHLIGHTS

SODA ASH

The Global Soda Ash market which was around 52 million tons in 2012 is estimated to be approximately 54 million metric tons in 2013 against a capacity of about 65 Million MT.

Global demand for Soda Ash grew 2.8% annually over the last 5 years and is expected to grow 5% annually through 2017. The projected growth for this year is 4% with most of the growth expected to be in China, India, and South America. World operating rates will not improve due to continued over capacity.

Due to the global cost disparities, relative production costs will be a key issue for the soda ash industry in the future. Though demand for Soda Ash remained better during the year, price pressure from key inputs such as salt and energy weighed heavily.

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 2013. China is likely to add at least 2 Million MT capacities every year on the back of huge infrastructure investments.

The manufacturing and processing costs for producing soda ash from trona are more cost competitive than other manufacturing techniques partly because of the cost associated with procuring the material needed for synthetic production. In addition, trona-based production consumes less energy. The average cost of production per ton of soda ash (before freight and logistics costs) from trona is approximately one-third to one-half the cost per ton of soda ash from synthetic production. The future depends upon soda ash prices. Soda Ash prices fluctuate according to the demand supply situation in the global market, China in particular.

Due to depressed conditions prevailing in the Indian Economy, Soda Ash demand witnessed a flat growth in 2013-14. Market feedback suggests other than Detergents; all other consuming segments lead by Glass recorded lower growth. Most affected sectors are container glass and flat glass, which are under pressure because of over capacity and slow growth in demand. They are under pressure and continue to struggle with sharp decline in sales and stock pile up and also their financial status is still a cause of concern. Though reduced, imports continue to flow in high volumes. It is expected that on the back of improved GDP growth projected and growth in Glass (Construction/Automobiles) and Detergents (FMCG penetration and growth) Soda Ash demand will continue to witness a reasonable growth. While domestic demand in 2013-14 has been flat, demand growth of 3 to 4% expected in the coming year 2014-15.

The Indian Soda Ash market constitutes of two varieties – Light (used in detergent industry) & Dense (used in Glass industry), with a share of 60% and 40% respectively. Total installed capacity in India was 3.1 Million MT. With an estimated production of about 2.5 Million MT in last financial year (2013-14) the capacity utilization was of only 80%.

The total size of the Indian soda ash market is about 2.7 Million MT and almost all the major industry players are located in the state of Gujarat due to the closeness and ready availability of the main raw materials namely limestone and salt.

At present your Soda Ash plant has a capacity of 8.50 lacs MTPA. During the financial year 2013-14 your company has produced 7.12 lacs MT soda ash. This year, the Company has also achieved highest domestic sales i.e. 6.44 lacs MT and total sales of Soda Ash is 6.71 lacs MT including exports.

BI-CARBONATE (BICARB)

During the year, the Company achieved production of Bi-Carbonate 21827 tons against 23593 tons in the previous year. During the year the Company achieved sales of Bi-Carbonate 21591 tons against 23433 tons in the previous year.

HOME TEXTILES

The Indian Textile Industry, 2nd largest in the world, has been growing at 10% over last several years. Government of India has

provided a number of export promotion policies for the Textile sector. In addition, States of Gujarat, Maharashtra, Madhya Pradesh have special incentive for textile industry. Hence, the outlook for the textile industry looks positive and there are huge opportunities in future for growth in this industry.

In the Textile Business of your company, the performance of Yarn business has improved as compared to the previous year, which is mainly due to better demand in yarn, increase in yarn prices and stability of cotton prices. Further, the Made-ups (Home Textile) Business operations are now fully stabilized and doing reasonably well mainly due to the better market sentiments in US. However, pricing pressure and volatility in forex still remain huge challenges, which may keep margins under pressure.

The Revenue of Home Textile division is at ₹ 662.55 Crores during the financial year 2013-14 against ₹ 617.04 Crores in 2012-13, thereby registering a growth of around 7.38% over previous year. Due to its sustained marketing efforts, the company has successfully made deep in roads in export market and further secured large replenishment orders from the big Global Retailers in US and Europe. Market sentiment in US looks better and the Company is focusing on US market with large volume programs. With depreciation in Indian Rupee, tremendous interest has been getting generated in US retail to shift some more business to India which further looked promising for Indian home textile industry going forward.

The Revenue of Yarn division is at ₹ 441.96 Crores during the financial year 2013-14 against ₹ 381.87 Crores in 2012-13, thereby registering a handsome growth of around 15.74% over previous year. The performance of Yarn business improved as compared to the previous year, which is mainly due to better demand in Yarn and increase in yarn prices. Both Domestic and international cotton prices remained stable. But, shortage of skilled labour as well as grim power situation is the main challenges for yarn industry including your Company. However, the aggressive power trading by the Company resulted in substantial savings partially offsetting the aforesaid impact. Overall outlook for Spinning Industry looks better and with stable cotton prices, timely cotton coverage and improved yarn price scenario, your directors expect a profitable period ahead for the Company.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹ 2.00 per Equity Share (i.e. 20% on the paid up capital) for the financial year ended March 31, 2014. The total dividend payout for the financial year 2013-14 shall be ₹ 2340.36 lacs comprising of dividend amounting to ₹ 2000.39 lacs and dividend tax of ₹ 339.97 lacs.

FINANCE

During the year 2013-14, your company has successfully raised resources in the form of long term and short term to part finance several capex programmes of the company besides meeting overall working capital requirements of the company. The details are as follows:

S. No.	Nature of Borrowing	₹ in Crores
1	Project Loan	50.00
2	Medium Term Loans	150.00
3	Working Capital Facilities (Enhancement during the year)	100.00
	Total	300.00

During the current year 2013-14, rupee depreciated sharply against dollar by 27% and hence, your company resorted to borrow in the form of rupee in the form of Short Term Loan / Long Term Loan instead of borrowing under FCNR (B) route. Despite borrowing under rupee route, your company could manage to maintain Weighted Average Interest Rate approx. 9.55%.

Due to timely repayment of interest and principal payments to various banks, CARE (Credit Analysis & Research Ltd) has reaffirmed the rating of CARE BBB assigned for long term facilities of the Company.

During the financial year, your Company has transferred to investors' education and protection fund account (IEPF) a sum of ₹ 26.15 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.

EMPLOYEES STOCK OPTION SCHEME

Your company had 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. Pursuant to Scheme, employees were 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 were granted, at the time of exercise of the option. The options granted to the employees were vested effective from March 24, 2010. So far none of the employees have exercised their vested rights. Further, in compliance of SEBI Circulars issued on January 17, 2013, May 13, 2013 and November 29, 2013, GHCL Employees Stock Option Trust had sold its entire shareholding except the shares which are part of litigation and the same shall be accounted for depending upon the outcome of the litigations. As per direction of the SEBI circular, Employees Stock Option Trust shall cease to be in existence effective from July 1, 2014. The details as per regulation 12 of SEBI (ESOS & ESPS) Guidelines 1999 are given as an Annexure – II forming part of this report.

SUBSIDIARIES

Grace Home Fashion, LLC, a subsidiary of the Company in USA engaged in Home Textile segment is catering to some of the largest Home-Textile Retailers like Bed Bath Beyond and Babies R US. In addition, Grace Home Fashion is also doing online Home-Textile Business in USA through JC Penny and Kohls.com. The revenue of the company increased from ₹ 150.04 Crore in FY'12-13 to ₹ 317.73 Crore during FY'2013-14.

Operations of Rosebys Interiors India Limited (RIIL), a subsidiary, remained closed during the year. RIIL is meeting its statutory and other obligations through support of GHCL.

During the year, non-operating subsidiaries namely Colwell & Salmon Communications Inc. and Rosebys UK Limited were voluntarily dissolved. Another subsidiary of the Company namely Teliforce Holding India Ltd. has been put for voluntary liquidation on January 29, 2014. Subsequent to the year end, a non-operating step-down subsidiary of the Company namely GHCL Rosebys Limited (i.e. wholly owned subsidiary of Indian Wales N.V.) has been voluntarily dissolved with effect from May 6, 2014.



Ministry of Corporate Affairs, Government of India, vide its circular dated February 8, 2011, had exempted companies from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies along with the Annual Report of the Company required u/s 212 of the Companies Act, 1956. As required under the said circular, the Board of Directors of your Company at its meeting held on May 28, 2014 has given its consent for not attaching the Balance Sheet of its subsidiaries. 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. 2.36 (refer page no. 57 of Annual Report) and also under Statement u/s 212 of the Companies Act, 1956 (refer page no. 64 and 65).

In line with the clarification issued by Ministry of Corporate Affairs vide its General Circular 08/2014 dated April 4, 2014, financial statements (including the documents required to be attached thereto), auditor's report and Board's report of the Company in respect of financial year ended at March 31, 2014 shall be governed as per the relevant provisions / Schedules / rules of the Companies Act, 1956. Accordingly, financial statements (including the documents required to be attached thereto), auditor's report and Board's report of the Company has been prepared as per the relevant provisions / Schedules / rules of the Companies Act, 1956.

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, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

SECRETARIAL AUDIT REPORT

In line with the requirement of Section 204 of the Companies Act, 2013 read other applicable provisions, if any, the Board of Directors of the Company appointed Dr. K.R. Chandratre, Practising Company Secretary to conduct Secretarial Audit of the Company for the financial year 2014-15. Further, as a measure of good corporate Governance practice, the Board of Directors had also appointed Dr. K.R. Chandratre, Practising Company Secretary to conduct Secretarial Audit of the Company for the financial year 2013-14. The Secretarial Audit Report for the financial year ended March 31, 2014 is annexed with the Board's

report and formed as part of the Annual Report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, and all the Regulations and Guidelines of SEBI as applicable to the Company, including The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Listing Agreements with the Stock Exchanges.

LISTING/DELISTING OF THE EQUITY SHARES

The equity shares of your Company are listed at BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and Ahmedabad Stock Exchange Limited (ASE). The annual listing fees for the year 2013-14 have been paid to all these Stock Exchanges. Further, your Board in their meeting held on May 28, 2014 has approved voluntarily delisting of equity shares from Ahmedabad Stock Exchange Limited.

DIRECTORS

Shri Anurag Dalmia and Shri R S Jalan directors retire by rotation and being eligible, offer themselves for re-appointment. The Board recommends their appointments at the ensuing Annual General Meeting.

Further, the Company is also placing proposals for appointment of five existing independent directors namely Dr. B C Jain, Shri Surendra Singh, Shri G C Srivastava, Shri Mahesh Kumar Kheria and Shri Sanjiv Tyagi, as per Section 149 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder for five consecutive years for a term up to March 31, 2019. In the opinion of the Board these directors fulfil the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and are independent of the management. The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail valuable services of them as Independent Directors. Accordingly, the Board recommends their appointments at the ensuing Annual General Meeting for the approval by the members of the Company.

Subsequent to the year end, IDBI Bank Ltd. had nominated Mr. D C Jain in place of Mr. Ajoy Nath Jha as a Nominee Director of the Company and accordingly the Board of Directors had appointed Mr. D C Jain as a Nominee Director of the Company and also a member of the Audit Committee and Project Committee in place of Mr. Ajoy Nath Jha w.e.f. April 2, 2014. Your Directors wish to record their gratitude and appreciation for the contribution by Mr. Ajoy Nath Jha 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 the provisions 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 SS & Associates, 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 for the financial year 2014-15. The Board has also appointed M/s R J Goel & Company as the Lead Cost Auditor of the Company for the financial year 2014-15, who would be responsible for the consolidation and filing the Cost Audit Report (in XBRL) of the Company (all three divisions i.e. Soda Ash, Yarn & Home Textile) and shall also file the Compliance Report for Edible Salt unit of the Company. Further, in line with the requirement of clause (k) of General Circular No. 15/2011 (52/5/CAB-2011) dated April 11, 2011, issued by the Ministry of Corporate Affairs, Cost Audit Branch, necessary particulars of Cost Auditors for the financial year 2012-13 are as under:

Name of Division of the Company	Particulars of Cost Auditors	Due date of filing of the Cost Audit Report (in XBRL) for Financial Year 2012-13	Actual date of filing of the Cost Audit Report (in XBRL) for Financial Year 2012-13
Soda Ash	M/s R. J. Goel & Co., Cost Auditors, (Membership No. 2171), Address - 31, Community Centre, Ashok Vihar, Delhi – 110052	September 30, 2013	Being Lead Cost Auditors of the Company, M/s R J Goel & Company filed the Cost Audit Report (in XBRL) on October 4, 2013.
Yarn	M/s L. S. Sathiamurthi & Co., Cost Auditors, (Membership No. 3128), Address - 17/6, Kumar Arcade Apartments, 4th Street, Nehru Nagar, Adyar, Chennai – 600020, Tamil Nadu		
Home Textile	M/s N. D. Birla & Co., Cost Auditors, (Membership No. 7907), Address - A-3, Nirant Society, Opp. Town Hall, Nr. Karnavati Hospital, Elisbridge, Ahmedabad – 380006, Gujarat		

DIRECTORS' RESPONSIBILITY STATEMENT

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

- a. in the preparation of the annual accounts for the financial year ended March 31, 2014 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, 2014 and of the profits of the Company for the financial year ended March 31, 2014;
- 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, 2014 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, customers, suppliers, lenders, distributors and other stakeholders for the confidence reposed by them in the Company. The employees of the Company contributed significantly in achieving the results. The Directors take this opportunity of thanking them and hope that they will maintain their commitment to excellence in the years to come.

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

Date: May 28, 2014
Place: New Delhi

Sd/-
SANJAY DALMIA
Chairman

ANNEXURE I TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure Taken

- 1 Continuous usage of low GCV fuel in CFBC boiler.
- 2 Mechanized briquette plant stabilized and 100 % briquette usage during non-monsoon months established. Actions taken for strength improvement resulted in less recycle.
- 3 Introduction of Variable Frequency Drive continued with saving of about 25% in energy of that particular drive
- 4 New RO plant of improved technology with energy saving of about 50% against existing RO plant installed and in operation.
- 5 Energy audit by M/S Devki Energy Consultant, Vadodra completed to identify energy saving potential.
- 6 Installation of 20 TPH Coal fired boiler at Vapi Unit.
- 7 Various energy saving measures continued.

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

- 1 Erection of condensing turbine for better steam power balance is in progress and shall be commissioned in September 2014.
- 2 Variable Frequency Drive introduction in more drives.
- 3 One no. preheater is planned for replacement which will result in reduction of steam consumption.

B. POWER & FUEL CONSUMED

	Year ended March 31,2014	Year ended March 31,2013
1 Electricity		
(i) Purchased Units (lacs kwh)	1,084.43	829.25
Total amount (₹ lacs)	7,214.56	5,954.24
Rate per Unit (₹)	6.65	7.18
(ii) Own Generation		
(a) Through DG		
Units (lacs kwh)	43.09	104.47
Units per ltr of Diesel Oil	3.15	3.26
Cost per Unit (₹)	18.74	13.67
(b) Through GTG		
Units (lacs kwh)	134.76	231.23
Units per SCM of Gas	4.20	4.04
Cost per Unit (₹)	9.01	8.79
(c) Through TG		
Units (lacs kwh)	1,629.82	1,674.92
Cost per Unit (₹)	2.81	2.23
2 Coal		
Quantity (MT)	2,50,043.54	2,02,251.45
Total Cost (₹ lacs)	19,378.40	14,561.32
Average Rate (₹/MT)	7,750.01	7,199.61
3 Lignite		
Quantity (MT)	2,06,583.60	2,94,487.38
Total Cost (₹ lacs)	6,442.26	6,796.24
Average Rate (₹/MT)	3,118.47	2,307.82
4 Consumption per Unit of Production		
	Production (MT)	Electricity (kwh/MT)
	Year ended March 31, 2014	Year ended March 31, 2013
Soda Ash	7,11,528	255.37
Salt	47,240	21.93
Yarn	19,212	4.05
Cloth (Fabric '000 Meters)	30,282	0.95
Coal -Soda Ash (MT/MT)	7,11,528	0.34
Lignite - Soda Ash (MT/MT)	7,11,528	0.29

C. TECHNOLOGY ABSORPTION

1 Research & Development

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

R & D Project to reduce the binder cost for briquetting of coke breeze has been taken up in association with M/S ICT, Mumbai.

2 Technology -Absorption, Adoption and Innovation

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

3 Imported Technology

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

D. FOREIGN EXCHANGE EARNING AND OUTGO

	For the Year Ended 31st March, 2014 (₹ in Lacs)	For the Year Ended 31st March, 2013 (₹ in Lacs)
Earnings	60,103.44	55,745.73
Outgo (Includes CIF value of imports)	25,382.24	30,868.97

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 lapsed in respect of 5 employees who have left / retired before commencement of vesting period i.e. March 24, 2010.	90000																
Options Vested	15,65,000																
Options Exercised	Nil																
Total Number of shares arising as a result of exercise of options	Nil																
Option Lapsed till date*	16,55,000																
Variation of Terms of Options	Nil																
Money realized by exercise of options	Nil																
Total Number of Options in force as on March 31, 2014	Nil																
Number of employees for whom above options are in force	Nil																
Employee-wise details of options granted to:																	
(i) Senior Managerial personnel	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: right;">No. of Options Granted</th> </tr> </thead> <tbody> <tr> <td>Mr. R S Jalan</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Mr. Raman Chopra</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Mr. Sunil Bhatnagar</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Mr. R S Pandey</td> <td style="text-align: right;">75,000</td> </tr> <tr> <td>Mr. N N Radia</td> <td style="text-align: right;">75,000</td> </tr> <tr> <td>Mr. M. Sivabalasubramanian</td> <td style="text-align: right;">75,000</td> </tr> <tr> <td>Mr. Neeraj Jalan</td> <td style="text-align: right;">75,000</td> </tr> </tbody> </table>	Name	No. of Options Granted	Mr. R S Jalan	2,00,000	Mr. Raman Chopra	1,00,000	Mr. Sunil Bhatnagar	1,00,000	Mr. R S Pandey	75,000	Mr. N N Radia	75,000	Mr. M. Sivabalasubramanian	75,000	Mr. Neeraj Jalan	75,000
Name	No. of Options Granted																
Mr. R S Jalan	2,00,000																
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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 were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None																
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																

* None of the employees have exercised their vested options within the stipulated time period of 4 years. Hence, options granted to them are lapsed as per the terms of Stock Option Scheme.

MANAGEMENT DISCUSSION AND ANALYSIS 2014

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, 2014 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments, both in India and abroad.

REVIEW OF ECONOMY

As per the Advanced Estimates released by the Central Statistical Organisation (CSO) in February 2014, the growth in GDP during 2013-14 is estimated at 4.9% as compared to a growth rate of 4.5% in 2012-13, a slightly faster pace than in the previous year, mainly on an improved performance in the agriculture and allied sectors. However, the CSO had lowered growth for 2012-13 to 4.5% in its revised estimates from an earlier provisional forecast of 5%. The latest estimate of 4.9% for 2013-14 implies that the pace of economic expansion improved in the second half, given that GDP grew 4.6% in the first half of 2013-14 (i.e. April-September period).

The farm sector, which accounts for nearly 14% of GDP, is estimated to grow 4.6% in 2013-14, sharply higher from the previous year's 1.4% growth. This augurs well for the rural economy, which is expected to shield overall growth. But, a deep slowdown in the manufacturing and mining sectors continued, prompted calls for measures to reverse the trend. The manufacturing sector is expected to decline 0.2% in this financial year compared with growth of 1.1% in the previous year. According to the advance estimates, the services sector, including finance, insurance, real estate and business services sectors, is likely to grow 11.2% this year compared with 10.9% in 2012-13. The growth rate in per capita income is estimated at 2.8% as against the previous year's estimate of 2.1%.

The government and the Reserve Bank of India (RBI) had repeatedly said that growth would be in the range of 5 to 5.5%

although the RBI has been more conservative on growth due to stubborn inflationary pressures.

In the last decade, we experienced a period of high growth and low inflation until the global financial crisis in 2008. The crisis adversely impacted the Indian economy given our increasing integration with the global economy. The Government and the Reserve Bank of India (RBI) took several policy measures to minimise the spillover of global crisis on Indian economy. In the process growth bounced back but inflation also increased. More recently while growth has moderated, inflation still remains above comfort levels. In the post-global crisis period since 2008-09 inflation has emerged as a major public policy concern. A disturbing feature of the current episode of inflation is that it has been accompanied by high food inflation, which hurts most the poor and the low-income people of our society.

Both wholesale and consumer inflation rose more than expected in March 2014 because of pricier food articles, dashing hopes of any immediate monetary easing by the Reserve Bank of India to support demand. The new government will inherit a high and sticky inflation and economy that has shown no real spark as yet, though the stock markets have run ahead in the hope of a brighter year. Wholesale inflation, as measured by the Wholesale Price Index (WPI), rose to a three-month high of 5.7% in March 2014 compared with 4.68% in February 2014. A separate release by the CSO showed consumer price inflation (CPI) rose to 8.31% in March from 8.03% in February.

