

May 19, 2016

**Mr. Hari K**  
Vice President  
National Stock Exchange of India Limited  
"Exchange Plaza", Bandra – Kurla Complex,  
Bandra (E), Mumbai – 400 051

**Mr. S Subramanian**  
DCS - CRD  
BSE Ltd.  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Building, P.J.  
Towers, Dalal Street, Fort, Mumbai – 400 001

Dear Sirs,

**Sub: Outcome of 171<sup>st</sup> Board Meeting held on May 19, 2016**

Pursuant to requirement of Regulation 30 read with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, it is hereby informed that the Board of Directors in their just concluded meeting has *inter alia* approved the following:

1. Annual accounts of the Company for the financial year ended March 31, 2016 subject to the adoption of shareholders in ensuing Annual General Meeting.
2. Dividend policy of the Company with a dividend pay-out ratio including dividend tax, in the range of 15% to 20% of profit after tax on standalone financials of the Company. Copy of the policy shall be available at the website of the Company ([www.ghcl.co.in](http://www.ghcl.co.in)).
3. Recommended Dividend of Rs. 3.50 per share (i.e. 35%) for the financial year ended March 31, 2016.
4. Appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants, as one of the joint Auditors of the Company, in place of retiring auditor, subject to the approval of shareholders in the ensuing Annual General Meeting.
5. Revenue Budget of the Company for the financial year 2016-17.
6. Capital Budget of the Company for the financial year 2016-17.
7. Notice for 33<sup>rd</sup> Annual General Meeting, which is scheduled to be held on July 19, 2016 in Ahmedabad.
8. Audited financial results for the quarter / year ended March 31, 2016 (including consolidated financial results) of the Company alongwith audit report and Form A (for audit report with unmodified opinion) are enclosed herewith.

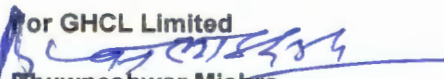
**Grant of Employees Stock Option:** We would also like to inform that Nomination & Remuneration Committee of the Company in its today's meeting, has granted 11.90 lakh Stock options to its eligible employees at an exercise price of Rs. 100/- each. Employees may exercise their options after the vesting period, subject to compliance of terms and conditions of the Scheme approved by the shareholders.

Please note that the board meeting commenced at 11.30 a.m. and concluded at 3.15 p.m.

You are requested to kindly take note of the same and please also take suitable action for dissemination of this information through your website at the earliest. In case you need any other information, please let us inform.

Thanking you

Yours faithfully,

For GHCL Limited  
  
**Bhuvneshwar Mishra**  
General Manager & Company Secretary

B-38, Institutional Area, Sector-1, Noida-201301 (U.P.) India. Ph. : 91-120-2535335, 3358000, Fax : 91-120-2535209, 3358102  
CIN : L24100GJ1983PLC006513, E-mail : [ghclinfo@ghcl.co.in](mailto:ghclinfo@ghcl.co.in), Website : [www.ghcl.co.in](http://www.ghcl.co.in)

Regd. Office : GHCL House, Opp Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura Ahmedabad-380009.

**Statement of Audited Financial Results (Both Standalone and Consolidated) for the Quarter and Year ended on 31st March 2016**

S. No.	PART I	Particulars	Standalone			Standalone		Consolidated	
			Quarter Ended (Unaudited )			Year Ended (Audited )		Year Ended (Audited )	
			31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015	31.03.2016	31.03.2015
1		<b>Income from operations</b>							
	(a)	Net Sales / Income from Operations(Net of excise duty)	647.42	661.72	637.95	2,545.84	2,363.64	2,545.84	2,363.64
	(b)	Other Operating Income	2.98	3.33	3.10	13.15	9.97	13.15	9.97
		<b>Total income from Operations(Net)</b>	<b>650.40</b>	<b>665.05</b>	<b>641.05</b>	<b>2,558.99</b>	<b>2,373.61</b>	<b>2,558.99</b>	<b>2,373.61</b>
2		<b>Expenses:</b>							
	a)	Cost of Material consumed	220.51	242.79	220.29	906.03	903.92	906.03	903.92
	b)	Purchase of Stock-in-trade	9.12	16.16	15.45	69.34	62.15	76.93	62.15
	c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	10.80	10.17	16.75	(5.33)	(12.77)	(30.95)	(44.66)
	d)	Employees benefits expenses	32.71	33.98	30.07	134.61	125.87	134.61	126.94
	e)	Power, Fuel and Water	82.38	91.62	97.82	355.89	389.57	355.89	389.57
	f)	Depreciation and amortisation expenses	21.35	20.20	27.22	81.73	84.45	81.74	84.92
	g)	Other Expenses	120.04	116.13	104.14	468.56	379.28	483.12	404.15
		<b>Total Expenses</b>	<b>496.91</b>	<b>531.05</b>	<b>511.74</b>	<b>2,010.83</b>	<b>1,932.47</b>	<b>2,007.37</b>	<b>1,926.97</b>
		<b>Profit From Operations before Other Income, finance cost &amp; Exceptional Items (1-2)</b>	<b>153.49</b>	<b>134.00</b>	<b>129.31</b>	<b>548.16</b>	<b>441.14</b>	<b>551.62</b>	<b>446.64</b>
3		Other Income	1.80	1.35	3.28	3.95	11.26	3.95	11.26
		<b>Profit from ordinary activities before finance cost, Exchange Impact &amp; Exceptional Items (3+4)</b>	<b>155.29</b>	<b>135.35</b>	<b>132.59</b>	<b>552.11</b>	<b>452.40</b>	<b>555.57</b>	<b>457.90</b>
5		Finance Cost	38.25	37.19	36.00	161.65	163.84	164.40	170.42
		<b>Profit from ordinary activities before Exchange Impact &amp; Exceptional Items (5-6)</b>	<b>117.04</b>	<b>98.16</b>	<b>96.59</b>	<b>390.46</b>	<b>288.56</b>	<b>391.17</b>	<b>287.48</b>
8		Exchange Gain / (Loss)	(0.95)	1.65	2.56	1.45	(3.21)	1.45	(3.25)
		<b>Profit from ordinary activities after Finance cost but before Exceptional Items (7+8)</b>	<b>116.09</b>	<b>99.81</b>	<b>99.15</b>	<b>391.91</b>	<b>285.35</b>	<b>392.62</b>	<b>284.23</b>
10		Exceptional Items (refer note no 5)	-	-	(27.40)	(13.50)	(27.40)	(13.50)	(27.40)
11		<b>Profit from ordinary activities before tax (9+10)</b>	<b>116.09</b>	<b>99.81</b>	<b>71.75</b>	<b>378.41</b>	<b>257.95</b>	<b>379.12</b>	<b>256.83</b>
12		Tax expenses	38.29	33.50	21.92	121.79	74.93	122.64	74.93
13		<b>Net Profit from ordinary activities for the period after tax (11-12)</b>	<b>77.80</b>	<b>66.31</b>	<b>49.83</b>	<b>256.62</b>	<b>183.02</b>	<b>256.48</b>	<b>181.90</b>
14		Prior Period Income / ( Expenses)	(0.01)	-	0.08	(0.01)	0.09	(0.01)	0.09
15		Excess/(Short) provision for Tax for earlier years	1.17	-	1.20	1.17	1.20	1.17	1.20
16		<b>Net Profit (13+14+15)</b>	<b>78.96</b>	<b>66.31</b>	<b>51.11</b>	<b>257.78</b>	<b>184.31</b>	<b>257.64</b>	<b>183.19</b>
17		Minority Interest Profit /(Loss)	-	-	-	-	-	-	-
18		<b>Net Profit after Minority Interest (16-17)</b>	<b>78.96</b>	<b>66.31</b>	<b>51.11</b>	<b>257.78</b>	<b>184.31</b>	<b>257.64</b>	<b>183.19</b>
		Paid Up Equity Share Capital (face value of Rs.10/- each)	100.02	100.02	100.02	100.02	100.02	100.02	100.02
		Reserve excluding Revaluation Reserve				810.20	594.55	810.49	594.98
		EPS - Before & after Extraordinary items (of Rs.10/-each) (not annualised)							
		<b>Basic &amp; Diluted</b>	<b>7.89</b>	<b>6.63</b>	<b>5.11</b>	<b>25.77</b>	<b>18.43</b>	<b>25.76</b>	<b>18.32</b>