Last year, the large CAD had increased India's external vulnerabilities during July-September 2013, resulting in a sharp depreciation of the rupee after the US Fed's taper talk. India not only became part of the "Fragile Five", including Indonesia, Turkey, Brazil and South Africa, all countries with large CADs, but had the dubious distinction of leading the pack with the rupee being the worst performing currency.

India's current account deficit (CAD) shrank to a mere 0.9% of GDP in the third quarter of 2013-14 from a record 6.5% for the same period in the previous year. The CAD for 2013-14 is on track to be lower than 2.5 per cent of GDP. The current decline in CAD is due to a lower trade deficit achieved through a massive fall in gold and capital goods imports. Gold imports declined on average by 75 per cent during the six months from August 2013, accounting for nearly 60 per cent of the fall in aggregate imports. Hence, this is a commendable outcome. The question remains; can this lower CAD be sustained?

For an emerging economy like India with high domestic demand, it is neither unusual nor negative to incur a CAD if two conditions are satisfied. First, that imports contribute to capacity expansion and productivity enhancement, not merely to consumption and second, CAD can be financed by non-debt-creating capital inflows. But persistently high CAD with declining foreign currency reserves increases macroeconomic vulnerability to external shocks and puts the domestic currency under pressure. Therefore, the current decline in CAD is welcome news.

During 2008-09 and 2013-14, private investment fell by an alarming 8.2% of GDP due to poor investor sentiment and the fiscal deficit crowding private investment. So, capacity expansion in the economy stalled while consumption continued to rise, fuelled by higher public spending. Consequently, macro instability built up in the system with rising retail inflation and larger CAD. Falling private investment also brought down potential growth from nearly 8.5% to less than 5%.



Plummeting investment has been the principal driver of the current compression in CAD. This is disastrous for an economy seeking to generate massive employment opportunities. CMIE data on ongoing projects indicates that investments have continued to decline despite some revival in government projects due to clearances by the Cabinet Committee on Investment. The number of abandoned or stalled projects has also continued to rise. It is clear that the economy needs to bring private investment back on track and raise public savings if the compression in CAD has to be sustained

The improvement in CAD has come about by suppressing imports rather than growth of exports. This is neither sustainable nor desirable as it may result in the re-emergence of large-scale gold smuggling. Internally, it has been achieved through much lower investments rather than higher savings. So, the quality of external account correction remains poor, unsustainable and inimical to reviving growth.

It is true that the Indian economy is currently passing through a phase of relatively slow growth, but this should not cloud the fact that over the eight – year period beginning 2005-06, the average annual growth rate has been 8%. Does India have the potential to grow at a sustained rate of 8 to 9%? Why has the economy slowed down so rapidly despite recovering strongly from the global financial crisis? A number of factors are responsible viz. inflation, investment bottlenecks as well as the tighter monetary policy. Hope, new Government would take necessary steps to attract the foreign investment and also to enhance in domestic savings. It is a decisive mandate for the new government, which will augur well for spearheading a new paradigm of development with rapid changes in land and labour laws. Policy rate cuts by the RBI and improving business sentiments could also support a revival in investments.

COMPANY PERFORMANCE- PERFORMANCE HIGHLIGHTS

- Revenue for the financial year ended 31st March 2014 has increased by around 4.75% to ₹ 2229.21 Crore as against ₹ 2127.93 Crore for the previous Financial Year ended 31st March 2013.
- Profit before financial expenses and depreciation for the financial year ended 31st March 2014 has risen by around 3.25% to ₹ 433.32 Crore as compared to ₹ 419.56 Crore for the previous Financial Year ended 31st March 2013.
- PBT (Profit Before Tax) for the financial year ended 31st March, 2014 is higher by around 7.25% at ₹ 150.26 Crore against ₹ 140.05 Crore for the previous Financial Year ended 31st March 2013.

INORGANIC CHEMICALS (SODA ASH) GLOBAL SODA ASH INDUSTRY

Demand-Supply Scenario

Demand

Global demand for soda ash is estimated to have increased by around 2.5 to 3% in 2013. According to IHS Chemical Market Advisory Service, global demand for soda ash grew 2.8% annually over the last five years and is expected to grow 5% annually through 2017, primarily as a result of growth in demand in Asia. The total world market in 2013 was approximately 54 Million Tons in terms of volume with an estimated capacity of 65 million tons. The projected growth for this year is 4% with most of the growth expected to be in China, India, and South America. World operating rates are not expected to improve due to continued over capacity.

Due to the global cost disparities, relative production costs continue to be a key issue for the soda ash industry in the future. Though demand for Soda Ash remained better during the year, price pressure from key inputs such as salt and energy weighed heavily. Demand for glass and detergents in emerging world markets surged in the last few years.

SUPPLY

China continues to be the largest Soda Ash player in the world, having a capacity of 32 Million MT, which is 50% of the global capacity. As per IHS Chemical report China's operating rates were around 77% in 2013, reporting a production of 24.5 million tons and domestic consumption of 23 million tons, the balance 2 Million MTs is exported.

US capacity is 12.50 Million MT and they produced 11.5 million tones of soda ash and their annual production represents a 92 operating rate .The US production is stated to have grown by 3% in 2013 where as domestic demand for soda ash saw a modest growth of 1% versus 2012. The total domestic consumption was estimated at around 5 million tons and they exported 6.46 Million tons recording handsome growth.

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

INDUSTRY OUTLOOK

The global soda ash industry continued to recover from the world economic problems that began in 2009. The world estimated 2013 distribution of soda ash by end use as under;

Glass	52%
Detergent & Soap formulations	14%
Chemical	9%
Alumina /Metals and mining	6%
Pulp & Paper	1%
Others (Environmental Protection/ Effluent treatment etc)	18%

Global demand for soda ash is growing. At the same time there is an extremely sharp increase in input costs for soda ash manufacturers in all regions. World's total soda ash demand which at present is at 54.00 Million MT is expected to grow by at least 4 % with more than 50% of it is expected to come from Latin America, India, China and Middle East countries due to a higher expected 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 2013. China is likely to add at least 2 Million MT capacities every year on the back of huge infrastructure investments.

The manufacturing and processing costs for producing soda ash from trona are more cost competitive than other manufacturing techniques partly because of the cost associated with procuring the material needed for synthetic production. In addition, trona-based production consumes less energy. The average cost



of production per ton of soda ash (before freight and logistics costs) from trona is approximately one-third to one-half the cost per ton of soda ash from synthetic production. The future depends upon soda ash prices. Soda Ash prices fluctuate according to the demand supply situation in the global market, China in particular.

INDIAN SCENARIO

The growth in GDP during 2013-14 is estimated at 4.9 per cent as compared to the growth rate of 4.5 per cent in 2012-13, according to advanced estimates released by Central Statistics Office (CSO). The Indian economy is estimated to grow by 5.5 per cent in 2014-15. With the slow industrial growth of the Indian economy, Soda Ash demand witnessed a flat growth in 2013-14. Other than Detergents all other consuming segments led by Glass recorded slow growth. It is expected that on the back of improved GDP growth projected and growth in Glass (Construction/Automobiles) and Detergents (FMCG penetration and growth) Soda Ash demand will continue to witness a reasonable growth. While domestic demand in 2013-14 has been flat, demand growth of 3 to 4% expected in the coming year 2014-15.

The Indian Soda Ash market constitutes of two varieties – Light (used in detergent industry) & Dense (used in Glass industry), with a share of 60% and 40% respectively. Total installed capacity in India was 3.1 Million MT. With an estimated production of about 2.5 Million MT in last financial year (2013-14) the capacity utilization was of only 80%.

The total size of the Indian soda ash market is about 2.7 Million MT and almost all the major industry players are located in the state of Gujarat due to the closeness and ready availability of the main raw materials namely limestone and salt.

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

GHCL SODA ASH BUSINESS

GHCL Limited is a leading Indian producer of soda ash is well-poised to tap opportunities in both the Detergents & the Glass industries. The total soda ash business contributes about 61 % of total Indian Stand alone revenue.

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

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

OPPORTUNITY AND CONCERNS

The Indian industry suffers from the weaknesses of concentration of 95% capacity in Gujarat and the cost of transport to markets in South and East India, which constitutes about 25% of the National consumption, is high as compared to the ocean freights to South and East India where product is imported from China/ Kenya and Europe. Currently around 18-20% of the Indian demand is being met by cheap imports. Import price variance continues to be extremely high.

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

TEXTILES – OUTLOOK & GROWTH

Global trade in textile is currently at 550 Billion USD, growing at CAGR of 4%. Indian Textile industry is about 60 Billion USD. The Textile industry in India traditionally, after agriculture, is the only industry that has generated huge employment for both skilled and unskilled labor in textiles. The textile industry continues to be the second largest employment generating sector in India with employment to more than 35 million people. Besides, another 55 million people are engaged in its allied activities. The Indian Textiles Industry is the 2nd largest only after China. The Industry plays a major role in the economy of the country and contributes about 11% to Industrial Production, 14% to the manufacturing sector and around 4% to GDP of the country. Further, it also contributes about 12% of the country's total export earnings. There are 2500 weaving factories and 4125 textile finishing factories across the country.

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

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

GHCL - TEXTILES

GHCL Limited is one of the largest integrated textile manufacturers in the country with an installed spinning capacity of around 1.5 lakh spindles manufacturing 100% cotton and polyester cotton blended yarns, 162 Air Jet looms, 36 million meter of wide width processing capacity, and 600 stitching machines for manufacturing world class quality merchandise. The company's state-of-art plant at Vapi, Gujarat, integrates weaving, processing and cut & sew facilities. Its spinning plant in South of India is rated as of the most efficient and modern yarn manufacturing facility in India. Excellent product development capabilities has put GHCL in forefront of major markets internationally, mainly USA.

Overall in the Textile Business of the Company, the performance of Yarn business has improved as compared to the previous year, which is mainly due to better demand in yarn, increase in yarn prices and stability of cotton prices. Further, the Made-ups (Home Textiles) Business operations are now fully stabilized and doing reasonably well mainly due to the better market sentiments in US.

The Revenue of Home Textiles division is at ₹ 662.55 Crores during the financial year 2013-14 against ₹ 617.04 Crores in 2012-13, thereby registering a growth of approx 7.30% over previous year. Due to its sustained marketing efforts, the company has successfully made deep in roads in export market

and further secured large replenishment orders from the big Global Retailers in US and Europe like Bed Bath & Beyond, Walmart, K-Mart, Macy's, Ross Store, TJX Group, Tuesday Morning, QVC, HSN, Shop HQ, House of Fraser and Belk etc. Market sentiment in US looks better and the Company is focusing on US market with large volume programs. With depreciation in Indian Rupee, tremendous interest has been getting generated in US retail to shift some more business to India which further looked promising for Indian home textile industry going forward. However, pricing pressure and volatility in forex still remain huge challenges, which may keep margins under pressure. The division witnessed increase in raw material and gas prices in the recent months. Hence, management has implemented new coal based steam boiler to control the gas price impact in October 2013. Also, the Home Textiles division is getting 2% export benefit w.e.f January 1, 2013; which is advantageous for the bottom line of the Company.

The performance of Yarn business improved as compared to the previous year, which is mainly due to better demand in Yarn and increase in yarn prices. Both Domestic and international cotton prices remained stable. But, shortage of skilled labour as well as grim power situation is the main challenges for yarn industry including GHCL. However, the aggressive power trading by the Company resulted in substantial savings partially offsetting the aforesaid impact. The Revenue of Yarn division is at ₹ 441.96 Crores during the financial year 2013-14 against ₹ 381.87 Crores in 2012-13, thereby registering a handsome growth of 15.74% over previous year. Overall outlook for Spinning Industry looks better and with stable cotton prices, timely cotton coverage, improved yarn price scenario and mandate for the stable government at centre, we expect a profitable period ahead for the Company.

OPPORTUNITIES, THREATS AND RISK MITIGANTS:

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

There are significant challenges from other countries in terms of managing the cost and retaining the market share. High interest rates and energy cost continue to affect the whole textiles industry and may affect the profitability and price competitiveness for export as compared to the other countries like Bangladesh, Pakistan, China, Vietnam etc. Inflationary pressures, driven by loose monetary policy and high commodity prices, are lowering real incomes and reducing spending power across the globe, which may cause slowdown in the business. Substantial increase in the fuel prices (including Gas, Diesel, electricity etc.) has also adversely impacted the bottom line of Home Textiles division and shortage of skilled labour as well as grim power situation in Tamil Nadu could affect the operations of Yarn division. This could have a major impact on the performance of the textile division of the Company. GHCL recognizes these

challenges and is taking effective steps to minimize the cost of production to overcome the above. The company is planning to enhance the volume of production and has implemented new Open End project to improve the performance. The company has set up a coal based steam boiler at Vapi unit. The cost and sourcing of fabric remains another challenge area. To overcome this, the company has expanded its weaving capacity to have better control on the fabric availability & cost. Further, management would take similar pro-active steps to mitigate the challenges in future.

Waning investor confidence amidst deteriorating macroeconomic conditions in India kept domestic currency under pressure even during 2013-14. The rupee depreciated by nearly 20 per cent during first half of 2013-14, before staging some recovery in 2014. Hence, the currency fluctuation is another risk, which the entire country has been facing mainly due to sovereign debt crisis in the eurozone, rising bill of import of Crude oil & Gold etc. The last year has been the most volatile year for the external value of the currency. We are taking active advice from experts in mitigating and minimizing foreign exchange fluctuation risk.

The Government of India has promoted a number of export promotion policies for the Textile sector in the Union Budget and the Foreign Trade Policy 2009-14. It has allowed 100 per cent Foreign Direct Investment (FDI) in Textiles under the automatic route. Hence, keeping in view of the continuous Government focus on Indian Textile Industry, 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.

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

On March 31, 2014, the organisation was proud to have 3117 personnel on its permanent employment relentlessly striving to achieve its mission. The organisation, on the other hand has also not spared any initiative to improve their employability ensuring continuance of a mutually beneficial relationship. At no moment, development of people in the organisation meant taking steps with the sole objective of meeting organisation's needs but had always been towards providing an environment which promotes the right culture, encourages positive changes in attitudes and facilitates holistic growth of each individual's professional life.

With the above approach towards people development, company has not only continued its various ongoing initiatives



which were started few years back but also launched many more projects and processes during the financial year 2013-14. All people oriented processes in the company, though based on well researched and accepted concepts and principles were customised to the extent possible to align with the company culture, value systems and business needs hence they have mostly been impactful. As on 31st March 2014, around 30 HR initiatives are being pursued on various aspects starting from organisation strategy, corporate values, communication, OD interventions, leadership, team working, knowledge imparting, organisation and management structures to revisiting organisational policies and procedures.

The acceptability of the said HR initiatives among the employees and the impact they have created came out visibly in an Employee Engagement Survey conducted in the organisation during the year. The survey which aims to bring out the extent of emotional connect of individuals with the organisation has indicated an appreciable improvement in the engagement quotient in employees. This essentially reflects the extent of change it has brought in the mindset of people as well as in their attitude and outlook. The organisation has drawn more energy from this progress to move forward with similar initiatives to the future.

Some of the above stated initiatives such as DISHA, the apex strategising forum of the company has been very active during the year and has helped the management to develop an enterprise level business strategy based on the needs and aspirations of the 5 most important stakeholders viz. Investors, customers, suppliers, employees and the society. This strategy seeks to design and develop business processes in each of its divisions to ensure sustainability and growth in any given situation and environment. Such strategy decisions taken at the highest level are aptly communicated to the leadership of individuals businesses which in turn chalk out operating models and approaches to effectively execute processes and projects to achieve results originally envisioned at the DISHA level.

In line with the strategic outlook of the organisation, the HR function took up a major competency development initiative by introducing the Development Centre concept during the year, the objective of which is to assess the strengths and gaps of individual managers vis-a-vis organisational requirements to work upon the deficiencies. Simultaneously, internal assessors are also being trained in this area so that competency mapping of a large number of executives is done with minimum cost to plan major developmental projects.

With regard to organisational communication is concerned, various tools such as the in-house online portal, monthly digest and periodic notes from the Managing Director, location wise open houses such as MILAP, employee committees etc have immensely helped the organisation in the free flow of lateral communication across the businesses and locations. Sharing of information, views, achievements and concerns with one another through these platforms has tremendously improved the sense of togetherness among the employees.

Training and Development has been another area where the HR function paid special attention during the year. Moving beyond making nominations to internal and external training programmes, the emphasis was to create a culture where individuals acquiring knowledge and sharing the same with others. Going with this approach, at all major locations, weekly Knowledge Sharing Sessions are being conducted where

employees come forward to share their knowledge on a topic of their choice with their colleagues. This unique process has been appreciated widely. This is in addition to providing specialised training to employees on their identified needs, classified in to technical, leadership and other soft skill areas as well as on the Core Values of the organisation.

Continuing with the existing policy, fresh recruitments, to the extent possible are being done at the entry level, mainly from Engineering and Management Institutes. Such new entrants, after one-year intensive, structured and on-the-job training period are seen quite capable to take up functional assignments. Lateral recruitments are being done only where special skills or previous experience are felt pre-requisites to hold a position. This approach has also helped the organisation to reduce the cost of recruitment considerably.

During the year, the employee retention levels were comparatively high even in functions where traditionally the separation rate is very high due to nature of industry or demand for people with special skill sets. The impact of ongoing people development processes as well as the prevailing organisation culture has also seen to be impacting employees' preference to continue with the company as shared in the engagement survey.

Apart from analysing the extent of emotional connect of the individual employees with the organisation through the Employee Engagement Survey, 360 Degree Leadership Survey and Core Value Adherence Survey were also conducted during the year to assess the ground realities and take remedial actions wherever necessary. Today the organisation feels proud of the fact that, its people, irrespective of level and hierarchy or nature of jobs, hold the core values of the organisation in high esteem and ensure that their professional conduct is conforming to the same.

CSR INITIATIVES

Company continued its ongoing CSR activities with the same pace and passion during 2013-14 also extending help and assistance to a large number of local people around its manufacturing locations. GHCL Foundation Trust, instituted by the company works full time on identifying new projects and running the various initiatives that have already been made operational. These projects, taken up around its soda ash manufacturing sites are mainly in water resources development involving roof rain water harvesting and coastal area development, agro based livelihood, healthcare, sanitation, education, employment generation, women empowerment, animal husbandry, guidance in farming and cattle breeding, improvement of living standards and infrastructure in the nearby villages etc. are done with full co-operation from local authorities, Gram Panchayats as well as other NGOs. Apart from these, projects are also being taken up on improving green cover, e-waste management as well as other environment protection programmes. The company attaches special importance to the primary education in the villages near to its limestone and lignite mines. Similar works are also being undertaken in villages near company's yarn manufacturing plants where company's female apprenticeship programme is immensely popular among the village population who generally live in the lower strata of society in terms of family income.

At the end of the year, though the company has achieved much in terms of development of its human capital as well as contributed meaningfully towards the welfare of society, it is aware of the fact that lot can still be done and is committed to continue with the same spirit to serve all its stakeholders equally.

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014

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

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

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

2. BOARD OF DIRECTORS

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility. The Composition of the Board as on March 31, 2014 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2014			
Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter - Non Executive Director	Mr. Sanjay Dalmia	3	23.09%
	Mr. Anurag Dalmia		
	Mr. Neelabh Dalmia		
Promoter Nominee - Non Executive Director	Mr. S H Ruparell	1	7.69%
Non Executive - Independent Director	Dr. B C Jain	5	38.46%
	Mr. Surendra Singh		
	Mr. G. C. Srivastava		
	Mr. Mahesh Kumar Kheria		
Nominee Directors - Representing Lending Institutions	Mr. Ajoy Nath Jha – Nominee IDBI*	2	15.38%
	Mr. R M V Raman – Nominee EXIM Bank		
Managing Director / Executive Director	Mr. R S Jalan – Managing Director	2	15.38%
	Mr. Raman Chopra – CFO & Executive Director (Finance)		
	TOTAL NO. OF DIRECTORS	13	100%

Note:

* Subsequent to the year end, IDBI Bank Ltd. had nominated Mr. D C Jain in place of Mr. Ajoy Nath Jha as a Nominee Director of the Company and accordingly the Board of Directors had appointed Mr. D C Jain as a Nominee Director of the Company and also a member of the Audit Committee and Project Committee in place of Mr. Ajoy Nath Jha w.e.f. April 2, 2014.

The Board of GHCL Limited consists of 13 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 (including Nominee Directors). However, as per the revised Clause 49 of the Listing Agreement, effective from October 1, 2014, Nominee Director shall not be treated as an Independent Director, hence the Company shall structure the Board's composition in line with the requirement of revised Clause 49 of listing agreement. All of the Non Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule

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

With an objective to ensure maximum presence of our Independent Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation of individual directors and consideration of their convenience.

The agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda is permitted. During the financial year ended March 31, 2014, four Board Meetings were held on May 24, 2013, July 23, 2013, October 25, 2013 and January 29, 2014. In

order to facilitate our Institutional Director to submit reports to their institutions, your company provides soft copy of all presentations made to the Board immediately after the Board Meeting / Committee meeting. The gap between any two Meetings is not more than 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, 2014 is given herein below:

Sl. No.	Name	Date Of Board Meeting				AGM Attendance (September 26, 2013)
		May 24, 2013	July 23, 2013	October 25, 2013	January 29, 2014	
1	Mr. Sanjay Dalmia	Yes	Yes	Yes	Yes	No
2	Mr. Anurag Dalmia	Yes	Yes	Yes	Yes	Yes
3	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	No
4	Dr. B C Jain	No	Yes	Yes	Yes	Yes
5	Mr. Surendra Singh	Yes	Yes	Yes	Yes	No
6	Mr. G. C. Srivastava	Yes	Yes	Yes	Yes	No
7	Mr. S. H. Ruparell	No	No	No	No	No
8	Mr. Ajoy Nath Jha – Nominee IDBI Bank	Yes	Yes	Yes	Yes	No
9	Mr. R. M. V. Raman – Nominee EXIM Bank	Yes	Yes	Yes	Yes	No
10	Mr. Mahesh Kumar Kheria	Yes	Yes	Yes	Yes	No
11	Mr. Sanjiv Tyagi	Yes	Yes	Yes	Yes	No
12	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes
13	Mr. Raman Chopra	Yes	Yes	Yes	Yes	Yes

Note:

Mr. Anurag Dalmia and Mr. R S Jalan are Directors retiring by rotation and are eligible for re-appointment. Further, the Company is also placing proposals for appointment of five independent directors. Information as required under Clause 49(IV) 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 (I) (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, 2014 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	No. of Equity Shares held by directors as on March 31, 2014
1	Mr. Sanjay Dalmia	00206992	-	-	-	-
2	Mr. Anurag Dalmia	00120710	-	-	-	-
3	Mr. Neelabh Dalmia	00121760	-	-	-	-
4	Dr. B C Jain	00319666	-	-	-	-
5	Mr. Surendra Singh	00003337	3	1	3	-
6	Mr. Ajoy Nath Jha	03567844	-	-	-	-
7	Mr. R M V Raman	01459620	-	-	-	-
8	Mr. S H Ruparell	00705817	-	-	-	-
9	Mr. Mahesh Kumar Kheria	00161680	-	-	-	-
10	Mr. G. C. Srivastava	02194331	1	-	-	-
11	Mr. Sanjiv Tyagi	00225812	3	-	-	-
12	Mr. R S Jalan	00121260	-	-	-	50,843(in his individual name) & 100 in HUF
13	Mr. Raman Chopra	00954190	1	-	-	-

Note:

For the purpose of considering the limit of the number of directorship and chairman/member of committees, Private Limited Companies and Foreign Companies are excluded which is in line with the requirement of relevant conditions of Corporate Governance.

During the financial year ended March 31, 2014, the Company has not entered into any material transactions with its Non Executive Directors except related party transactions which are reported in annual report. The Company has also received declaration from Independent Directors confirming their independence, accordingly requirement of Clause 49 are duly complied with.

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

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

3. COMMITTEES OF THE BOARD

(i) Audit Committee

The Board of Directors had constituted the Audit Committee with four non-executive directors including 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 to Statutory Auditors 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
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - The going concern assumption.

- Compliance with accounting standards.
- Compliance with listing and other legal requirements concerning financial statements.
- 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.
- n. Recommending to the Board, the appointment / re-appointment of the Cost Auditors.
- o. Any other activities as per the requirement of revised Clause 49 of the Listing Agreement and the Companies Act, 2013

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meeting held after the Audit Committee Meetings for deliberation and the full minutes of the same are placed before the following Board Meeting for record. The Chairman of the Audit Committee



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

During the financial year ended March 31, 2014, the Audit Committee of the Board met four times and as per requirement of the Listing Agreement, the gap between any two meetings of the Audit Committee is not more than four months, ensuring compliance with the requirement of Clause 49 of the Listing Agreement and the Companies Act 1956. The adequate quorums were present at every Audit Committee Meeting. The Composition of Audit Committee and attendance of members at the meetings are given herein below:

Category	Name of the Audit Committee members			
	Dr. B C Jain - Chairman of the Committee	Mr. Ajoy Nath Jha*	Mr. G C Srivastava	Mr. Neelabh Dalmia
	Independent Director (Expertise in Finance, Banking & Accounting)	Nominee Director- IDBI Bank Ltd(Corporate finance, risk management & personal banking)	Independent Director (Expertise in Tax & Accounting)	Non-executive Director (Expertise in Finance & Industry)
Date of the Meeting				
May 23, 2013	No	Yes	Yes	Yes
July 23, 2013	Yes	Yes	Yes	Yes
October 25, 2013	Yes	Yes	Yes	Yes
January 29, 2014	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	No	No	No

* Subsequent to the year end, IDBI Bank Ltd. had nominated Mr. D C Jain in place of Mr. Ajoy Nath Jha as a Nominee Director of the Company and accordingly the Board of Directors had appointed Mr. D C Jain as a Nominee Director of the Company and also a member of the Audit Committee and Project Committee in place of Mr. Ajoy Nath Jha w.e.f. April 2, 2014. Thereafter, the Board of Directors have reconstituted the Audit Committee in their meeting held on May 28, 2014 and accordingly adequate intimation was given to the Stock Exchanges in this regard.

Note:

Managing Director, Executive Director (Finance), Statutory Auditors and concerned employees for Internal Audit/ accounts were invitees to the Audit Committee Meetings whenever required. Mr. Bhuwadeshwar Mishra, 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 30th Annual General Meeting held on September 26, 2013 to answer the queries of shareholders.

As required under Clause 49(II) (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) Nomination and 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 provide 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. In line with circulars issued by SEBI on January 17, 2013, May

13, 2013 and November 29, 2013, GHCL Employees Stock Option Scheme will cease to be in existence by June 30, 2014. Accordingly, GHCL Employees Stock Option Trust has sold its entire holding except the shares, which are part of litigation and the same may be sold by Trust depending upon the outcome of the litigation. Hence, the Trust will continue for the limited purpose of litigation.

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 and explanatory notes are circulated to the Directors at least seven days before the meeting.

During the financial year ended March 31, 2014, the Remuneration Committee met only once on May 24, 2013. 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 NOMINATION AND REMUNERATION COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2014

Name of the Nomination and Remuneration Committee Members				
	Mr. Sanjay Dalmia - Chairman of the Committee	Dr. B C Jain	Mr. Sanjiv Tyagi	Mr. Surendra Singh
Category of Director	Non Executive Director (Industrialist)	Non Executive - Independent Director (Expertise in Finance Banking & Accounting)	Non Executive - Independent Director (Expertise in Management)	Non Executive - Independent Director (Ex-IAS & Expert in Corporate Governance, Industrial Policy and General Administration)
Date of the Meeting				
May 24, 2013	Yes	No	Yes	Yes
Whether attended Last AGM (Yes/ No)	No	Yes	No	No

Note: In accordance with the compliance of the provisions of the Companies Act, 2013 and listing agreement, the Board of Directors in their meeting held on May 28, 2014, have changed the name of Committee as "Nomination and Remuneration Committee" and also reconstituted the same and accordingly adequate intimation was given to the Stock Exchanges in this regard

Remuneration Policy:

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

The Non - Executive Directors do not draw any remuneration from the Company other than the sitting fee and such commission as may be determined by the Board from time to time within the overall approval given by the shareholders and pursuant to the relevant provisions of the Companies Act, 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, project committee meeting and CSR 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, 2014 are given below:

Non-Whole time Directors (in Rupees)		
Name	Sitting Fees	Commission
Mr. Sanjay Dalmia	1,00,000	12,72,462
Mr. Anurag Dalmia	80,000	12,18,462
Mr. Neelabh Dalmia	1,80,000	16,32,462
Dr. B. C. Jain	1,20,000	11,83,842
Mr. Surendra Singh	1,00,000	12,72,462
Mr. S. H. Ruparell	—	—
Mr. G. C. Srivastava	1,60,000	15,78,462
Mr. Ajoy Nath Jha – Nominee IDBI*	1,60,000	15,78,462
Mr. R. M. V. Raman – Nominee EXIM Bank*	80,000	12,18,462
Mr. Mahesh Kumar Kheria	80,000	12,18,462
Mr. Sanjiv Tyagi	1,20,000	13,26,462
TOTAL	11,80,000	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 the Institutions which they represent.

Managing Director / Whole Time Directors		(in Rupees)
Name	Salary and other perquisites	Commission
Mr. R S Jalan, Managing Director	2,08,51,952	1,94,00,000
Mr. , CFO & Executive Director (Finance)	1,19,52,328	1,14,00,000
Total	3,28,04,280	3,08,00,000

(a) The agreement with the Whole Time Directors is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving six calendar months prior notice in writing to the other party.

(b) Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund, LTA paid and premium on Gratuity Policy.

(iii) Stakeholders Relationship Committee :

The Board had constituted the Share Transfer & Investors' Grievances Committee. The committee expedite the process of redressal of complaints like non-transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. The committee regularly viewed the complaints filed online at SEBI Complaints Redressal System (SCORES) and action taken report (ATR) thereon. 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, 2014 is as under:

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

Note: In accordance with the compliance of the provisions of the Companies Act, 2013 and listing agreement, the Board of Directors in their meeting held on May 28, 2014, have changed the name of Committee as "Stakeholders Relationship Committee" and accordingly adequate intimation was given to the Stock Exchanges in this regard.



The Company consider its shareholders as 'owners' and take all effective steps to resolve their complaints as soon as possible. All complaints are resolved within 15 days except those which are of legal nature. The Company received 16 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 16 complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2014:

Sl. No.	Type of Complaints	No. of Complaints pending as on March 31, 2013	Total No. of Complaints received during the financial year ended March 31, 2014	Total No. of Complaints resolved during the financial year ended March 31, 2014	No. of Complaints pending as on March 31, 2014
1	Non-receipt of dividend	3	134	137	0
2	Share transfer including Dmat request	1	20	21	0
3	Non receipt of Annual Report	0	14	14	0
	Total	4	168	172	0

We don't have any compliant pending before any court, however, if there are any which are not known to company at this stage, will be resolved as soon as possible and adequate representation will be made before the court / forum where it is pending.

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

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

(iv) Banking and Operations Committee

The Board had constituted the Banking and Operations Committee to expedite the day to day functioning and exercise of delegated powers of the Board. This Committee meets as per the requirement of business, to expedite all matters relating to operations and granting authority for various functional requirements such as issue of Power of Attorney, arranging / negotiating of term loans, working capital loan, short term loan, dealings with Central / State Governments including their agents and various statutory /

judicial / regulatory / local / commercial / excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company in line with the delegated authority of Board of Directors from time to time.

The composition of the Banking and Operations Committee as on March 31, 2014 is as under:

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

(v) Project Committee

This Committee was constituted to review and recommend proposals relating to new projects, expansion, modernization, diversification, acquisitions, various kind of compromise, arrangement or amalgamation, restructuring of business of the Company and/or its subsidiaries.

The composition of the Project Committee as on March 31, 2014 is as under:

Sl. No.	Name	Status
1	Mr. Sanjay Dalmia – Chairman	Chairman
2	Mr. Anurag Dalmia – Director	Member
3	Mr. Neelabh Dalmia – Director	Member
4	Mr. Ajoy Nath Jha – Nominee Director (IDBI Bank)	Member
5	Mr. R M V Raman – Nominee Director (EXIM Bank)	Member

(vi) Corporate Social Responsibility (CSR) Committee

During the previous year, the Board of Directors had voluntarily constituted the Corporate Social Responsibility (CSR) Committee in their meeting held on January 28, 2013 and accordingly intimation was given to the Stock Exchanges in this regard. This Committee was constituted to strengthen and monitor CSR policy of the Company. Further, CSR Committee of the Board meets the criteria prescribed by Section 135 of the Companies Act, 2013, which states that every CSR Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an Independent Director.

During the financial year ended March 31, 2014, the CSR Committee met only once on July 27, 2013. The CSR Committee of the Board comprises of following three Directors and the details of meeting attended by the Directors are as follows:



COMPOSITION AND ATTENDANCE OF MEMBERS AT THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2014

Category of Director	Name of the CSR Committee Members		
		Mr. Sanjiv Tyagi - Chairman of the Committee	Mr. Neelabh Dalmia
	Non Executive - Independent Director (Expertise in Management)	Non-executive Director (Expertise in Finance & Industry)	Managing Director (Specialization in Operations, Finance, Marketing & HR)
Date of the Meeting			
July 27, 2013	Yes	Yes	Yes

4. GENERAL BODY MEETING:

a) Annual General Meetings

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

Financial Year	Date	Time	Venue
2012-13	September 26, 2013	9:30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2011-12	September 20, 2012	9:30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2010-11	September 2, 2011	9.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006

(b) Special Resolutions:

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

AGM	Date of AGM	Information regarding Special Resolutions
30 th AGM	September 26, 2013	No Special Resolution
29 th AGM	September 20, 2012	No Special Resolution
28 th AGM	September 2, 2011	Approval for payment of Commission to Non Whole Time Directors

(c) Extraordinary General Meeting (EGM)

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2013-14, 2012-13 and 2011-12.

(d) Postal Ballot

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

(e) Normally, all Special Resolutions moved at the above AGMs / EGMs were unanimously passed by a show of hands by the shareholders present at the meeting.

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. However, the management furnishes the details of related party transactions on quarterly basis before the Audit Committee / Board of Directors meetings, which are in conformity with the accounting standards. The particulars of transactions between the Company and the related parties for the year ended March 31, 2014, are disclosed in the notes to the accounts in this Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

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.

In line with the clarification issued by Ministry of Corporate Affairs vide its General Circular 08/2014 dated April 4, 2014, financial statements (including the documents required to be attached thereto), auditor's report and Board's report of the Company in respect of financial year ended at March 31, 2014 has been prepared as per the relevant provisions / Schedules / rules of the Companies Act, 1956.

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 an interim, ex-parte order dated April 20, 2009, which was subsequently revoked by Dr. K M Abraham, Hon'ble Whole time Member of SEBI, vide his order dated March 14, 2011. Further, after completion of the investigation in the matter, SEBI had referred the matter for adjudication



and accordingly an Adjudication Officer (AO) was appointed to conduct the adjudication proceedings. After considering the representations, the AO has passed his orders on October 25, 2013 and imposed a penalty of Rupees fifty lakhs against Company, Rupees twenty five lakhs against the Chairman and Rupees ten lakhs against the Company Secretary. The Company and its officials were not in agreement with AO's order, hence aforesaid orders were challenged before Hon'ble Securities Appellate Tribunal (SAT) and the matters are pending before SAT.

- (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 were subject matter of Arbitration process with Indiabulls as an "encumbered shares". Similar notices had also been served to promoters entities. The Company had filed its representation and written submissions to the SEBI and stated that the Company had 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, AO had passed his order on August 6, 2013 and imposed a penalty of Rupees one crore and twenty five lakhs against Company. The Company was not in agreement with AO's order, hence aforesaid order was challenged before Hon'ble Securities Appellate Tribunal (SAT) and the matters are pending before SAT.

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.

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

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, 2014 (Audited)
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 24, 2013	October 26, 2013	January 30, 2014	May 30, 2014	May 30, 2014
		The Hindu - Business Line	July 24, 2013	October 26, 2013	January 30, 2014	May 30, 2014	May 30, 2014
2	Vernacular Newspapers in which quarterly results were published / to be published	The Economic Times – Gujarati	July 24, 2013	---	January 30, 2014	May 30, 2014	May 30, 2014
		Jai Hind – Gujarati	---	October 26, 2013	---	---	---
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, 2013 (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 23, 2013	October 25, 2013	January 29, 2014	May 29, 2014	May 29, 2014
	BSE Limited (BSE)	www.bseindia.com	July 23, 2013	October 25, 2013	January 29, 2014	May 29, 2014	May 29, 2014
5	SEBI SCORES	SEBI has commenced processing of investor complaints in a centralized web based complaints redress system 'SCORES'. This enables the investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. This would also enable the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form.					

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:

Sl. No.	Particulars	Details		
1	Annual General Meeting	Thursday, August 21, 2014	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, 2014)	By 2 nd week of August 2014		
	Financial Reporting for - Quarter - II (ending September 30, 2014)	By 2 nd week of November 2014		
	Financial Reporting for - Quarter - III (ending December 31, 2014)	By 2 nd week of February 2015		
	Financial Reporting for - Quarter - IV (ending March 31, 2015)	By 4 th week of May 2015		
3	Date of Book Closure	Monday, August 11, 2014 to Thursday, August 21, 2014 (both days inclusive)		
4	Dividend Payment Date	Dividend of ₹ 2.00 per share (i.e.20%) will be paid on or after Monday, August 25, 2014, if approved by the members in the ensuing Annual General Meeting		
5	Listing on Stock Exchanges	Name & Address of Stock Exchanges	Stock Code	ISIN WITH NSDL & CDSL
		BSE Limited, (BSE) Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	500171	INE 539 A01019
		National Stock Exchange of India Limited, (NSE) "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019
		*Ahmedabad Stock Exchange Limited, (ASE) Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Ahmedabad - 380 015	20850	INE 539 A01019
	*Since there is no trading facility available on ASE, hence the management of the Company has decided to delist voluntarily from ASE, which is in process.			
6	Listing fees	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2014		
7	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : mt.helpdesk@linkintime.co.in)		
8	Outstanding GDRs / ADRs / Warrants or any convertible instruments:			
	Not applicable			



Sl. No.	Particulars	Details
9	Address for Correspondence	
	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : 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)	
10	Dematerialization of Shares and Liquidity: 95.78% of the Company's total equity shares representing 9,58,01,966 shares were held in dematerialized form as on March 31, 2014. The trading in the Company's shares is permitted only in dematerialized form with effect from October 28, 2000 as per notification issued by SEBI.	
11	As required under Clause 49 (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)
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
2010-11	20.00%	2.00
2011-12	20.00%	2.00
2012-13	20.00%	2.00

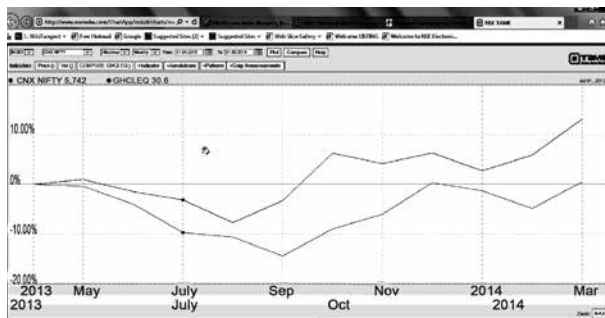
Equity share of paid up value of ₹ 10 per share

MONTHWISE STOCK MARKET DATA (BSE & NSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014

Month of the financial year 2013-14	MARKET PRICE DATA					
	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
High	Low	High		Low		
April 2013	36.45	33.75	340614	36.70	33.75	1606087
May 2013	35.40	33.10	352163	35.20	33.05	737211
June 2013	34.45	32.00	222035	38.40	32.00	678523
July 2013	33.25	30.30	259894	33.95	30.25	502157
August 2013	31.45	29.05	331946	31.50	29.00	585976
September 2013	34.00	29.05	363310	33.90	28.95	1258955
October 2013	31.85	29.00	203971	31.25	28.90	487773
November 2013	33.50	30.25	403451	33.45	30.00	1171743
December 2013	35.25	31.80	496703	35.15	31.80	1336812
January 2014	36.95	33.00	498410	36.80	32.40	1090071
February 2014	35.80	31.55	226604	38.00	32.00	603210
March 2014	34.70	32.05	1572096	34.50	26.50	2122138



Performance in comparison to broad based indices such as NSE



SHAREHOLDERS REFERENCER

Unclaimed Dividend

Pursuant to Section 205A of the Companies Act, 1956 unclaimed dividend for the financial year 2005-06 (9 months) have been transferred to the Investors Education and Protection Fund established by the Central Government (IEPF) pursuant to Section 205C 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 year 2005-2006.