**Segment wise Revenue , Results and Capital Employed under Regulation 33 of the Listing Regulations**

1	<b>Segment Revenue</b>								
1.a	Inorganic Chemicals	389.12	383.84	378.12	1,495.57	1,416.41	1,495.57	1,416.41	
1.b	Home Textiles	261.28	281.21	262.93	1,063.42	957.20	1,063.42	957.20	
1.c	Others / Un-allocated	-	-	-	-	-	-	-	
	<b>Total Revenue</b>	<b>650.40</b>	<b>665.05</b>	<b>641.05</b>	<b>2,558.99</b>	<b>2,373.61</b>	<b>2,558.99</b>	<b>2,373.61</b>	
2	<b>Segment Results</b>								
	Operating Profit before Finance cost & Tax								
2.a	Inorganic Chemicals	134.71	113.49	122.52	456.61	398.35	456.61	398.35	
2.b	Home Textiles	27.46	25.70	20.13	109.84	61.84	113.30	68.07	
2.c	Others / Un-allocated	(0.00)	(0.00)	0.00	(0.00)	(0.01)	(0.00)	(0.78)	
	<b>Total Segment Results</b>	<b>162.17</b>	<b>139.19</b>	<b>142.65</b>	<b>566.45</b>	<b>460.16</b>	<b>569.91</b>	<b>465.64</b>	
2.d	Finance Cost	38.25	37.19	36.00	161.65	163.84	164.40	170.42	
2.e	Un-allocated (Income)/ Expenditure	7.83	2.19	7.50	12.89	10.99	12.89	10.99	
	<b>Total Profit before Tax and Exceptional Items</b>	<b>116.09</b>	<b>99.81</b>	<b>99.15</b>	<b>391.91</b>	<b>285.35</b>	<b>392.62</b>	<b>284.23</b>	
	Exceptional Items	-	-	(27.40)	(13.50)	(27.40)	(13.50)	(27.40)	
	<b>Profit Before Tax</b>	<b>116.09</b>	<b>99.81</b>	<b>71.75</b>	<b>378.41</b>	<b>257.95</b>	<b>379.12</b>	<b>256.83</b>	
3	<b>Capital Employed</b>								
3.a	Inorganic Chemicals	1,261.60	1,273.04	1,249.83	1,261.60	1,249.83	1,261.60	1,249.83	
3.b	Home Textiles	1,182.13	1,130.60	1,010.93	1,182.13	1,010.93	1,130.93	1,011.40	
3.c	Others/ un-allocated	(4.91)	38.08	13.70	(4.91)	13.70	(4.91)	13.70	
	<b>Total</b>	<b>2,438.82</b>	<b>2,441.72</b>	<b>2,274.46</b>	<b>2,438.82</b>	<b>2,274.46</b>	<b>2,387.62</b>	<b>2,274.93</b>	



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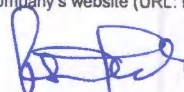
Standalone and Consolidated Statement of Assets & Liabilities under Regulation 33 of the Listing Regulations

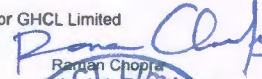
	Particulars	Standalone ( Rs. In Cr.)		Consolidated ( Rs. In Cr.)	
		Year Ended (Audited)			
		31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>A</b>	<b>EQUITY AND LIABILITIES</b>				
1	<b>Shareholders' Funds</b>				
	(a) Share Capital	100.02	100.02	100.02	100.02
	(b) Reserve & Surplus	885.36	669.71	885.65	670.14
	<b>Sub-Total- Shareholders'funds</b>	<b>985.38</b>	<b>769.73</b>	<b>985.67</b>	<b>770.16</b>
2	<b>Non-Current Liabilities</b>				
	(a) Long-term borrowings	676.81	783.75	676.81	783.75
	(b) Deferred Tax Liabilities (Net)	195.11	172.73	195.11	172.73
	(c) Other Long term liabilities	5.04	4.68	5.04	4.68
	(d) Long-term Provisions	5.33	3.78	5.33	3.78
	<b>Sub-Total- Non-Current Liabilities</b>	<b>882.29</b>	<b>964.94</b>	<b>882.29</b>	<b>964.94</b>
3	<b>Current Liabilities</b>				
	(a) Short-term borrowings	489.67	454.16	489.67	454.16
	(b) Trade payables	315.19	391.93	315.19	391.93
	(c) Other Liabilities	174.59	168.76	219.84	228.95
	(d) Short-term Provisions	58.01	41.28	58.01	41.28
	<b>Sub-Total-Current Liabilities</b>	<b>1,037.46</b>	<b>1,056.13</b>	<b>1,082.71</b>	<b>1,116.32</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,905.13</b>	<b>2,790.80</b>	<b>2,950.67</b>	<b>2,851.42</b>
<b>B</b>	<b>ASSETS</b>				
1	<b>Non -Current assets</b>				
	(a) Fixed Assets	2,084.38	1,939.36	2,086.09	1,940.89
	(b) Non-current Investments	1.58	1.58	1.54	1.54
	(c) Long-term loans and advances	41.31	13.09	41.31	13.09
	(d) Other non-current assets	0.41	0.47	0.41	0.47
	<b>Sub-total-Non -Current assets</b>	<b>2,127.68</b>	<b>1,954.50</b>	<b>2,129.35</b>	<b>1,955.99</b>
2	<b>Current assets</b>				
	(a) Inventories	407.64	417.33	503.31	487.39
	(b) Trade receivables	246.14	267.51	192.41	244.35
	(c) Cash and cash equivalents	40.96	31.99	42.67	33.91
	(d) Short-term loans and advances	82.71	119.47	82.93	129.78
	<b>Sub-total Current assets</b>	<b>777.45</b>	<b>836.30</b>	<b>821.32</b>	<b>895.43</b>
	<b>Total</b>	<b>2,905.13</b>	<b>2,790.80</b>	<b>2,950.67</b>	<b>2,851.42</b>

Notes:

- The above results have been reviewed by the Audit Committee and were approved by the Board of Directors at its meeting held on 19th May 2016.
- The Board of Directors at their meeting held on 19th May 2016, has recommended a dividend @ Rs3.50 / equity share of Rs. 10 each (i.e35%) (Previous year Rs.2.20/equity share of Rs. 10 each) for the year ended on 31 March 2016, subject to the approval of the shareholders at the ensuing Annual General Meeting.
- The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year. The previous year's/corresponding periods' figures have been regrouped / reclassified.
- In line with the requirements of Regulation 47(2) of the Listing Regulations, 2015, the results for the quarter and year ended March 31, 2016 are available on the website of BSE Limited (URL: www.bseindia.com/corporates), the National Stock Exchange of India Limited (URL: www.nseindia.com/corporates) and on the company's website (URL: http://ghcl.co.in/investors/performance-reports/).

New Delhi  
19 May 2016

  
R. S. Jalan  
Managing Director

For GHCL Limited  
  
Ramen Chopra  
Executive Director (Finance)



**JAYANTILAL THAKKAR & CO.**  
**CHARTERED ACCOUNTANTS**

111 (A), MAHATMA GANDHI ROAD,  
 FORT, MUMBAI - 400 023.  
 TELEPHONES : 2265 8800  
 2265 8900  
 FAX : (91 - 22) 2265 8989  
 E-MAIL : jtco@vsnl.net

**INDEPENDENT AUDITOR'S REPORT**

**TO THE BOARD OF DIRECTORS OF  
 GHCL LIMITED**

1. We have audited the accompanying statement of financial results of **GHCL LIMITED** (the "Company") for the year ended 31<sup>st</sup> March 2016 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared on the basis of the related financial statements which is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Statement.

2. 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 Statement is free from material misstatement.

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

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

3. In our opinion and to the best of our information and according to the explanations given to us, the Statement.

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015; and
- ii. give a true and fair view in conformity with the aforesaid Accounting Standards and other accounting principles generally accepted in India of the net profit and other financial information of the Company for the year ended on 31<sup>st</sup> March 2016.

4. The Statement includes the standalone results for the quarter ended 31<sup>st</sup> March 2016 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the current financial year which were subject to limited review by us.