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
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
2010-11	02-09-2011	September 2018
2011-12	20-09-2012	September 2019
2012-13	26-09-2013	September 2020

DISTRIBUTION OF SHAREHOLDING AS ON 31 st MARCH 2014					
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	55876	85.68%	9223907	9.22%
501	1000	4961	7.61%	4207777	4.21%
1001	2000	2198	3.37%	3443895	3.44%
2001	3000	706	1.08%	1836144	1.84%
3001	4000	304	0.46%	1101329	1.10%
4001	5000	293	0.45%	1402004	1.40%
5001	10000	442	0.68%	3238307	3.24%
10001	Above	437	0.67%	75565923	75.55%
		65217	100.00%	100019286	100.00%

SHAREHOLDING PATTERN AS ON 31ST MARCH 2014

Category	No. of shares held	% of share-holding
A Promoters & Promoters Group Holding		
1 Promoters		
Indian Promoters	11933984	11.93%
Foreign Promoters	5507900	5.51%
2 Others		
Trust	152000	0.15%
Sub-Total	17593884	17.59%
B Non-promoters Holding		
3 Institutional Investors		
Mutual Funds and UTI	16913	0.02%
Banks, Financial Institutions & Insurance Companies	6279033	6.28%
FIs	7313183	7.31%
Foreign Mutual Fund	0	0.00%
Sub-Total	13609129	13.61%
4 Non-institutional Investors		
Bodies Corporate	31817704	31.81%
Indian public (Individuals & HUF)	34771965	34.77%
NRIs, OCBs & Foreign Companies	1915339	1.91%
Directors & relatives	56943	0.06%
Others	254322	0.25%
Sub-Total	68816273	68.80%
Grand Total	100019286	100.00%

PLANT LOCATIONS:

Soda Ash Plant	Village: Sutrapada Near Veraval, Dist. Junagarh – 362 275 Gujarat
Salt Works & Refinery	(a) Ayyakaramulam, Kadinavalvayal - 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, 2014.

For GHCL LIMITED

Sd/-
R S Jalan
Managing Director
Date: May 28, 2014

Sd/-
Raman Chopra
CFO & 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, 2014 and that to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee-
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For GHCL LIMITED

Sd/-
R S Jalan
Managing Director
Date: May 28, 2014

Sd/-
Raman Chopra
CFO & Executive Director (Finance)

AUDITORS' CERTIFICATE

To the Members of
GHCL LIMITED

We have examined the compliance of conditions of corporate governance by GHCL Limited ('the Company'), for the financial year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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

In our opinion and, to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For and on behalf of

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

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

Place : New Delhi
Date : 28th May, 2014

For and on behalf of

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

(RAHUL DIVAN)
Partner
Membership No: 100733

SECRETARIAL AUDIT REPORT

To,
The members of
GHCL Limited,

I have examined the registers, records and documents of GHCL Limited ("the Company") for the financial year ended on March 31, 2014 according to the provisions of-

- The Companies Act, 1956 and the Rules made under that Act;
- The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities Contracts (Regulation) Act, 1956 ('SCRA'), the Rules made under that Act; and
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- The Equity Listing Agreements with BSE Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited.

1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and the Memorandum and Articles of Association of the Company, with regard to:

- (a) maintenance of various statutory registers and documents and making necessary entries therein;
- (b) closure of the Register of Members / Debenture holders;
- (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies and Central Government;
- (d) service of documents by the Company on its Members, Debenture holders, Debenture Trustees, Auditors and the Registrar of Companies;
- (e) notice of Board meetings and Committee meetings of Directors;
- (f) the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- (g) the 30th Annual General Meeting held on September 26, 2013;
- (h) minutes of proceedings of General Meetings and of Board and its Committee meetings;
- (i) approvals of the Members, the Board of Directors, the Committees of Directors and government authorities, wherever required;
- (j) constitution of the Board of Directors / Committee(s) of Directors and appointment, retirement and re-appointment of Directors including the Managing Director and Whole-time Directors;
- (k) payment of remuneration to the Directors including the Managing Director and Whole-time Directors;
- (l) appointment and remuneration of Auditors and Cost Auditors;
- (m) transfers and transmissions of the Company's shares and debentures, issue and allotment of shares and debentures and issue and delivery of original and duplicate certificates of shares and debentures;
- (n) declaration and payment of dividends;
- (o) transfer of certain amounts as required under the Act to the Investor Education and Protection Fund;
- (p) borrowings and registration, modification and satisfaction of charges;
- (q) investment of the Company's funds including inter corporate loans and investments and loans to others;
- (r) giving guarantees in connection with loans taken by subsidiaries and associate companies;
- (s) form of Balance Sheet and Profit and Loss Account under the Act;

- (t) Board's Report;
 - (u) contracts, common seal, registered office and publication of name of the Company; and
 - (v) generally, all other applicable provisions of the Act and the Rules made under that Act.
 - (w) the Company has not accepted any fixed deposits and hence provisions of Sections 58A and 58AA and Rules framed thereunder are not applicable to the Company.
2. I further report that:
- (a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
 - (b) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;
 - (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed thereunder by the Depositories with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
4. I further report that:
- (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited, National Stock Exchange of India Limited and Ahmedabad Stock Exchange Limited
 - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
 - (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
 - (d) the Company has complied with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to implementation of Employee Stock Option Scheme, grant of Options and other aspects;

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
GHCL LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of GHCL Limited ("the Company") which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - e. on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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 : 28th May, 2014

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

(RAHUL DIVAN)
Partner
Membership No: 100733



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

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

- (i) (a) In our opinion, the Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets have been physically verified by the management according to a programme of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification.
- (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, 2014 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to ₹.2527.56 lakhs that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in Lakhs)
1	Income Tax Act, 1961	Depreciation	ITAT, Ahmedabad	F.Y. 2007-08	3.14
		Write off of loans of Subsidiaries	CIT (Appeal), Ahmedabad	F.Y. 2009-10	799.86
2	Central Excise Act, 1944	CENVAT credit & Non Payment of Service Tax	High Court Chennai	2001-02	3.44
			Customs, Excise and Service Tax Appellate Tribunal	2002-03, 2008-09, 2009-10 & 2010-11	1325.51
			Commissioner (Appeals)	2007-08, 2008-09, 2009-10, 2010-11, 2011-12	186.23

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (₹ in Lakhs)
3	Tamil Nadu General Sales Tax Act, 1959	Exemption from Sales Tax	High Court Chennai	2004-05 & 2005-06	7.36
4	Urban Land Tax Act	Urban Land Tax	High Court Chennai	1981-2013 & 2010-2011	73.52
5	Bombay Tenancy & Agricultural Land Tax Act, 1948	Non-Agriculture conversion Premium for Land	High Court Ahmedabad	2005-06	121.17
6.	The Employee's State Insurance Act, 1948	Contribution Demand	ESI Court, Madurai	Various Years	6.02
			Supreme Court	1985-86	1.31

- (x) The Company neither has any accumulated losses at the end of the financial year nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.
- (xii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable.
- (xiv) According to the information and explanations given by management, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) Based on our examination of the records, we are of the opinion that the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interest of the Company.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xvii) Based on our examination of the Balance Sheet and cash flows of the Company as at 31st March, 2014 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, 2014.

For and on behalf of
JAYANTILAL THAKKAR & CO
 Chartered Accountants
 (Firm Reg. No. 104133W)
(C.V. THAKKER)
 Partner
 Membership No: 006205

For and on behalf of
RAHUL GAUTAM DIVAN & ASSOCIATES
 Chartered Accountants
 (Firm Reg. No. 120294W)
(RAHUL DIVAN)
 Partner
 Membership No: 100733

Place : New Delhi
 Date : 28th May, 2014

BALANCE SHEET AS AT 31ST MARCH 2014

	Notes	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	10,001.93	10,001.93
Reserves and Surplus	2.2	75,977.70	96,745.34
		85,979.63	1,06,747.27
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	72,332.69	62,208.15
Deferred Tax Liability (Net)	2.4	16,202.03	16,327.40
Other Long term liabilities	2.5	577.16	329.97
Long-term provisions	2.6	168.14	106.95
		89,280.02	78,972.47
CURRENT LIABILITIES			
Short-term borrowings	2.7	49,477.56	46,386.32
Trade payables	2.8	41,704.83	38,411.16
Other current Liabilities	2.9	17,520.03	15,619.88
Short-term Provisions	2.10	3,836.98	3,719.29
		1,12,539.40	1,04,136.65
		2,87,799.05	2,89,856.39
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible assets	2.11	1,86,674.46	1,86,930.58
Intangible assets	2.11	80.43	145.05
Capital Work-in-Progress		1,245.65	3,156.20
		1,88,000.54	1,90,231.83
Non-current Investments	2.12	558.33	558.38
Long-term loans and advances	2.13	2,375.52	823.01
Other non-current assets	2.14	54.68	382.25
CURRENT ASSETS			
Current Investments	2.12	200.00	-
Inventories	2.15	40,418.08	39,107.11
Trade receivables	2.16	29,786.91	24,112.92
Cash and bank balances	2.17	3,905.91	2,869.06
Short-term loans and advances	2.18	22,499.08	31,771.83
		96,809.98	97,860.92
		2,87,799.05	2,89,856.39

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS

1 & 2

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

As per our report attached

For and on behalf of the Board

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

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

Sanjay Dalmia
Chairman

Dr. B. C. Jain
Director

(C. V. Thakker)
Partner

(Rahul Divan)
Partner

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director - Finance

Bhwneshwar Mishra
General Manager & Company
Secretary

Place : New Delhi
Date : 28th May 2014

Place : New Delhi
Date : 28th May 2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

	Note	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
INCOME			
Revenue from operations (Gross)	2.19	2,36,961.32	2,26,485.66
Less: Excise Duty		14,540.44	13,991.02
Revenue from operations(Net)		2,22,420.88	2,12,494.64
Other Income	2.20	499.88	298.49
TOTAL REVENUE		2,22,920.76	2,12,793.13
EXPENSES			
Cost of Material consumed	2.46(i)	88,860.02	79,091.35
Purchase of Stock-in-trade		3,334.94	6,129.12
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	(1,013.47)	558.33
Employees benefits expenses	2.22	12,199.30	11,103.34
Others expenses	2.23	76,207.66	73,954.58
		1,79,588.45	1,70,836.72
Profit Before Finance costs and Depreciation and Amortisation expenses		43,332.31	41,956.41
Finance costs	2.24	17,052.75	15,796.18
Profit Before Depreciation and Amortisation expenses		26,279.56	26,160.23
Depreciation and Amortisation expenses	2.11	10,094.42	10,131.11
Less: Transferred from Business Development Reserve		1,937.65	1,934.39
		8,156.77	8,196.72
		18,122.79	17,963.51
Exceptional Items	2.28	(3,097.20)	(3,958.32)
Profit Before Tax		15,025.59	14,005.19
Tax expenses			
- Current Tax (Previous year on MAT)		3,667.40	2,819.45
- Less : MAT credit entitlement		145.64	-
- Deferred Tax (Net)	2.4	(125.37)	(306.91)
Profit For The Year after Tax		11,629.20	11,492.65
Earnings per Share(Rupees) - Basic / Diluted	2.25	11.57	11.49
SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS	1 & 2		

The notes referred to above form an integral part of the Statement of Profit and Loss

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

For and on behalf of the Board

Sanjay Dalmia
Chairman

R. S. Jalan
Managing Director

Dr. B. C. Jain
Director

Raman Chopra
CFO & Executive Director - Finance

Bhuwleshwar Mishra
General Manager & Company
Secretary

Place : New Delhi
Date : 28th May 2014

Place : New Delhi
Date : 28th May 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extraordinary items	18,122.79	17,963.51
Adjustment for :		
Depreciation / Amortisation	8,156.77	8,196.72
Effects of Exchange Rate change	2,788.31	6,441.96
Interest Income	(102.87)	(257.48)
Income From Dividend	(6.21)	(3.39)
Prior Period Adjustments	16.75	3.92
Loss on Sales / Discarding of Fixed Assets (Net)	26.08	23.28
Provision for Doubtful Debts / Advances	-	85.60
Profit on Sale of Investments (Net)	(141.41)	(36.63)
Financial Expenses (Net)	17,155.62	16,053.66
Operating Profit before Working Capital Changes	46,015.83	48,471.15
Adjustments for :		
[i] Trade & Other Receivables		
• (Increase) / decrease in Trade receivables	(5,677.86)	(5,163.67)
• (Increase) / decrease in Long term Loans and Advances	(753.81)	478.81
• (Increase) / decrease in Short term Loans and Advances	(21,895.33)	(4,948.78)
• (Increase) / decrease in other Non - Current Assets	327.57	556.38
[ii] Trade & Other payables		
• Increase / (decrease) in Trade payables	3,705.15	15,429.88
• Increase / (decrease) in Long term provisions	61.19	36.66
• Increase / (decrease) in Short term provisions	117.57	220.39
• Increase / (decrease) in other current liabilities	1,944.20	527.11
• Increase / (decrease) in other long term liabilities	247.19	119.78
[iii] (Increase) / decrease in Inventories	(1,310.97)	(6,654.38)
Cash Generated from Operations	22,780.73	49,073.33
Direct taxes paid	(3,742.11)	(2,864.62)
Net cash from Operating Activities	19,038.62	46,208.71
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,294.54)	(11,796.55)
Sale of Fixed Assets	18.74	22.63
Purchase of non current Investments	(0.40)	(0.52)
Purchase of current Investments	(13,972.52)	-
Sale of current Investments	13,913.93	416.16
Effects of Exchange Rate change	(3,195.94)	(6,441.96)
Interest Received	18.11	257.48
Dividend Received	6.21	3.39
Net cash used in Investing Activities	(11,506.41)	(17,539.37)



	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term borrowings	35,350.28	21,427.65
Repayments against Long Term Borrowings	(25,225.61)	(29,655.52)
Short Term Borrowings (Net)	3,091.24	(1,784.96)
Interest and Finance Charges Paid	(17,378.00)	(16,467.09)
Dividend and tax thereon paid	(2,333.27)	(2,331.62)
Net Cash from Financing Activities	(6,495.36)	(28,811.54)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	1,036.85	(142.20)
Cash and Cash Equivalents at beginning of year	2,869.06	3,011.26
Cash and Cash Equivalents at end of year	3,905.91	2,869.06

As per our report attached

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

(C. V. Thakker)
Partner

Place : New Delhi
Date : 28th May 2014

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

(Rahul Divan)
Partner

For and on behalf of the Board

Sanjay Dalmia
Chairman

R. S. Jalan
Managing Director

Place : New Delhi
Date : 28th May 2014

Dr. B. C. Jain
Director

Raman Chopra
CFO & Executive Director - Finance

Bhuwneshwar Mishra
General Manager & Company
Secretary

NOTE 1 : NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation of Financial Statements

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

Fixed Assets and Depreciation

Fixed Assets are recorded at cost net of CENVAT, VAT and subsidies less depreciation and impairment loss, if any. In earlier years, some of the fixed assets have been revalued at their respective fair market value and such assets are stated at revalued amount. Depreciation is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. Depreciation on revalued fixed assets is provided on a straight line method over the remaining useful life as determined by the valuer. Intangible assets are depreciated on straight line basis over the useful life of the assets not exceeding ten years. Continuous process plants as defined therein have been taken on technical assessment and depreciation is provided accordingly. Assets acquired during the year whose cost does not exceed ₹ 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, whichever is lower.

Machinery spares which are used only in connection with an item of fixed assets and whose use is not regular in nature are capitalised and written off over the estimated useful life of the relevant assets. The written down value of such spares is charged to the Statement of Profit and Loss 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 flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Net selling price is the amount obtainable from the sale of an asset at an arm's length transaction between knowledgeable willing parties, less the costs of disposal.

Investments

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

Inventories

Inventories comprising Raw Materials and Finished Goods are stated at cost or net realizable value, whichever is lower. Cost of Raw Materials is arrived at mainly on weighted average basis for every month. The cost of Finished Goods include material cost, cost of conversion, depreciation, other overheads to the extent applicable and excise duty.

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

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

Foreign Currency Transactions

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

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

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

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

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

Derivative Instruments

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

Retirement Benefits

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

Intangible Assets

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

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

Borrowing costs

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

Leases

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

NOTES ON FINANCIAL STATEMENTS FOR THE ENDED 31ST MARCH 2014

NOTE 2.1 : SHARE CAPITAL

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ 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

Additional Notes :

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

Equity shares	31.03.2014		31.03.2013	
	No. of Shares	(₹ in Lacs)	No. of Shares	(₹ in Lacs)
At the beginning of the year	10,00,19,286	10,001.93	10,00,19,286	10,001.93
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	10,00,19,286	10,001.93	10,00,19,286	10,001.93

b) Rights, Preferences and restrictions attached to equity shares

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

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

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

NOTE 2.2 : RESERVES AND SURPLUS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ 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	61,810.52	60,579.09
Less: Diminution in value of Investment/ Advances/ Receivables	(27,679.47)	-
Add/ (Less): Mark to Market impact on derivative (forward contacts & options)	-	3,172.20
Less: Depreciation Transferred to Statement of Profit and Loss as reduction from depreciation	(1,937.65)	(1,934.39)
Less: Write back on Sales of Revalued Assets	-	(6.38)
	(29,617.12)	61,810.52
	32,193.40	
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	1,000.00	1,000.00
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Balance Sheet	491.54	287.96
Adjustment during the year	(379.80)	203.58
	111.74	491.54



	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
SECURITIES PREMIUM RESERVE		
As per last Balance Sheet	1,815.04	1,815.04
GENERAL RESERVE		
As per last Balance Sheet	8,653.02	7,503.75
Add: Transfer From Statement of Profit and Loss	1162.92	1,149.27
	9815.94	8,653.02
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	22,218.30	14,212.44
Add: Profit For The Year after Tax	11,629.20	11,492.65
Prior period adjustments	16.75	3.92
Short provision for Tax for earlier years	(76.31)	(1.08)
Amount Available For Appropriation	33,787.94	25,707.93
APPROPRIATIONS		
Transfer to General Reserve	1,162.92	1,149.27
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Tax on Dividend	339.97	339.97
	3,503.28	3,489.63
	30,284.66	22,218.30
Total	75,977.70	96,745.34

NOTE 2.3 : LONG TERM BORROWINGS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
FROM BANKS / FINANCIAL INSTITUTIONS		
Secured Loan		
Rupee Term Loans	65,830.64	59,079.69
Unsecured Loan		
Other Loans from banks	6,502.05	3,128.46
Total	72,332.69	62,208.15

Notes:

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

- Loan aggregating to ₹ 10427.52 Lacs is secured by extension of first charge on pari passu basis, by way of equitable mortgage on immovable properties of the Soda Ash Division situated at Sutrapada, Veraval, Gujarat and extension of hypothecation charge on movable fixed assets, both present and future of the company's Soda Ash division situated at village – Sutrapada, Veraval in Gujarat with other term lenders of the said project. The remaining tenure of the loans is 2 to 4 years.
- Loan aggregating to ₹ 10644.66 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 5 to 9 years.
- Loan aggregating to ₹ 12498.99 Lacs is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 1 to 5 years.
- Loan aggregating to ₹ 3312.18 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on fixed assets of the Textile Division situated at Vapi, Gujarat and hypothecation of movable fixed assets both present and future of the Company's Textile Division at Vapi, Gujarat with other term lenders of the said project. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 1 to 2 years.
- Loan aggregating to ₹ 4061.71 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 5 to 9 years.

- f) Loan aggregating to ₹ 4750.20 Lacs is secured by way of first pari passu charge on movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 4 years.
- g) Loan aggregating to ₹ 1865.61 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu and hypothecation of specified movable assets, both present and future of the Company's Textile Division. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 1 to 3 years.
- h) Loan aggregating to ₹ 5380.62 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 5 to 10 years.
- i) Loan aggregating to ₹ 18304.01 Lacs is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 2 to 6 years.
- j) Loan aggregating to ₹ 66.87 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. The remaining tenure of the loan is 1 year.
- k) Loan aggregating to ₹ 99.53 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. The remaining tenure of the loan is 1 year.
- l) Loan aggregating to ₹ 1664.00 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. The remaining tenure of the loan is 2 years.
- m) Loan aggregating to ₹ 1875.00 Lacs is secured by an exclusive charge on immovable property situated at GHCL House, Swastik Society, Navrangpura, Ahmedabad, Gujarat. The remaining tenure of the loan is 3 years.
- n) Out of all the aforesaid secured Loans appearing in note 2.3 (a) to 2.3 (m) totaling ₹ 74950.90 Lacs, an amount of ₹ 9120.26 Lacs is due for payment in next 12 months and accordingly reported under note no 2.9 under the head " Other Current Liabilities" as 'current maturities of Long Term Debt'.

NOTE 2.4 : DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Deferred tax liability on account of:		
i) Depreciation	16,879.08	16,864.68
Total (A)	16,879.08	16,864.68
Deferred tax assets on account of:		
i) Employee Benefit	323.60	394.56
ii) Provision for Bad Debts	-	29.23
iii) Disallowance u/s 40 (a)	331.29	65.05
iv) Deferred Revenue Expenditure	22.16	48.44
Total (B)	677.05	537.28
Total (A-B)	16,202.03	16,327.40

NOTE 2.5 : OTHER LONG TERM LIABILITIES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Trade Deposits from Dealers	449.70	290.25
Security Deposits	127.46	39.72
Total	577.16	329.97

NOTE 2.6 : LONG TERM PROVISIONS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Mines Restoration Expenditure:		
Opening Provision	106.95	70.29
Add: Provision during the year	77.49	73.79
Less: Utilisation during the year	(16.30)	(37.13)
Total	168.14	106.95

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

NOTE 2.7 : SHORT TERM BORROWINGS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
SECURED LOANS REPAYABLE ON DEMAND		
Working Capital Loans from Banks	49,477.56	46,386.32
Total	49,477.56	46,386.32

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

NOTE 2.8 : TRADE PAYABLES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Sundry Creditors for Goods and Expenses	41,627.00	38,329.17
Sundry Creditors- Micro, Small & Medium Enterprises	2.49	77.83
Total	41,704.83	38,411.16

NOTE 2.9 : OTHER CURRENT LIABILITIES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Current maturities of long term Debt	9,120.26	8,872.83
Interest accrued but not due on borrowings	123.56	164.66
Interest accrued and due on borrowings	1,020.94	904.94
Sundry Creditors for Capital Expenditure	753.52	638.69
Advances from Customers	432.81	499.72
*Investor Education & Protection Fund in respect of		
Unclaimed Dividend	257.70	250.62
Other liabilities		
Accrued salaries and benefits	1,302.51	1,249.30
Withholding and other taxes payable	718.50	836.13
Provision for Expenses	2,665.76	1,729.25
Other payable	1,124.47	473.74
Total	17,520.03	15,619.88

* The figure reflects the position as of 31st March, 2014. The actual amount to be transferred to the Investor Education & Protection Fund in this respect shall be determined on the due date.

NOTE 2.10 : SHORT TERM PROVISIONS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Provision for employees' benefits		
Unavailed leave	956.20	727.08
Bonus/gratuity	527.30	638.85
Others		
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Provision for		
Tax on Dividend	339.97	339.97
Wealth Tax	13.12	13.00
Total	3,836.98	3,719.29

NOTE 2.11 : FIXED ASSETS

(₹ In Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-04-2013	Additions (Deletions)	As at 31-03-2014	As at 01-04-2013	Addition (Deletion)	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
(A) TANGIBLE ASSETS								
Free hold Land	38,632.63	-	38,632.63	-	-	-	38,632.63	38,632.63
Leasehold Land	38,732.43	-	38,732.43	2,521.77	485.57	3,007.34	35,725.09	36,210.66
Buildings	18,966.89	1,184.84	20,151.73	5,363.46	549.60	5,913.06	14,238.67	13,603.43
Plant and Machinery	1,65,982.21	8,649.65 (1,040.28)	1,73,591.58	73,831.88	7,512.28 (715.59)	80,628.57	92,963.01	92,150.33
Wind Turbine Generators	4,044.93	-	4,044.93	1,756.15	213.57	1,969.72	2,075.21	2,288.78
Furniture and Fixture	696.60	77.67 (26.03)	748.24	379.23	40.00 (25.37)	393.86	354.38	317.37
Office Equipments	1,529.25	127.05 (127.48)	1,528.82	968.84	121.43 (122.00)	968.27	560.55	560.41
Vehicles	463.50	63.89 (46.18)	481.21	194.61	42.13 (38.30)	198.44	282.77	268.89
Leased Mines	6,202.17	-	6,202.17	4,045.76	620.22	4,665.98	1,536.19	2,156.41
Salt Works Reservoirs and Pans	6,530.40	-	6,530.40	5,788.73	435.71	6,224.44	305.96	741.67
Sub-Total (A)	2,81,781.01	10,103.10 (1,239.97)	2,90,644.14	94,850.43	10,020.51 (901.26)	1,03,969.68	1,86,674.46	1,86,930.58
(B) INTANGIBLE ASSETS								
Goodwill	262.32	-	262.32	262.32	-	262.32	-	-
Software	665.65	9.29	674.94	520.69	73.88	594.57	80.37	144.96
Trade Mark	0.10	-	0.10	0.01	0.03	0.04	0.06	0.09
Sub-Total (B)	928.07	9.29	937.36	783.02	73.91	856.93	80.43	145.05
Grand Total (A+B)	2,82,709.08	10,112.39 (1,239.97)	2,91,581.50	95,633.45	10,094.42 (901.26)	1,04,826.61	1,86,754.89	1,87,075.63
Previous Years	2,73,353.14	10,019.86 (663.92)	2,82,709.08	86,112.76	10,131.11 (610.42)	95,633.45	1,87,075.63	

- Building include a sum of ₹ 497.80 Lacs being cost of office premises acquired on ownership basis in earlier year as per the agreement with the Builder and co-operative society yet to formed.
- Leased mines represent expenditure incurred on development of mines.
- Cash Subsidy amounting to ₹ 823.35 Lacs (previous year ₹ 823.35 Lacs) relating to Home Textile division at Vapi has been reduced from respective Fixed Assets.
- Some of the fixed assets have been revalued as on 1st April 2008 as per Scheme of Arrangement duly approved by Hon'ble High Court of Gujarat vide its order dated 30th November 2009 by ₹ 1,01,184.68 lacs (refer note no. 2.28).
- Current year depreciation is after adjusting excess provision of depreciation for earlier years of ₹ 40.20 lacs (previous year NIL)

NOTE 2.12 : NON CURRENT INVESTMENTS /CURRENT INVESTMENTS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
NON CURRENT INVESTMENTS		
Investment in Equity Instruments		
OTHER THAN TRADE		
Quoted (at cost)		
41,500 Equity Shares of HDFC Bank Limited of ₹ 2/- each fully paid up	0.83	0.83
68,598 Equity Shares of IDBI Limited of ₹ 10/- each fully paid up	49.34	49.34
2,595 Equity Shares of Dena Bank of ₹ 10/- each fully paid up	0.70	0.70
272,146 Equity Shares of GTC Industries Limited of ₹ 10/- each fully paid up	495.01	495.01
4,500 Equity Shares of Canara Bank of ₹ 10/- each fully paid up	1.58	1.58
SHARES IN ASSOCIATE COMPANY	547.46	547.46
Unquoted (at cost unless stated otherwise)		
5200 Equity Shares of ₹ 10/- each fully paid up of DM Solar Farm Pvt Ltd	0.52	0.52
100 Equity Shares of ₹ 10/- each fully paid up of TCP Ltd (Purchased during the year)	0.40	-
	0.92	0.52
SHARES IN SUBSIDIARY COMPANIES		
Unquoted (at cost unless stated otherwise) 2.30		
45380 Equity Shares of Euro 1 each fully paid of Indian England N.V.	0.49	0.49
7500 Equity Shares of \$ 1 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 (Written off during the year)	-	0.45
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)	5.00	5.00
	9.13	9.58
Investment in Government securities		
Unquoted (at cost unless stated otherwise)		
7 year National Savings Certificates (Pledged with Government Authorities)	0.82	0.82
Total(A)	558.33	558.38
CURRENT INVESTMENTS - (UNQUOTED)		
(At lower of cost and fair value- fully paid)		
Investment in Mutual Funds		
14648 units of SBI Premier Liquid Fund	200.00	200.00
	200.00	-
Total(B)	200.00	-
Total(A+B)	758.33	558.38
	As at 31.03.2014	As at 31.03.2013
	Book Value	Market Value
Quoted	547.46	425.74
Others	210.87	10.92
	758.33	558.38

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

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received - Considered Good	35.87	-
Advances against capital expenditure	1,352.66	553.96
Security Deposits	986.99	269.05
Total	2,375.52	823.01

NOTE 2.14 : OTHERS NON-CURRENT ASSETS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Long Term Trade Receivable (Unsecured, considered good)	54.68	382.25
Total	54.68	382.25

NOTE 2.15 : INVENTORIES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Inventory (as taken, valued and certified by the Management)		
At cost or net realisable value which ever is lower		
Raw materials (includes Goods in Transit ₹ 5028.22 Lacs Previous Year ₹ 3957.39 lacs)	20,234.43	20,227.83
Finished goods	8,111.43	8,633.66
Stock in process	4,756.26	3,316.99
Stock in trade	96.43	-
Stores and spares	7,219.53	6,928.63
Total	40,418.08	39,107.11

NOTE 2.16 : TRADE RECEIVABLES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Trade Receivable (Unsecured, considered good unless stated otherwise)		
Outstanding over six months from due date		
Considered good	386.79	257.89
Considered doubtful	-	85.60
Provision for Doubtful Debts	-	(85.60)
	386.79	257.89
Trade Receivable	29,400.12	23,855.03
Total	29,786.91	24,112.92

NOTE 2.17 : CASH AND BANK BALANCES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Cash and cash equivalents		
(a) Balances with Banks		
On current Account	3,517.58	1,653.31
On unpaid dividend account	257.70	250.62
(b) Cash -on- hand	15.06	10.07
Others bank balances		
Banks deposits with original maturity for more than 12 months	59.50	94.83
Margin money deposit	56.07	860.23
Total	3,905.91	2,869.06

NOTE 2.18 : SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received - Considered Good	7,798.33	11,596.64
Duty Drawback / FPS receivable on Export	2,549.45	2,183.52
Loan to Employee Stock Option Scheme Trust	680.52	4,353.57
Due from Subsidiary Companies	10,278.79	12,545.87
Interest Accrued on Investments	0.56	0.56
Balances with Customs, Port Trust, Central Excise etc.	613.95	658.23
Income Tax paid / TDS (net of provisions of ₹ 3521.75 Lacs Previous Year ₹.2819. 45 lacs)	577.48	433.44
Total	22,499.08	31,771.83

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

		For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Revenue from operations	2.46(g)		
Sales of Products			
Finished Goods		2,30,561.59	2,16,356.39
Traded Goods		3,852.19	7,140.97
Sales of Services		1,208.81	1,121.63
Others operating revenue			
Waste & Scrap sales		1,338.73	1,866.67
Revenue from operations(Gross)		2,36,961.32	2,26,485.66
Less: Excise Duty		14,540.44	13,991.02
Revenue from operations(Net)	Total	2,22,420.88	2,12,494.64

NOTE 2.20 : OTHER INCOME

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Interest on Investment	2.63	7.44
Dividend Income (Non Current Investment)	6.21	3.39
Profit on sale of Investment (net) (Current Investment)	141.41	36.63
Bad debts written off recovered	4.25	17.00
Sundry Balances Written back (net)	117.38	46.08
Rent Income (Tax Deducted at Source ₹ 1.20 Lacs Previous year ₹ 0.30 Lacs)	12.07	3.00
Provision for Doubtful Debts written back	85.60	-
Others non-operating income	130.33	184.95
Total	499.88	298.49

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

		For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Opening stock	2.46(b)		
Finished Goods		8,633.66	9,189.49
Stock in trade		-	397.83
Stock in Process		3,316.99	2,921.66
	(A)	11,950.65	12,508.98
Closing stock	2.46(h)		
Finished Goods		8,111.43	8,633.66
Stock in trade		96.43	-
Stock in Process		4,756.26	3,316.99
	(B)	12,964.12	11,950.65
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(A-B)	(1,013.47)	558.33

NOTES 2.22 : EMPLOYEES BENEFITS EXPENSES

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Salaries, Wages and Bonus	10,242.94	9,155.13
Contribution to PF and other funds	1,089.49	1,086.78
Staff Welfare	558.87	553.43
Commission to Whole time Directors	308.00	308.00
Total	12,199.30	11,103.34

NOTES 2.23 : OTHERS EXPENSES

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Repairs and Maintenance		
Machinery	2,038.09	1,801.60
Building	129.28	104.28
Others	334.68	271.55
	2,502.05	2,177.43
Stores and Spares	4,378.02	4,175.90
Power, Fuel and Water	38,538.06	34,068.53
Other Manufacturing Expenses	8,427.98	7,294.68
Packing Expenses	7,032.69	6,454.22
Cash Discount	1,571.85	1,468.94
Freight and Forwarding	3,800.33	4,322.06
Commission on Sales	1,256.13	1,708.26
Sales Promotion Expenses	736.81	390.13
Travelling & Conveyance	910.97	924.84
Rent and Lease Rent	568.82	525.15
Rates and Taxes (includes ₹13.12 Lacs (previous year ₹ 13.00 Lacs) for Wealth Tax)	237.23	147.51
Insurance	643.24	614.49
Loss on Exchange (net) *	2,788.31	6,441.96
Commission to Non Whole time Directors (includes service tax of ₹.7.63 Lacs (previous year ₹ NIL)	142.63	129.00
Communication Expenses	157.89	175.38
Legal & Professional Expenses	1,016.85	1,243.42
Bad Debts / Irrecoverable amounts written off	389.26	1.29
Donation	11.85	162.14
Provision for Doubtful Debts	-	85.60
Deficit on Sale/Discarding of Fixed Assets (Net)	26.08	23.28
Excise Duty	(181.88)	258.44
Miscellaneous Expenses	1,252.49	1,161.93
Total	76,207.66	73,954.58

NOTES 2.24 : FINANCE COSTS

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Interest - Fixed Loans	10,630.74	10,541.71
- Others	3,382.79	3,222.38
Loss on foreign currency transactions and translation (net) *	2,136.54	1,704.96
Other borrowing costs	1,302.84	805.84
	17,452.91	16,274.89
Less : Interest and Financial charges capitalised	297.29	221.23
Less : Interest from Subsidiary Company	84.76	192.58
Less : Interest Income Others	18.11	64.90
	400.16	478.71
Total	17,052.75	15,796.18

* During the year the company has been impacted due to highly volatile forex market and huge devaluation of Rupee. The total impact of this fluctuation resulted into an exchange loss of ₹ 4924.85 Lakh (previous year ₹ 8146.92 Lakh) for the year. The Company had some borrowings in foreign currency instruments which carry lower interest rate as compared to Indian Rupee borrowing rate, resulting into to lower interest cost of ₹ 2136.54 Lakh (previous year ₹ 1704.96 lakh). Therefore, out of total exchange loss of ₹ 4924.85 Lakh (previous year ₹ 8146.92 Lakh), a sum of ₹ 2136.54 Lakh (previous year ₹ 1704.96 Lakh) has been recognized under finance cost as "Exchange Loss equivalent to Interest Saving on forex instruments transferred to finance cost" and balance ₹ 2788.31 Lakh (previous year ₹ 6441.96 Lakh) has been shown as Foreign Exchange Loss.

NOTES 2.25 : EARNING PER SHARE(EPS)

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Basic /Diluted EPS		
Earnings per Share has been computed as under:		
Profit after Taxation (₹ in Lacs)	11,629.20	11,492.65
(Less)/Add : Prior year Adjustment	(59.56)	2.84
	11,569.64	11,495.49
The weighted average number of Equity Shares for Basic / Diluted EPS	10,00,19,286	10,00,19,286
Earnings per share (Face value of ₹ 10/- per share) (A) / (B)	11.57	11.49

	As at 31st March, 2014 (₹ in Lacs)	As at 31st March, 2013 (₹ in Lacs)
2.26 a) Estimated value of contracts remaining to be executed on Capital Account and not provided for	1,971.42	3,204.49
b) Contingent Liabilities :		
(i) Guarantees issued by banks	1,423.60	1,604.01
(ii) Bills discounted with banks (since realized)	2,951.42	5,489.45
(iii) Claims against the Company not acknowledged as debts		
- Income Tax & Wealth Tax	803.00	72.89
- Sales Tax / VAT	11.35	9.85
- Excise & Service Tax	8,198.83	5,139.53
- Other claims	3,191.00	1,859.66
(iv) Corporate guarantee to Bank on behalf of subsidiaries of the Company (of the above, US \$ 27 Million loan is due to be repaid on behalf of Indian England. There are no underlying assets held by Indian England and this liability will devolve on the company on due date)	34,291.50	52,565.73
c) Export Obligation on duty free imports	11,115.74	24,811.61

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

- a) 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 ₹ 27,679.47 Lacs (previous year ₹ NIL) has been charged to Business Development Reserve on account of diminution in the value of investments 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 ₹1937.65 Lacs (Previous year ₹ 1934.39 Lacs) has been charged to the Business Development Reserve.

2.28 Exceptional items are in respect of :

- (a) Crystallized Loss amounting to ₹1004.40 Lacs on sale of 8,81,191 Shares held by GHCL Employees Stock Option Trust in line with the circulars issued by SEBI on January 17, 2013, May 13, 2013 and November 29, 2013 on Employees Stock

Option Scheme (ESOS) and Employees Stock Purchase Scheme, GHCL ESOS Scheme will cease to be in existence by June 30, 2014 and accordingly all the shares controlled by the trust have been sold before the Balance Sheet date.

- (b) Consequent to para (a) above, ₹ 240.85 lacs relating to the provision made in previous years for minimum price appreciation guarantee @ 20% as per the GHCL ESOS has been written back, since none of the employees have exercised the option during the period ended 31st March 2014.
- (c) Write off amounting to ₹ 2333.65 Lacs due to permanent diminution in the value of 20,46,195 shares originally held by GHCL ESOS trust based on the difference in the average purchase price and current market value. Of these, 15,79,922 shares were illegally sold by a party against which ESOS trust has initiated legal proceedings and balance 4,66,273 shares are held by Stock exchange based on an arbitration award.

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

- a) Liquidation of the company**
- | Country | Date of Liquidation |
|--------------------|---------------------|
| Rosebys UK Limited | UK |
| | 24th December 2013 |
- b) Textile & Design Limited UK and Teliforce Holding India Limited Cyprus, subsidiaries of the company are under Liquidation since 25th September, 2009 & 29th January, 2014 respectively.**
- c) Subsequent to Balance Sheet date, GHCL Rosebys Limited, a step down subsidiary in UK has been voluntarily dissolved on 6th May 2014.**

2.30 Unquoted investments in subsidiary companies are of long term strategic value in the opinion of the management. Except 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.

2.31 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:

	Receivable		Payable	
	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
Due within one year	54.68	-	293.15	204.05
Due within the following four years	110.78	-	578.38	675.43
Due after five years	-	-	24.00	-

2.32 The value of closing stock of Finished Goods includes excise duty not paid ₹ 85.97 Lacs (previous year ₹ 269.52 Lacs). The value of Lignite at mines includes excise duty, royalty & clean energy cess of ₹ 19.43 Lacs (previous year ₹ 37.66 Lacs) on the closing stock. The Value of Salt at Salt Fields includes Cess & Royalty of ₹ 18.57 Lacs (previous year ₹ 24.27 Lacs) on Closing Stock. This has however, no impact on the profit for the year.

2.33 Prior Period Item of ₹ 16.75 Lacs (Previous year ₹ 3.92 Lacs) is on account of excess provision for expenses of earlier year.

2.34 Loans & Advances includes ₹ 3308.99 Lacs (previous year ₹ 7617.29 Lacs) paid as advance for purchase of materials and services outstanding for more than six months and considered good.

2.35 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, 2014 (₹ in Lacs)	For the Year Ended 31st March, 2013 (₹ in Lacs)
Employer's contribution to Provident Fund/Pension Scheme	597.83	551.11
Employer's contribution to Superannuation Fund	156.93	163.76

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

Defined Benefit Plan
Gratuity (Funded)

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

Leave Encashment (Unfunded)

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

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

	For the Year Ended 31st March, 2014 (₹ in Lacs)	For the Year Ended 31st March, 2013 (₹ in Lacs)
Liability at the beginning of the year	787.59	692.61
Paid during the year	100.32	133.95
Provided during the year	260.40	228.93
Liability at the end of the year	947.67	787.59

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, 2014 (₹ in Lacs)	For the Year Ended 31st March, 2013 (₹ in Lacs)
Obligation at year beginning	2,532.52	2,266.76
Service cost	164.40	139.87
Interest cost	208.93	198.34
Actuarial gain/(loss)	(218.49)	(189.30)
Benefits paid	(160.00)	(261.75)
Obligation at year end	2,964.34	2,532.52
Change in plan assets		
Plans assets at year beginning, at fair value	2,236.16	2,096.49
Expected return on plan assets	194.55	180.30
Actuarial gain/(loss)	64.16	(5.55)
Contributions	300.00	161.70
Benefits paid	-	(196.78)
Plan Assets at year end, at fair value	2,794.87	2,236.16
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	2,794.87	2,236.16
Present value of the defined benefit obligation at the end of the year	2,964.34	2,532.52
Assets recognised in the Balance Sheet	(169.47)	(296.36)
Gratuity cost for the year		
Service cost	164.40	139.87
Interest cost	208.93	198.34
Expected return on plan assets	194.55	180.30
Actuarial gain/(loss)	(154.33)	(194.85)
Net Gratuity cost	333.11	352.76
Investment details of plan assets		
% of the Plan Assets invested in debt instruments	94.73%	90.47%
% of the Plan Assets invested in equity	5.27%	9.53%

Assumptions

	2006-08 (Ultimate)	2006-08 (Ultimate)
Mortality Table -LIC	9.38%	8.25%
Interest rate	8.70%	8.70%
Estimated rate of return on plan assets	8.00%	7.00%

2.36 Related Party Transactions
a Subsidiaries & Associate :

Indian England N.V.
 Indian Wales N.V.
 Dan River Properties LLC
 Grace Home Fashions LLC
 Rosebys Interiors India Limited
 Teliforce Holding India Limited (under Liquidation since 29th January, 2014)
 Textile & Design Limited (under Liquidation since 25th September, 2009)
 Rosebys UK Limited (Liquidated as at 24th December 2013)
 GHCL Rosebys Limited (Liquidated as at 6th May, 2014)
 Indian Britain B.V. (Liquidated as at 30th November, 2012)
 Colwell & Salmon Communications Inc. (Liquidated as at 1st April, 2013)
 DM Solar Farm Pvt Limited
 TCP Limited (w.e.f. 31st January, 2014)

b Key Management Personnel:

Mr. R. S. Jalan, Managing Director
 Mr. Raman Chopra, CFO & Executive Director - Finance
 Mr. Tej Malhotra, Sr. Executive Director - Operations (upto 4th May 2012)

c Relative of Key Management Personnel:

Mrs. Bharti Chopra, w/o Mr. Raman Chopra
 Ravi Shanker Jalan, HUF

d Significant influence

Dalmia Centre for Research & Development

Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2014

Sr. Description No.	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
a) Transactions with Subsidiaries & Associate		
1. Purchase of Electricity	496.57	43.41
DM Solar Farm Pvt Limited	133.19	43.41
TCP Limited	363.38	-
2. Sales of Goods	29,430.14	-
Grace Home Fashions LLC	29,430.14	-
3. Net Payment/(Receipt) of Loans & Advances	25,756.60	2,547.66
Rosebys Interiors India Limited	551.37	1,546.13
Dan River Properties LLC	(169.86)	(158.33)
Teliforce Holding India Limited	534.22	24.87
Indian England N.V.	678.32	1,134.99
Indian Wales N.V.	24,162.55	-
4. Interest Received	84.76	192.58
Teliforce Holding India Limited	-	165.70
Indian England N.V.	84.76	26.88
5. Investment in Equities	(0.05)	0.52
DM Solar Farm Pvt Limited	-	0.52
TCP Limited	0.40	-
Teliforce Holding India Limited	(0.45)	-
6. Loans & Advances Recoverable at the year end	10,278.79	12,545.87
Rosebys Interiors India Limited	7,150.96	6,599.59
Dan River Properties LLC	1,091.15	1,261.01
Teliforce Holding India Limited	-	3,528.68
Indian England N.V.	2,036.68	1,156.59



Sr. Description No.	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
7. Balance of Investment in Equities at the year end	10.05	10.10
Indian England N.V.	0.49	0.49
Grace Home Fashions LLC	3.64	3.64
Teliforce Holding India Limited	-	0.45
Rosebys Interiors India Limited	5.00	5.00
DM Solar Farm Pvt Limited	0.52	0.52
TCP Limited	0.40	-
8. Balance receivable at the year end	13,469.65	-
Grace Home Fashions LLC	13,469.65	-
9. Balance payable at the year end	193.18	-
TCP Limited	193.18	-
b) Transactions with Key Management Personnel		
1. Remuneration	634.25	652.23
Mr. R. S. Jalan, Managing Director	402.02	392.01
Mr. Raman Chopra, CFO & Executive Director - Finance	232.23	220.29
Mr. Tej Malhotra, Sr. Executive Director - Operations (upto 4th May 2012)	-	39.93
2. Dividend on Shares	1.02	1.02
Mr. R. S. Jalan, Managing Director	1.02	1.02
c) Transactions with Relative of Key Management Personnel		
1. Leasing & Hire purchase transactions	3.30	3.30
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	3.30	3.30
2. Dividend on Shares	0.12	0.12
Ravi Shanker Jalan, HUF (*0=₹ 200)	*0	*0
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.12	0.12
d) Transactions with Enterprises over which significant influence exercised by Directors		
1. Purchase of Goods	2.15	0.75
Dalmia Centre for Research & Development	2.15	0.75
2. Royalty paid	6.00	4.00
Dalmia Centre for Research & Development	6.00	4.00

* Balances of Investment and Loan and Advance are after writing off of ₹ 0.45 Lacs (Previous year ₹ 1934.53 Lacs) and ₹ 28225.45 Lacs (Previous year NIL).

2.37 Disclosure as per Clause 32 of the Listing Agreement.

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

Name of the Company	Relationship	Amount o/s as at 31st March, 2014	Max. Balance outstanding	Investment outstanding during the year
		₹ in Lacs	₹ in Lacs	₹ in Lacs
Dan River Properties LLC	Subsidiary	1,091.15	1,261.01	-
Rosebys Interiors India Limited		7,150.96	7,150.96	5.00
Indian England N.V.		2,036.68	2,036.68	0.49
Teleforce Holdings India Limited		-	4,062.90	-
Indian Wales N.V.		-	24,162.55	-

ii) Loans and Advances in the nature of Loans where there is no interest comprise employee loans of ₹ 168.93 Lacs (previous year ₹ 196.27 Lacs).

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

	For the Year Ended 31st March, 2014 (₹ in Lacs)	For the Year Ended 31st March, 2013 (₹ in Lacs)
Insurance	0.15	1.70
Legal and Professional Expenses	-	2.23
Financial Charges	-	13.01
Interest Charges	242.93	203.40
Total Preoperative Expenses	243.08	220.34
Add : Preoperative expenses incurred up to previous year	108.43	49.35
	351.51	269.69
Less : Capitalised during the year	309.15	161.26
Balance	42.36	108.43

2.39 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, 2014 (₹ in Lacs)	For the Year Ended 31st March, 2013 (₹ in Lacs)
Manufacturing Expenses	16,923.97	17,247.94
Stores and spares consumed	149.04	200.69
Power and Fuel	390.21	414.07
Excise Duty, Cess and Royalty	550.28	866.90
Repairs and maintenance		
Building	12.51	7.05
Plant and machinery	71.62	90.03
Earth work	109.47	79.24
Others	36.44	15.32
Salaries and Wages	778.94	831.09
Traveling & Conveyance	67.92	72.52
Lease Rent	83.33	67.19
Rates and taxes	29.60	14.09
Insurance	46.19	42.51
Misc. Expenses (Including Deferred Revenue & Intangible Expenses)	126.36	116.79
Less: Interest on Investments (other than trade)	(0.96)	(0.84)
Other Misc. Income	(73.55)	(183.81)
Total	19,301.37	19,880.78

2.40 Payment to Auditors

	For the Year Ended 31st March, 2014 (₹ in Lacs)	For the Year Ended 31st March, 2013 (₹ in Lacs)
a) To Statutory Auditors as (excluding service tax)		
Auditors	28.00	28.00
Fees for Limited Review	12.00	10.00
Fee for tax financial statements	1.75	1.75
Certification fees and Others	2.78	3.64
Out of pocket expenses	0.65	0.60
Total	45.18	43.99
b) To Cost Auditors (excluding service tax)		
Audit Fee	2.30	1.60
Out of pocket expenses	0.03	0.09
Total	2.33	1.69

2.41 Managerial Remuneration

	For the Year Ended 31st March, 2014 (₹ in Lacs)	For the Year Ended 31st March, 2013 (₹ in Lacs)
a) Whole time Directors		
Salaries	265.31	261.36
Contribution to Provident and Superannuation funds	29.97	29.18
Perquisites	25.65	28.00
Gratuity & Leave Encashment	5.32	25.69
Commission	308.00	308.00
b) Other Directors (excluding service tax)		
Sitting Fees	11.80	11.40
Commission	135.00	129.00
	<u>781.05</u>	<u>792.63</u>
c) Computation of Net Profit as per Section 349 / 350 of the Companies Act, 1956		
Profit for the year (as per Profit & Loss Account)	11,629.20	11,492.65
Add :		
Depreciation as per accounts	8,156.77	8,196.72
Provision for Taxation	3,396.39	2,512.54
Managerial Remuneration & Sitting fees	781.05	792.63
Provision for Doubtful Debts	-	85.60
Prior period adjustments	(59.56)	2.84
	<u>23,903.85</u>	<u>23,082.98</u>
Less :		
Depreciation as per section 350 of the companies Act, 1956	10,094.42	10,131.11
Profit on Sale of Investment (Net)	141.41	36.63
Provision for Doubtful Debts written back	85.60	-
Net Profit u/s 349 of the Companies Act, 1956	<u>13,582.42</u>	<u>12,915.24</u>
Commission payable to		
Managing Director and Executive Directors as decided by the Board	308.00	308.00
Non - Whole time Directors as decided by the Board	135.00	129.00
	<u>For the Year Ended 31st March, 2014 (₹ in Lacs)</u>	<u>For the Year Ended 31st March, 2013 (₹ in Lacs)</u>

2.42 Expenditure in Foreign Currencies

Foreign Travel	100.67	91.47
Commission on Export Sales	193.52	460.07
Interest and Commitment Charges	1,904.51	1,790.46
Others	474.46	885.67

2.43 Remittances during the year in foreign currency on account of

Dividend for the financial year ended	2012-13	2011-12
Dividends to non-resident shareholders (₹ In Lacs)	121.02	119.77
Number of non-resident shareholders	628	669
Number of Shares	60,51,208	59,88,399

2.44 Earnings in Foreign exchange

Export of Finished Goods on FOB basis	59,751.87	55,388.72
Recovery towards Freight etc. on Exports	351.57	350.01
Others	-	7.00

2.45 Value of imports on CIF basis

Raw Materials and Utilities	20,277.44	19,396.56
Components and spare parts	364.76	404.89
Capital Goods	761.98	4,571.85
Trading Goods	1,183.88	3,148.23

2.46 Quantitative information in respect of Company's operations

(a) Capacity (as certified by the Management)

	UNIT	For the Year Ended 31st March, 2014		For the Year Ended 31st March, 2013	
		Installed	Licensed	Installed	Licensed
Soda Ash	MT	8,50,000	N.A.	8,50,000	N.A.
Refined Salt	MT	72,000	N.A.	72,000	N.A.
Yarn - Spindles	Nos.	1,48,760	N.A.	1,48,760	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.	162	N.A.	150	N.A.
Cloth Processing	MTRS. ('000)	34,000	N.A.	34,000	N.A.

	UNIT	For the Year Ended 31st March, 2014		For the Year Ended 31st March, 2013	
		Quantity	₹ in Lacs	Quantity	₹ in Lacs
(b) Opening Stock					
Soda Ash	MT	14,896	1,774.31	6,893	694.70
Yarn	MT	333	643.37	577	1,176.30
Cloth	MTRS. ('000)	894	1,625.49	711	1,328.45
Bed Sheet Sets	MTRS. ('000)	2,046	4,382.75	3,065	5,806.04
Others		N.A.	207.74	N.A.	581.83
			<u>8,633.66</u>		<u>9,587.32</u>

(c) Production					
Soda Ash - (Gross)	MT	7,11,528		7,24,021	
Refined Salt	MT	47,240		56,353	
Yarn	MT	19,212		16,156	
Cloth - Job work + Own Production	MTRS. ('000)	41,808		38,416	
Bicarb - (Produced from Soda Ash)	MT	21,827		23,593	
Bed Sheet Sets - Job Work	MTRS. ('000)	25,334		23,692	
			<u>3,334.94</u>		<u>6,129.12</u>

(d) Purchase of Trading Goods
(e) Purchase of Cloth

Yarn	MT	268		151	
Cloth	MTRS. ('000)	16,360		15,068	
Bed Sheet Sets	MTRS. ('000)	125		-	

(f) Consumption for internal use *

Soda Ash	MT	50,177		55,063	
Yarn	MT	3,255		3,139	
Cloth	MTRS. ('000)	35,512		47,622	

(g) Sales

Soda Ash	MT	6,71,194	1,26,934.89	6,60,955	1,20,804.19
Yarn	MT	16,101	32,594.92	13,412	27,011.35
Cloth	MTRS. ('000)	5,128	4,420.98	5,679	3,702.56
Bed Sheet Sets	MTRS. ('000)	24,517	61,176.09	24,711	57,384.29
Others		N.A.	11,834.44	N.A.	17,583.27
			<u>2,36,961.32</u>		<u>2,26,485.66</u>

(h) Closing Stock

Soda Ash	MT	5,053	652.87	14,896	1,774.31
Yarn	MT	457	1,075.69	333	643.37
Cloth	MTRS. ('000)	422	647.34	894	1,625.49
Bed Sheet Sets	MTRS. ('000)	2,988	5,552.28	2,046	4,382.75
Others		N.A.	183.25	N.A.	207.74
			<u>8,111.43</u>		<u>8,633.66</u>

* Including transit differences and process wastage.

	UNIT	For the Year Ended 31st March, 2014		For the Year Ended 31st March, 2013	
		Quantity	₹ in Lacs	Quantity	₹ in Lacs
(i) Consumption of Raw Material and Consumables					
Salt	MT	13,26,195	8,942.07	13,61,115	8,895.64
Lime Stone	MT	14,75,407	8,704.91	14,80,572	7,803.38
Coke	MT	99,249	12,579.67	97,801	12,099.69
Cotton & Staple Fiber	MT	21,577	25,625.51	19,781	21,238.03
Yarn	MT	1,131	3,051.95	757	1,485.01
Fabric	MTRS. ('000)	16,043	24,547.40	14,826	22,346.98
Others		N.A.	5,408.51	N.A.	5,222.62
			88,860.02		79,091.35

The Consumption of Lime Stone and Cotton & Staple Fiber is net of undersize realization/sales of ₹ 782.78 Lacs (previous year ₹ 891.82 Lacs) & ₹ 1078.73 Lacs (previous year ₹ 40.34 Lacs) respectively.

	For the Year Ended 31st March, 2014		For the Year Ended 31st March, 2013	
	Value of Consumption	% AGE	Value of Consumption	% AGE
(j) Consumption of Raw Materials & Stores and Spares				
Raw Materials :				
Imported	7,303.76	8.22%	5,322.79	6.73%
Indigenous	81,556.26	91.78%	73,768.56	93.27%
	88,860.02	100.00%	79,091.35	100.00%
Stores and Spares :				
Imported	404.57	9.24%	725.61	17.38%
Indigenous	3,973.45	90.76%	3,450.29	82.62%
	4,378.02	100.00%	4,175.90	100.00%

2.47 Intangible Assets

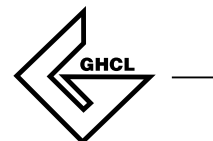
Intangible Asset, meeting the definition as per the provisions of Accounting Standard - 26 Intangible Assets issued by The Institute of Chartered Accountants of India, comprises of Software and Trade mark Expenditure on purchased software, ERP System, IT related expenses and Trade mark is being written off over a period of three years.

2.48 Impairment of Assets

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

2.49 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. Particulars No	As at 31st March, 2014 ₹ in Lacs	As at 31st March, 2013 ₹ 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	-	-



2.50 The GHCL ESOS Scheme, approved by the shareholders in their Extra Ordinary General Meeting held on 19th March, 2008 will cease to be in existence by 30th June 2014. The Consequential accounting entries have been passed as exceptional item in the Statement of Profit and Loss during the year.

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

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 : 28th May 2014

For and on behalf of the Board

Sanjay Dalmia
Chairman

Dr. B. C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director - Finance

Bhwneshwar Mishra
General Manager & Company
Secretary

Place : New Delhi
Date : 28th May 2014



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

S.No.	Name of Subsidiary Company	Rosebys Interior India Limited	Indian England N.V.	Indian Wales N.V.	GHCL Rosebys Limited	Grace Home Fashion LLC	Teliforce Holding India Ltd
1.00	The financial period of the Subsidiary Company ended on	31st March 2014	31st March 2014	31st March 2014	7th January 2014	31st March 2014	29th January 2014
2.00	Date from which they become subsidiary Companies	12th December 2007	18th November 2005	27th December 2005	21st July 2006	07th July 2008	26th February 2010
3.00	Number of shares held by GHCL Ltd. with its nominees in the subsidiaries at the end of the financial year of the subsidiary Company.	50000 Equity Shares of ₹ 10/- each	45380 Ordinary Shares of EURO 1/- each	60000 Ordinary Shares of EURO 1/- each	10,000,001 Ordinary shares of GBP 1/- each	7500 Shares of USD 1/- each	1000 shares of USD 1/- each
3.10	Extent of interest of holding Company at the end of the financial year of the subsidiary Company.	96.45%	100.00%	100.00%	100.00%	100.00%	100.00%
3.20	Name of the Immediate Holding Company	GHCL Limited	GHCL Limited	Rosebys Interiors India Limited	Indian Wales NV	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 year ended 31st March 2014	NA INR (92.14 Lacs)	USD 1.19 Mn INR 717.17 Lacs	USD 61.28 Mn INR 37046.24 Lacs	GBP 0.0054 Mn INR 4.45 Lacs	USD 0.23 Mn INR 129.05 Lacs	USD 3.07 Mn INR 1662.45 Lacs
4.10.20	For the previous financial years of the subsidiary Company since it became the holding Company's subsidiary.	NA INR (10,123.78 Lacs)	USD (31.73 Mn) INR (14,026.14 Lacs)	USD (61.36 Mn) INR (27,640.14 Lacs)	GBP (10.01 Mn) INR (8514.45 Lacs)	USD (0.15 Mn) INR (85.13 Lacs)	USD (3.07 Mn) INR (1662.90acs)
4.20	Dealt with in holding company's account						
4.20.10	For the financial year ended 31st March 2014	NIL	NIL	NIL	N.A.	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
5.00	Material Changes between the end of the financial year of the Subsidiary Company and the Company's financial Statement ended 31st March 2014 a) Fixed Assets b) Investments c) Money Lent d) Money borrowed other than those for meeting Current liabilities						

For and on behalf of the Board

Sanjay Dalmia
Chairman

Dr. B. C. Jain
Director

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive Director (Finance)

Place : New Delhi
Date : 28th May 2014

Bhuvneshwar Mishra
General Manager & Company Secretary

Details of Subsidiary Companies

(₹ In lacs)

S.No.	Name of Subsidiary Company	Rosebys Interiors India Ltd	Indian England NV	Indian Wales NV	GHCL Rosebys Limited	Grace Home Fashions LLC	Teliforce Holding India Ltd
a	Capital	5.18	26.83	35.47	8,510.00	3.64	0.45
b	Reserves	(9,758.13)	(18,543.07)	(34.76)	(8,510.00)	43.92	(0.45)
c	Total Assets	334.13	0.63	2.86	-	22,465.63	-
d	Total Liabilities	10,087.08	18,516.87	2.15	-	22,418.07	-
e	Investments (Except in case of Investment in Subsidiary)					-	-
f	Turnover/ Total Income	0.89	-	-	-	31,773.49	-
g	Profit before Taxation (Including Exceptional Item)	(92.15)	(1,090.12)	27,605.38	4.45	132.62	1,662.45
h	Provision for Taxation	-	-	-	-	3.57	-
i	Profit After Taxation	(92.15)	(1,090.12)	27,605.38	4.45	129.05	1,662.45
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 Rosebys Interiors India Ltd. in which company holds 96.45%.
- 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 / put for Liquidation :-
 - a) GHCL Rosebys Ltd. (Under Liquidation since 7th January 2014 (Dissolved on 6th May 2014))
 - b) Teliforce Holding India Ltd. (Under Liquidation since 29th January 2014)



INDEPENDENT AUDITORS’ REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board of Directors
GHCL LIMITED

We have audited the accompanying consolidated financial statements of GHCL Limited (“the Company”) and its subsidiaries and associates, which comprise the Consolidated Balance Sheet as at 31 March 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 (“the Act”) read with the General Circular 15/2013 dated 13 September of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the Consolidated Statement of Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matters

- a) The financial statements of one subsidiary company, whose financial statements have been audited by at least one of us, reflect total liabilities (net) of ₹ 9,753 lakhs as at 31st March, 2014 and total revenues of NIL for the year ended on that date.
- b) The Consolidated Financial Statements also includes the unaudited financial statements of five subsidiaries which reflect total liabilities net of ₹ 18,648 lakhs as at 31st March, 2014 and total revenue of ₹ 31,773 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been certified by the management.

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

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

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

(Rahul DIVAN)
 Partner
 Membership No: 100733

Place : New Delhi
 Date : 28th May, 2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2014

	Note	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	10,001.93	10,001.93
Reserves and Surplus	2.2	48,726.13	46,660.75
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	88,511.38	99,036.15
Deferred Tax Liability (Net)	2.4	16,202.03	16,327.40
Other Long term liabilities	2.5	608.01	329.98
Long-term provisions	2.6	168.14	106.95
CURRENT LIABILITIES			
Short-term borrowings	2.7	50,505.06	47,413.82
Trade payables	2.8	55,762.17	47,333.69
Other current Liabilities	2.9	27,083.70	17,038.23
Short-term Provisions	2.10	3,836.98	3,719.29
Total		<u>3,01,405.53</u>	<u>2,87,968.19</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible assets	2.11	1,86,856.41	1,86,964.99
Intangible assets	2.11	80.43	580.48
Capital Work-in-Progress		1,245.65	3,156.20
		<u>1,88,182.49</u>	<u>1,90,701.67</u>
Non-current Investments	2.12	549.20	548.80
Long-term loans and advances	2.13	2,375.52	823.01
Other non-current assets	2.14	54.68	382.25
CURRENT ASSETS			
Current Investments	2.12	200.00	-
Inventories	2.15	54,387.13	43,447.16
Trade receivables	2.16	38,121.10	28,599.01
Cash and cash equivalents	2.17	4,172.15	2,907.76
Short-term loans and advances	2.18	13,363.26	20,558.53
Total		<u>3,01,405.53</u>	<u>2,87,968.19</u>

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS

1&2

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

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

 Place : New Delhi
 Date : 28th May 2014

 Place : New Delhi
 Date : 28th May 2014

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
INCOME			
Revenue from operations (Gross)	2.19	2,39,304.67	2,41,489.54
Less: Excise Duty		14,540.44	13,991.02
Revenue from operations (Net)		2,24,764.23	2,27,498.52
Other Income	2.20	500.76	301.27
TOTAL REVENUE		2,25,264.99	2,27,799.79
EXPENDITURE			
Cost of Material consumed		88,860.02	79,091.35
Purchase of Stock-in-trade		9,085.96	20,751.44
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.21	(10,642.47)	(849.99)
Employees benefits expenses	2.22	12,199.30	11,103.88
Others Expenses	2.23	81,561.41	75,878.51
(Gain)/Loss on Conversion into INR		359.16	880.59
		1,81,423.38	1,86,855.78
Profit Before Finance costs and Depreciation and Amortisation expenses		43,841.61	40,944.01
Finance costs	2.24	18,318.50	17,794.70
Profit Before Depreciation and Amortisation expenses		25,523.11	23,149.31
Depreciation and Amortisation expenses	2.11	10,111.49	10,142.49
Less: Transferred from Business Development Reserve		1,937.65	1,934.39
		8,173.84	8,208.10
Exceptional Items		(3,097.20)	(5,291.76)
Profit Before Tax		14,252.07	9,649.45
Tax expenses			
- Current Tax		3,670.97	2,819.45
- Fringe Benefit Tax		145.64	-
- Deferred Tax (Net)	2.4	(125.37)	(306.91)
Profit For The Year after Tax		10,852.11	7,136.91
Share in Profit / (Loss) from Associates		-	-
Net Profit For The Year after Tax		10,852.11	7,136.91
Earnings per Share (Rupees) - Basic /Diluted	2.25	10.79	7.14

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS
The notes referred to above form an integral part of the Statement of Profit and Loss

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

 Place : New Delhi
 Date : 28th May 2014

 Place : New Delhi
 Date : 28th May 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year Ended 31 March 2014 (₹ in Lacs)	For the Year Ended 31 March 2013 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary items	17,349.27	14,941.21
Adjustment for :		
Depreciation / Amortisation	8,173.84	8,208.10
Effects of Exchange Rate change	2,788.97	6,441.12
Interest Income	(18.11)	(64.90)
Income From Dividend	(6.21)	(3.39)
Prior Period Adjustments	17.12	3.92
Loss on Sales / Discarding of Fixed Assets (Net)	26.08	29.64
Provision for Doubtful Debts	-	290.01
Profit on Sale of Investments (Net)	(141.41)	(36.63)
Financial Expenses (Net)	18,336.61	17,859.60
Operating Profit before Working capital Changes	46,526.16	47,668.68
Adjustments for :		
[i] Trade & Other Receivables		
• (Increase) / decrease in Trade receivables	(9,522.09)	(6,436.72)
• (Increase) / decrease in Long term Loans and Advances	(753.81)	479.87
• (Increase) / decrease in Short term Loans and Advances	7,339.32	822.47
[ii] Trade & Other payables		
• Increase / (decrease) in Trade payables	8,428.48	15,996.64
• Increase / (decrease) in Long term provisions	61.19	36.66
• Increase / (decrease) in Short term provisions	117.68	238.85
• Increase / (decrease) in other current liabilities	7,594.29	376.30
• Increase / (decrease) in other long term liabilities	278.04	119.79
[iii] (Increase) / decrease in in Inventories	(11,108.84)	(8,062.70)
Cash generated from Operations	48,960.42	51,239.84
Direct taxes paid	(3,742.11)	(2,864.62)
Net cash generated from Operating Activities	45,218.31	48,375.22
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,459.14)	(11,796.55)
Sale of Fixed Assets	18.74	22.63
Purchase of non current Investments	(0.40)	(0.52)
Purchase of current Investments	(13,972.52)	416.16
Sale of current Investments	13,913.93	36.63
Effects of Exchange Rate change	(3,195.94)	(6,441.12)
Interest Received	18.11	286.13
Dividend Received	6.21	3.39
Net cash used from Investing Activities	(11,671.01)	(17,473.25)



	For the Year Ended 31 March 2014 (₹ in Lacs)	For the Year Ended 31 March 2013 (₹ in Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term borrowings	35,350.28	21,427.65
Repayments against Long Term Borrowings	(49,832.16)	(30,523.87)
Short Term Borrowings (Net)	3,091.24	(1,784.96)
Interest and Finance Charges Paid	(18,559.00)	(18,294.44)
Dividend and tax thereon paid	(2,333.27)	(2,331.62)
Net Cash used from Financing Activities	(32,282.91)	(31,507.24)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	1,264.39	(605.27)
Cash and Cash Equivalents at beginning of year	2,907.76	3,513.03
Cash and Cash Equivalents at end of year	4,172.15	2,907.76

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
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For and on behalf of the Board

Sanjay Dalmia Chairman R. S. Jalan Managing Director	Dr. B. C. Jain Director Raman Chopra CFO & Executive Director - Finance Bhuwadeshwar Mishra General Manager & Company Secretary
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Place : New Delhi
 Date : 28th May 2014

Place : New Delhi
 Date : 28th May 2014

NOTE : NOTES TO CONSOLIDATED ACCOUNTS

1. CONSOLIDATION

- a. GHCL Limited together with its subsidiaries and its interest in Associates (Collectively "The Group") is engaged in the business of manufacturing and trading of Inorganic Chemicals, Home Textiles and Wind Power Generation.
- b. The consolidated financial statements of the Group have been combined on a line- by- line basis by adding together book value of like items of assets, liabilities, income and expenses in accordance with Accounting Standard on "Consolidated Financial Statements" (AS - 21) and Accounting for "Investment in Associates Consolidated Financial Statements" (As-23) 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	% of Holding either directly or through Subsidiary		
		Country of Incorporation	As at 31st March, 2014	As at 31st March, 2013
1	Rosebys Interiors India Limited	India	96.45	96.45
2	Indian England N.V.	Netherlands	100	100
3	Indian Wales N.V.			
4	Grace Home Fashions LLC	USA		
5	GHCL Rosebys Limited	UK		
6	Teliforce Holding India Limited	Cyprus	NIL	

- d. Following subsidiaries of the Company, are under administration/closure.

Name of Subsidiaries	Date	Status
Teliforce Holding India Limited	29th January 2014	Under Liquidation
GHCL Rosebys Limited	7th January 2014	
Textile & Design Limited	25th September, 2009	

Subsequent to Balance Sheet date, GHCL Rosebys Limited, a step down subsidiary in UK has been voluntarily dissolved on 6th May 2014.

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

Teliforce Holding India Limited 29th January 2014

- e. 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 England N.V.

Indian Wales N.V.

Grace Home Fashions LLC

- f. All material inter- company balances and transactions are eliminated on consolidation.
- g. The excess of value of investments in the subsidiary companies over its share of the net assets of the subsidiary companies, at the date on which the investments in the subsidiary companies are made, is recognised as "goodwill" being an asset in the consolidated financial statements. The net asset value, considered for the purpose of goodwill in respect of trenches of investment, is the value as at the date of the first investment for acquiring subsidiary company. Goodwill arising out of consolidation is impaired during the year.
- h. Minority interest in the net assets of the subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary company and further movements in their share in the equity, subsequent to the date of investments attributable to their equity. In case of Rosebys Interiors India Ltd, since the minority interest was less than the losses for the year the minority interest is restricted to NIL as per AS -21 "Consolidated Financial Statements".
- i Revenue and expenses are translated into Indian Rupee at average rate for the year of the respective financial year of the companies . Fixed Assets, Share Capital and Reserves as at date of acquisition of subsidiary companies are translated



into Indian Rupee on the prevailing rate on the same day. All other assets and liabilities are translated into Indian Rupee at the rate of exchange prevailing as at Balance Sheet date. All overseas subsidiary except Grace Home Fashions LLC, USA, is considered as non-integral part of the company's business under AS-11 and accordingly the gain/loss on account of exchange difference is treated under Foreign Currency Translation Reserve. The gain/loss on translation of Grace Home Fashions LLC has been recognised in the Statement of Profit and Loss.

- j. Investment in Associates are accounted for using equity method in accordance with AS-23. For this purpose investment are initially recorded at cost. Any goodwill/ capital reserve arising at the time of acquisition are identified and carrying amount of investment are adjusted thereafter for the post acquisition share of profit or losses. Adjustment for any change in equity that has not been included in through the consolidated profit and loss account. The corresponding debit/credit are made in the relevant head of the equity interest in the Consolidated Balance Sheet. Due to the unavailability of the financial statements of the associates, DM Solar Farm Pvt Ltd and TCP Limited as at 31st March 2014, the same is not included in the Consolidated financial statements. This non-inclusion will not have a material impact on the Consolidated financial statements
- k. Consolidated Financial Statements have been prepared using uniform accounting policies for all major transactions and other events in similar circumstances except the policies adopted by the subsidiaries based on local laws which are given below :-
 1. The parent and the subsidiaries write off Intangible Assets over different number of years.
 2. Parent and subsidiaries provide depreciation at different rates on Tangible Assets.
 3. The parent and the subsidiaries follow their local guidelines for accounting the leases.
 4. Foreign subsidiary companies recognize tax liabilities and assets in accordance with the applicable local legislation.
 5. The parent and subsidiaries follow different method of valuation of inventory.
 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

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

b. Other Significant accounting policies

Other Significant accounting policies are set out under " Significant Accounting Policies" as given in the standalone financial statements of the parent company.

Notes forming part of the Consolidated Balance Sheet

Note 2.1 : SHARE CAPITAL

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
SHARE CAPITAL		
Authorised		
175,000,000 Equity Shares of ₹ 10/- each	<u>17,500.00</u>	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, Subscribed and Paid up		
100,019,286 Equity Shares of ₹ 10/- each fully paid up	<u>10,001.93</u>	10,001.93
	<u>10,001.93</u>	<u>10,001.93</u>

Additional Notes :

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

Equity shares	31.03.2014		31.03.2013	
	No. of Shares	(₹ in Lacs)	No. of Shares	(₹ in Lacs)
At the beginning of the year	10,00,19,286	10,001.93	10,00,19,286	10,001.93
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	10,00,19,286	10,001.93	10,00,19,286	10,001.93

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

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per

equity share held. The Dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation on the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

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

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

Note 2.2 : RESERVES AND SURPLUS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ 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	30,066.36	25,290.63
Add: Diminution in value of Investment Written (off) / back	(8,004.33)	3,544.30
	22,062.03	28,834.93
Add/ (Less): Mark to Market impact on derivative (forward contacts & options)	-	3,172.20
Less: Depreciation Transferred to statement of Profit and Loss as reduction from depreciation	(1,937.65)	(1,934.39)
Less: Write back on Sales of Revalued Assets	-	(6.38)
	20,124.38	30,066.36
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	1,000.00	1,000.00
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Balance Sheet	(3,443.06)	(2,328.08)
Adjustment during the year	3,554.80	(1,114.98)
	111.74	(3,443.06)
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	2,314.60	2,314.60
GENERAL RESERVE		
As per last Balance Sheet	8,653.01	7,503.74
Add: Transfer From Statement of Profit and Loss	1,162.92	1,149.27
	9,815.93	8,653.01
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	7,312.92	3,661.82
Net Profit for the Year after Tax	10,852.11	7,136.91
Prior period adjustments	17.12	3.92
Excess/(Short) provision for Tax for earlier years	(76.31)	(0.10)
	18,105.84	10,802.55
APPROPRIATIONS		
Transfer to General Reserve	1,162.92	1,149.27
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Tax on Dividend	339.97	339.97
	3,503.28	3,489.63
	14,602.56	7,312.92
Total	48,726.13	46,660.75

NOTE 2.3 : LONG TERM BORROWINGS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
FROM BANKS / FINANCIAL INSTITUTIONS		
Secured Loan		
Rupee Term Loans	65,836.34	59,533.39
Foreign Currency Loans	16,173.00	36,374.30
Unsecured Loan		
Loan from Banks	6,502.04	3,128.46
Total	88,511.38	99,036.15

Notes :

- 1) Foreign Currency Loans aggregating to ₹ 16,173 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 ₹ 10427.52 Lacs is secured by extension of first charge on pari passu basis, by way of equitable mortgage on immovable properties of the Soda Ash Division situated at Sutrapada, Veraval, Gujarat and extension of hypothecation charge on movable fixed assets, both present and future of the company's Soda Ash division situated at village – Sutrapada, Veraval in Gujarat with other term lenders of the said project. The remaining tenure of the loans is 2 to 4 years.
 - b) Loan aggregating to ₹ 10644.66 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 5 to 9 years.
 - c) Loan aggregating to ₹ 12498.99 Lacs is secured by way of first pari passu charge on movable fixed assets of Soda Ash Division situated at village Sutrapada, Veraval in Gujarat. The remaining tenure of the loans is 1 to 5 years.
 - d) Loan aggregating to ₹ 3312.18 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on fixed assets of the Textile Division situated at Vapi, Gujarat and hypothecation of movable fixed assets both present and future of the Company's Textile Division at Vapi, Gujarat with other term lenders of the said project. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 1 to 2 years.
 - e) Loan aggregating to ₹ 4061.71 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 5 to 9 years.
 - f) Loan aggregating to ₹ 4750.20 Lacs is secured by way of first pari passu charge on movable fixed assets of Company's Home Textile Division situated at Vapi in Gujarat. The remaining tenure of the loans is 4 years.
 - g) Loan aggregating to ₹ 1865.61 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu and hypothecation of specified movable assets, both present and future of the Company's Textile Division. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 1 to 3 years.
 - h) Loan aggregating to ₹ 5380.62 Lacs is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's Textile Division situated at Madurai, Tamil Nadu. The remaining tenure of the loans is 5 to 10 years.
 - i) Loan aggregating to ₹ 18304.01 Lacs is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 2 to 6 years.
 - j) Loan aggregating to ₹ 66.87 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. The remaining tenure of the loan is 1 year.
 - k) Loan aggregating to ₹ 99.53 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. The remaining tenure of the loan is 1 year
 - l) Loan aggregating to ₹ 1664.00 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. The remaining tenure of the loan is 2 years
 - m) Loan aggregating to ₹ 1875.00 Lacs is secured by an exclusive charge on immovable property situated at GHCL House, Swastik Society, Navrangpura, Ahmedabad, Gujarat. The remaining tenure of the loan is 3 years.
 - n) Loans aggregating to ₹ 453.70 Lacs of the subsidiary company is secured by way of exclusive first charge by way of hypothecation in favour of Respective Banks of movable fixed assets, both present and future of the subsidiary company and guaranteed by the holding company. The remaining tenure of the loan is 1 year.
 - o) Out of all the aforesaid secured Loans appearing in note 2.3 (a) to 2.3 (m) totaling ₹ 75404.60 Lacs, an amount of ₹ 9568.26 Lacs is due for payment in next 12 months and accordingly reported under note no 2.9 under the head " Other Current Liabilities" as 'current maturities of Long Term Debt'.

NOTE 2.4 : DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Deferred tax liability on account of:		
i) Depreciation	16,879.08	16,864.68
Total (A)	<u>16,879.08</u>	<u>16,864.68</u>
Deferred tax assets on account of:		
i) Employee Benefit	323.60	394.56
ii) Provision for Bad Debts	-	29.23
iii) Disallowance u/s 40 (a)	331.29	65.05
iv) Deferred Revenue Expenditure	22.16	48.44
Total (B)	<u>677.05</u>	<u>537.28</u>
Total (A-B)	<u>16,202.03</u>	<u>16,327.40</u>

NOTE 2.5 : OTHER LONG TERM LIABILITIES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Trade Deposits from Dealers	449.70	290.25
Security Deposits	158.31	39.73
Total	<u>608.01</u>	<u>329.98</u>

NOTE 2.6 : LONG TERM PROVISIONS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Mines Restoration Expenditure:		
Opening Provision	106.95	70.29
Add: Provision during the year	77.49	73.79
Less: Utilisation during the year	(16.30)	(37.13)
Total	<u>168.14</u>	<u>106.95</u>

NOTE 2.7 : SHORT TERM BORROWINGS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
SECURED LOANS REPAYABLE ON DEMAND		
Working Capital Loans from Banks	49,477.56	46,386.32
UNSECURED LOANS REPAYABLE ON DEMAND		
Loans from others	1,027.50	1,027.50
Total	<u>50,505.06</u>	<u>47,413.82</u>

- 1) (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 subsidiary companies are secured by way of exclusive first charge of equitable mortgage on the respective specified immovable properties, assignment of receivables on future revenues and inventories.
- 2) Specified movable assets referred to in the above notes include all movable assets of Soda Ash Division, Home Textile Division and Textile Division both present and future but subject to prior charge created and / or that may be created in favour of Company's Bankers on stock-in-trade for securing borrowing for working capital.



NOTE 2.8 : TRADE PAYABLE

		As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Sundry Creditors for Goods and Expenses		55,684.34	47,251.70
Sundry Creditors - Micro, Small & Medium Enterprises	2.36	77.83	81.99
	Total	55,762.17	47,333.69

NOTE 2.9 : OTHER CURRENT LIABILITIES

		As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Current maturities of long term Debt		9,568.26	9,320.83
Interest accrued but not due on borrowings		430.76	877.96
Interest accrued and due on borrowings		1,020.94	904.94
Advances from Customers		789.06	705.09
Sundry Creditors for Capital Expenditure		432.81	499.71
*Investor Education & Protection Fund in respect of Unclaimed Dividend		257.70	250.62
Other liabilities			
Accrued salaries and benefits		1,315.63	1,262.43
Withholding and other taxes payable		718.50	836.13
Provision for Expenses		3,449.29	1,729.25
Other payable		9,100.75	651.27
	Total	27,083.70	17,038.23

* The figure reflects the position as of 31st March, 2014. The actual amount to be transferred to the Investor Education & Protection Fund in this respect shall be determined on the due date.

NOTE 2.10 : SHORT TERM PROVISIONS

		As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Provision for employees' benefits			
Unavailed leave		956.20	727.08
Bonus/gratuity		527.30	638.85
Others			
Proposed Dividend on Equity Shares		2,000.39	2,000.39
Provision for			
Tax on Dividend		339.97	339.97
Wealth Tax		13.12	13.00
	Total	3,836.98	3,719.29

Note 2.11 : FIXED ASSETS

₹ In Lacs

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-04-2013	Additions (Deletions)	As at 31-03-2014	As at 01-04-2013	Addition (Deletion)	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
(A) TANGIBLE ASSETS								
Free hold Land	38,632.63	-	38,632.63	-	-	-	38,632.63	38,632.63
Leasehold Land	38,732.43	-	38,732.43	2,521.77	485.57	3,007.34	35,725.09	36,210.66
Buildings	18,966.89	1,184.84	20,151.73	5,363.46	549.60	5,913.06	14,238.67	13,603.43
Plant and Machinery	1,65,982.21	8,649.65 (1,040.28)	1,73,591.58	73,831.88	7,512.28 (715.59)	80,628.57	92,963.01	92,150.33
Wind Turbine Generators	4,044.93	-	4,044.93	1,756.15	213.57	1,969.72	2,075.21	2,288.78
Furniture and Fixture	748.39	228.99 (26.03)	951.35	396.60	53.42 (25.37)	424.65	526.70	351.79
Office Equipments	1,534.39	140.33 (127.48)	1,547.24	973.99	125.08 (122.01)	977.06	570.18	560.40
Vehicles	463.50	63.89 (46.18)	481.21	194.61	42.13 (38.30)	198.44	282.77	268.89
Leased Mines	6,202.17	-	6,202.17	4,045.76	620.22	4,665.98	1,536.19	2,156.41
Salt Works Reservoirs and Pans	6,530.40	-	6,530.40	5,788.73	435.71	6,224.44	305.96	741.67
Sub-Total (A)	2,81,837.94	10,267.70	2,90,865.67	94,872.95	10,037.58	1,04,009.26	1,86,856.41	1,86,964.99
		(1,239.97)			(901.27)			
(B) INTANGIBLE ASSETS								
Goodwill	697.75	- (435.43)	262.32	262.32	-	262.32	-	435.43
Software	665.65	9.29	674.94	520.69	73.88	594.57	80.37	144.96
Trade Mark	0.10	-	0.10	0.01	0.03	0.04	0.06	0.09
Sub-Total (B)	1,363.50	9.29	937.36	783.02	73.91	856.93	80.43	580.48
		(435.43)			-			
Grand Total (A+B)	2,83,201.44	10,276.99	2,91,803.03	95,655.97	10,111.49	1,04,866.19	1,86,936.84	1,87,545.47
		(1,675.40)			(901.27)			
Previous Years	3,04,935.40	10,029.13 (31,763.09)	2,83,201.44	98,216.49	10,142.49 (12,703.01)	95,655.97	1,87,545.47	

- Building include a sum of ₹ 497.80 Lacs being cost of office premises acquired on ownership basis in earlier year as per the agreement with the Builder and co-operative society yet to formed during the year.
- Leased mines represent expenditure incurred on development of mines.
- 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.
- Some of the fixed assets have been revalued as on 1st April 2008 as per Scheme of Arrangement duly approved by Hon'ble High Court of Gujarat vide its order dated 30th November 2009 by ₹ 1,01,184.68 lacs (refer note no. 2.28).
- Current year depreciation is after adjusting excess provision of depreciation for earlier years of ₹ 40.20 Lacs (previous year NIL)

NOTE 2.12 : NON CURRENT INVESTMENTS /CURRENT INVESTMENTS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
NON CURRENT INVESTMENTS		
Investment in Equity Instruments		
OTHER THAN TRADE		
Quoted (at cost)		
41,500 Equity Shares of HDFC Bank Limited of ₹ 2/- each fully paid up	0.83	0.83
68,598 Equity Shares of IDBI Limited of ₹ 10/- each fully paid up	49.34	49.34
2,595 Equity Shares of Dena Bank of ₹ 10/- each fully paid up	0.70	0.70
272,146 Equity Shares of GTC Industries Limited of ₹ 10/- each fully paid up	495.01	495.01
4,500 Equity Shares of Canara Bank of ₹ 10/- each fully paid up	1.58	1.58
	547.46	547.46
SHARES IN ASSOCIATS COMPANY		
Unquoted (at cost unless stated otherwise)		
5200 Equity Shares of ₹ 10/- each fully paid up of DM Solar Farm Pvt Limited	0.52	0.52
100 Equity Shares of ₹ 10/- each fully paid up of TCP Ltd (Purchased during the year)	0.40	-
	0.92	
Investment in Government securities		
Unquoted (at cost unless stated otherwise)		
7 year National Savings Certificates (Pledged with Government Authorities)	0.82	0.82
	549.20	548.80
CURRENT INVESTMENTS - (UNQUOTED)		
(At lower of cost and fair value- fully paid)		
6924 units of RELIGARE Liquid Fund - Growth	200.00	-
	749.20	548.80
	As at 31.03.2014	As at 31.03.2013
	Book Value	Book Value
	Market Value	Market Value
Quoted	547.46	547.46
	425.74	396.22
Others	201.74	1.34
	-	-
	749.20	548.80

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

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received - Considered Good	35.87	-
Advances against capital expenditure	1,352.66	553.96
Security Deposits	986.99	269.05
Total	2,375.52	823.01

NOTE 2.14 : OTHERS NON-CURRENT ASSETS

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Long Term Trade Receivable (Unsecured, considered good)	54.68	382.25
Total	54.68	382.25

NOTE 2.15 : INVENTORIES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Inventory (as taken, valued and certified by the Management)		
At cost or net realisable value which ever is lower		
Raw materials (includes Goods in Transit ₹ 5028.22 Lacs Previous Year ₹ 3957.39 lacs)	20,234.43	20,227.83
Finished goods	8,111.43	8,633.66
Stock in process	4,756.26	3,316.99
Stock in trade	14,065.48	4,340.05
Stores and spares	7,219.53	6,928.63
Total	54,387.13	43,447.16

NOTE 2.16 : TRADE RECEIVABLES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
Sundry Debtors (Unsecured, considered good unless stated otherwise)		
Outstanding over six months from due date		
Considered good	563.25	489.40
Considered doubtful	204.41	290.01
Provision for Doubtful Debts	(204.41)	(290.01)
	563.25	489.40
Other debts	37,557.85	28,109.61
Total	38,121.10	28,599.01

NOTE 2.17 : CASH AND BANK BALANCES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
(a) Balances with Banks		
On current account	3,775.68	1,684.51
On unpaid dividend account	257.70	250.62
(b) Cash -on- hand		
	15.06	10.07
Others bank balances		
Banks deposits with original maturity for more than 12 months	67.64	102.33
Margin money deposit	56.07	860.23
Total	4,172.15	2,907.76

NOTE 2.18 : SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2014 (₹ in Lacs)	As at 31.03.2013 (₹ in Lacs)
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received - Considered Good	8,940.09	12,928.07
Duty Drawback / FPS receivable on Export	2,549.45	2,183.52
Loan to Employee Stock Option Scheme Trust	680.52	4,353.57
Interest Accrued on Investments	0.60	0.56
Balances with Customs, Port Trust, Central Excise etc.	615.00	659.28
Income Tax paid / TDS	577.60	433.53
Total	13,363.26	20,558.53

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

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Revenue from operations		
Sales of Products		
Finished Goods	2,30,561.59	2,16,356.39
Traded Goods	6,195.54	22,144.85
Sales of Services	1,208.81	1,121.63
Others operating revenue		
Waste & Scrap sales	1,338.73	1,866.67
Revenue from operations(Gross)	2,39,304.67	2,41,489.54
Less: Excise Duty	14,540.44	13,991.02
Revenue from operations(Net)	2,24,764.23	2,27,498.52

NOTE 2.20 : OTHER INCOME

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Interest on Investment	3.34	8.03
Dividend Income (Non Current Investment)	6.21	3.39
Interest on Income Tax Refund	0.03	0.07
Profit on sale of Investment (net) (Current Investment)	141.41	36.63
Bad debts written off recovered	4.25	17.00
Sundry Credit Balances Written back (net)	117.52	46.47
Rent Income	12.07	3.00
Provision for Doubtful Debts written back	85.60	-
Others non-operating income	130.33	186.68
Total	500.76	301.27

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

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Opening stock		
Finished Goods	8,633.66	9,189.48
Stock in trade	4,340.05	3,329.57
Stock in Process	3,316.99	2,921.66
(A)	16,290.70	15,440.71
Closing stock		
Finished Goods	8,111.43	8,633.66
Stock in trade	14,065.48	4,340.05
Stock in Process	4,756.26	3,316.99
(B)	26,933.17	16,290.70
Changes in inventories of finished goods, work-in-progress and stock-in-trade	Total (A-B) (10,642.47)	(849.99)

NOTES 2.22 : EMPLOYEES BENEFITS EXPENSES

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Salaries, Wages and Bonus	10,242.94	9,155.65
Contribution to PF and other funds	1,089.49	1,086.80
Staff Welfare	558.87	553.43
Commission to Wholetime Directors	308.00	308.00
Total	12,199.30	11,103.88

NOTES 2.23 : OTHERS EXPENSES

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Repairs and Maintenance		
Machinery	2,038.09	1,801.60
Building	129.28	104.28
Others	334.68	271.55
	2,502.05	2,177.43
Stores and Spares	4,378.02	4,175.90
Power, Fuel and Water	38,538.06	34,068.53
Other Manufacturing Expenses	8,427.98	7,294.68
Packing Expenses	7,032.69	6,454.22
Cash Discount	4,713.41	2,122.85
Freight and Forwarding	3,800.33	4,322.06
Commission on Sales	1,807.29	2,018.30
Sales Promotion Expenses	1,384.19	685.14
Travelling & Conveyance	914.23	925.59
Rent and Lease Rent	654.82	604.00
Rates and Taxes (includes ₹ 13 Lacs (previous year ₹ 13.00 Lacs) for Wealth Tax)	237.23	151.98
Insurance	665.77	619.73
Loss on Foreign Exchange (net)	2,788.97	6,441.12
Commission to Non Wholetime Directors	142.63	129.00
Communication Expenses	175.50	181.00
Legal & Professional Expenses	1,131.43	1,302.31
Bad Debts / Irrecoverable amounts written off (net)	389.26	161.12
Donation	11.85	162.14
Provision for Doubtful Debts	-	290.01
Deficit on Sale / Discarding of Fixed Assets (net)	26.08	29.64
Excise Duty	(181.88)	258.44
Miscellaneous Expenses	2,021.50	1,303.32
Total	81,561.41	75,878.51

NOTES 2.24 : FINANCE COSTS

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Interest - Fixed Loans	11,402.94	10,541.70
- Others	3,622.52	4,977.28
(Gain)/Loss on foreign currency transactions and translation (net)	2,136.54	1,704.96
Other borrowing costs	1,471.90	856.89
	18,633.90	18,080.83
Less : Interest and Financial charges capitalised	297.29	221.23
Less : Interest Income Others	18.11	64.90
	315.40	286.13
Total	18,318.50	17,794.70



NOTES 2.25 : EARNING PER SHARE (EPS)

	For the Year Ended 31.03.2014 (₹ in Lacs)	For the Year Ended 31.03.2013 (₹ in Lacs)
Basic /Diluted EPS		
Earnings per Share has been computed as under:		
Profit after Taxation (₹ in Lacs)	10,852.11	7,136.91
(Less)/Add : Prior year Adjustment	(59.19)	3.82
	<u>10,792.92</u>	<u>7,140.73</u>
The weighted average number of Equity Shares for Basic EPS	10,00,19,286	10,00,19,286
Earnings per share (Face value of ₹ 10/- per share) (A) / (B)	10.79	7.14
	As at 31st March,2014 (₹ in Lacs)	As at 31st March,2013 (₹ in Lacs)

2.26 (a) Estimated value of contracts remaining to be executed on Capital Account and not provided for	1,971.42	3,204.49
(b) Contingent Liabilities :		
(i) Guarantees issued by banks	1,427.80	1,609.21
(ii) Bills discounted with banks (since realized)	2,951.42	5,489.45
(iii) Claims against the Company not acknowledged as debts		
- Income Tax & Wealth Tax	1,001.21	271.10
- Sales Tax/VAT	190.58	189.08
- Excise & Service Tax	8,198.83	5,139.53
- Other claims	4,189.68	2,858.34
(c) Export Obligation on duty free imports	11,115.74	24,811.61

2.27 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) 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.

An additional depreciation arising out of revaluation amounting to ₹ 1937.65 Lacs (Previous year ₹ 1934.39 Lacs) has been charged to the Business Development Reserve.

2.28 Prior Period Item of ₹ 16.75 Lacs (Previous year ₹ 3.91 Lacs) is on account of excess provision for expenses of earlier year.

2.29 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 :-

	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Receivable		Payable	
Due within one year	54.68	-	293.15	204.05
Due within the following four years	110.78	-	578.38	675.43
Due after five years	-	-	24.00	-

2.30 Segment

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

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

BUSINESS SEGMENT

₹ in Lacs

	INORGANIC CHEMICALS		TEXTILES		Others		Total	
	Apr. 13 - Mar. 14	Apr. 12 - Mar. 13	Apr. 13 - Mar. 14	Apr. 12 - Mar. 13	Apr. 13 - Mar. 14	Apr. 12 - Mar. 13	Apr. 13 - Mar. 14	Apr. 12 - Mar. 13
SEGMENT REVENUE								
External Revenue	1,23,062.66	1,21,553.94	1,01,701.57	1,05,944.58	-	-	2,24,764.23	2,27,498.52
Less : Inter Segment Revenue							-	-
Total Revenue	1,23,062.66	1,21,553.94	1,01,701.57	1,05,944.58			2,24,764.23	2,27,498.52
SEGMENT RESULT								
Unallocated Corporate Expenses.							460.22	1,461.42
Operating Profit							35,167.01	32,434.64
Interest Expenses							18,318.50	17,794.70
Interest Income							-	-
Other Income							350.36	255.42
Unallocated Corporate Other Income							150.40	45.85
Total Other Income							500.76	301.27
Profit from Ordinary Activities							17,349.27	14,941.21
Exceptional Items							(3,097.20)	(5,291.76)
NET PROFIT BEFORE TAXES							14,252.07	9,649.45
OTHER INFORMATION								
Segment Assets	1,66,353.04	1,77,344.51	1,20,348.94	1,11,537.25	13,635.54	(1,848.48)	3,00,337.52	2,87,033.28
Unallocated Corporate . Assets	-	-	-	-	-	-	1,068.01	934.91
Total Assets	1,66,353.04	1,77,344.51	1,20,348.94	1,11,537.25	13,635.54	(1,848.48)	3,01,405.53	2,87,968.19
Segment Liabilities	1,05,243.73	97,998.78	71,433.85	63,216.71	40,955.48	48,293.79	2,17,633.06	2,09,509.28
Unallocated Corporate . Liabilities							25,044.41	21,796.23
Total Liabilities	1,05,243.73	97,998.78	71,433.85	63,216.71	40,955.48	48,293.79	2,42,677.47	2,31,305.51
Capital Expenditure	6,501.43	3,298.57	3,770.11	6,707.63	-	-	10,271.54	10,006.20
Unallocated Capital Expenditure	-	-	-	-	-	-	5.45	22.93
Total Capital Expenditure	6,501.43	3,298.57	3,770.11	6,707.63			10,276.99	10,029.13
Depreciation	5,172.92	5,290.61	2,921.07	2,836.92	-	-	8,093.99	8,127.53
Unallocated Depreciation							79.85	80.57
Total Depreciation	5,172.92	5,290.61	2,921.07	2,836.92			8,173.84	8,208.10
Non-Cash Expenses other than Depreciation	-	-	-	-	-	-	-	-
Unallocated Non Cash Expenses other than Depreciation							-	-
Total Non Cash Expenses other than Depreciation								

GEOGRAPHICAL SEGMENT

Particulars	India		Rest of the World		Total	
	Apr. 13 - Mar. 14	Apr. 12 - Mar. 13	Apr. 13 - Mar. 14	Apr. 11 - Mar. 12	Apr. 13 - Mar. 14	Apr. 12 - Mar. 13
Segment Revenue	2,22,420.88	2,12,494.64	2,343.35	15,003.88	2,24,764.23	2,27,498.52
Carrying Costs of Segment Assets	2,87,799.05	2,89,856.39	13,606.48	(1,888.20)	3,01,405.53	2,87,968.19
Additions to Fixed Assets and Intangible Assets	10,112.39	10,019.86	164.60	9.27	10,276.99	10,029.13



2.31 Related Party Transactions:

Related Party

- a **Associate :**
DM Solar Farm Pvt Limited
TCP Limited (w.e.f. 31st January, 2014)
- b **Key Management Personnel:**
Mr. R. S. Jalan, Managing Director
Mr. Tej Malhotra, Sr. Executive Director - Operations (upto 4th May 2012)
Mr. Raman Chopra, CFO & Executive Director - Finance
- c **Relative of Key Management Personnel:**
Mrs. Bharti Chopra, w/o Mr. Raman Chopra
Ravi Shanker Jalan, HUF
- d **Significant influence**
Dalmia Centre for Research & Development

2.32 Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2014

Sr. Description No.	₹ in Lacs	
	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
a) Transactions with Subsidiaries & Associate		
1. Purchase of Electricity	496.57	43.41
DM Solar Farm Pvt Limited	133.19	43.41
TCP Limited	363.38	-
2. Investment in Equities	0.40	0.52
DM Solar Farm Pvt Limited	-	0.52
TCP Limited	0.40	-
3. Balance of Investment in Equities at the year end	5.52	0.52
DM Solar Farm Pvt Limited	5.00	0.52
TCP Limited	0.52	-
b) Transactions with Key Management Personnel		
1. Remuneration	634.25	652.23
Mr. R. S. Jalan, Managing Director	402.02	392.01
Mr. Raman Chopra, CFO & Executive Director - Finance	232.23	220.29
Mr. Tej Malhotra, Sr. Executive Director - Operations (upto 4th May 2012)	-	39.93
2. Dividend on Shares	1.02	1.02
Mr. R. S. Jalan, Managing Director	1.02	1.02
c) Transactions with Relative of Key Management Personnel		
1. Leasing & Hire purchase transactions	3.30	3.30
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	3.30	3.30
2. Dividend on Shares	0.12	0.12
Ravi Shanker Jalan, HUF (*0=₹ 200)	*0	*0
Mrs. Bharti Chopra, w/o Mr. Raman Chopra	0.12	0.12
d) Transactions with Enterprises over which significant influence exercised by Directors		
1. Purchase of Goods	2.15	0.75
Dalmia Centre for Research & Development	2.15	0.75
2. Royalty paid	6.00	4.00
Dalmia Centre for Research & Development	6.00	4.00

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



2.34 Impairment of Assets

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

2.35 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, 2014 ₹ in Lacs	As at 31st March, 2013 ₹ 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	-	-

2.36 The only ESOP Scheme applicable to the Group is as per the Scheme adopted by the parent company.

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

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

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

R. S. Jalan
Managing Director

For and on behalf of the Board

Dr. B. C. Jain
Director

Raman Chopra
CFO & Executive Director - Finance

Bhuwleshwar Mishra
General Manager & Company
Secretary

Place : New Delhi
Date : 28th May 2014

Place : New Delhi
Date : 28th May 2014



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

RE: E-SERVICE OF DOCUMENTS THROUGH EMAIL

Dear Members,

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

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

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

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

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

We look forward for your continued support in this initiative.

Best Regards

Bhuwneshwar Mishra
General Manger & Company Secretary

E- COMMUNICATION REGISTRATION FORM

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

Dear Sir,

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

Email id to be registered : _____

Folio No. / DP ID & Client ID : _____

Name of First holder : _____

Address of First holder : _____

Name of Joint holder (s) : 1) _____

2) _____

Date : _____

(Signature of First holder)

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





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

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

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

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

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

2) Particulars of Nominee

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

3) In case Nominee is a Minor

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

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



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

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

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



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

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

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

Or

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

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

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

2) (a) Particulars of Nominee/s

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

(b) In case New Nominee is a Minor

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

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



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

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



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

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

ATTENDANCE SLIP

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

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

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

I/We hereby record my/our presence at the 31st **Annual General Meeting** of the Company being held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, August 21, 2014 at 9.30 A.M.

Signature of First holder/Proxy

Signature of 1st Jointholder

Signature of 2nd Jointholder

Note (s):

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

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

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies
(Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered Address: _____

Email ID _____

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

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

1. Name: _____ Address: _____

_____ E-mail Id _____ or failing him

2. Name: _____ Address: _____

_____ E-mail Id _____ or failing him

3. Name: _____ Address: _____

_____ E-mail Id _____ or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st **Annual General Meeting** of the Company to be held on Thursday, August 21, 2014 at 9.30 A.M. at The Institution of Engineers

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

RESOLUTIONS	
Ordinary Business	
1	Adoption of accounts for the financial year 2013-14
2	Declaration of dividend for the financial year 2013-14
3	Re-appointment of Mr. Anurag Dalmia as a director retiring by rotation
4	Re-appointment of Mr. Ravi Shanker Jalan
5	Re-Appointment of Statutory Auditors for the period of one year
Special Business	
6	Appointment of Dr. B. C. Jain as Independent Director of the Company
7	Appointment of Mr. Surendra Singh as Independent Director of the Company
8	Appointment of Mr. G C Srivastava as Independent Director of the Company
9	Appointment of Mr. Mahesh Kumar Kheria as Independent Director of the Company
10	Appointment of Mr. Sanjiv Tyagi as Independent Director of the Company
11	Authorization to borrow money exceeding aggregate of the Paid up Capital and Free Reserves of the Company but not exceeding ₹ 1500 Cr.
12	Ratification of remuneration of Cost Auditors of the Company

Signed this _____ day of _____ 2014

Affix
Re. 1
Revenue
stamp

Signature of Shareholder _____

Signature of 1st Proxy holder

Signature of 2nd Proxy holder

Signature of 3rd Proxy holder

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- A Proxy need not be a member of the Company.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

REGISTERED-POST / COURIER / SPEED-POST

If undelivered please return to:



GHCL Limited

Registered Office:

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



A Dalmia Brothers Enterprise