For and on behalf of  
**JAYANTILAL THAKKAR & CO.**

Chartered Accountants  
 (Firm Reg. No. 104133W)



(**JAYANTILAL THAKKAR**)  
 Partner

Membership No: 006205

Place: New Delhi  
 Date: 19 May 2016

For and on behalf of  
**RAHUL GAUTAM DIVAN & ASSOCIATES**

Chartered Accountants  
 (Firm Reg. No. 120294W)



(**RAHUL DIVAN**)  
 Partner

Membership No: 100733

**JAYANTILAL THAKKAR & CO.**  
 CHARTERED ACCOUNTANTS

111 (A), MAHATMA GANDHI ROAD,  
 - FORT, MUMBAI - 400 023.  
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### INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF  
 GHCL LIMITED

#### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of GHCL Limited ("the Company") which comprises the Balance Sheet as at 31 March, 2016, the Statement of Profit and Loss, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 2.26 to the financial statements.
    - ii. The Company had not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For and on behalf of  
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: 19 May 2016

**ANNEXURE - A TO INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (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, physical verification of these fixed assets is being conducted by the management at reasonable intervals, which in our opinion is reasonable having regard to the size of the Company and the nature of the fixed assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stocks and book records were not material considering the operations of the Company and the same have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013, with respect to loans, investments, guarantees and security made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 73 to 76 of the Act, and the rules framed thereunder.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 148 (1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) (a) According to the records of the Company and the information and explanations given to us, the Company has generally been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales-Tax, Service tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31<sup>st</sup> March, 2016 outstanding for a period of more than six months from the date they become payable.





(b) According to the information and explanations given to us, the dues in respect of Income Tax, Sales Tax, Service Tax, Duty of Customs and Excise Duty and that have not been deposited with the appropriate authorities on account of dispute and the forum where the disputes are pending are given below :-

<u>Name of Statute</u>	<u>Nature of Dues</u>	<u>Amount (Rs. In Cr)</u>	<u>Period to which the Amount Relates</u>	<u>Forum where dispute is pending</u>
Income Tax Act, 1961	Write off of loans of Subsidiaries, Corporate Guarantee, Foreign Sales Commission	11.06	F.Y. 2010-2011, F.Y. 2011-12	ITAT, Ahmedabad
	Foreign Sales Commission, Interest on loan to Subsidiaries	5.46	F.Y. 2011-2012, F.Y. 2012-13	CIT (Appeal), Ahmedabad
Central Excise Act, 1944	CENVAT credit & Non Payment of Service Tax, changes in classification of duty rate	0.03	2001-2002	High Court Chennai
		4.50	2012-2013	High Court Gujarat
		33.25	2002-03, 2005-06, 2008-09, 2009-10 to 2014-15	Customs, Excise and Service tax Appellate Tribunal
		0.86	2010-11, 2011-12, 2012-13, 2014-15	Commissioner (Appeals)
Customs Act, 1962	Changes in classification of custom duty rate	5.71	2012-13	Customs, Excise and Service tax Appellate Tribunal
Urban Land Tax Act, 1966	Urban Land Tax	0.74	1981-2014	High Court Chennai
Bombay Tenancy & Agricultural Land Tax Act, 1948	NA conversion Premium for Land	1.21	2005-2006	High Court Ahmedabad
The Employee's State Insurance Act, 1948	Contribution Demand	0.03	1998-2002	ESI Court, Madurai
		0.01	1985-1986	Supreme Court

(viii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans from bank.



- (ix) In our opinion and according to the information and the explanations given to us, the term loans have been applied for the purposes for which they were obtained. Further as per the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments).
- (x) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For and on behalf of  
JAYANTILAL THAKKAR & CO

Chartered Accountants  
(Firm Reg. No. 104133W)



*Thakkar*  
(JAYANTILAL THAKKAR )  
Partner

Membership No: 006205

For and on behalf of  
RAHUL GAUTAM DIVAN & ASSOCIATES

Chartered Accountants  
(Firm Reg. No. 120294W)



*Divan*  
(RAHUL DIVAN )  
Partner

Membership No: 100733

Place: New Delhi  
Date: 19 May 2016

**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of GHCL Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

(C. S. 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: 19 May 2016

JAYANTILAL THAKKAR & CO.  
CHARTERED ACCOUNTANTS

111 (A), MAHATMA GANDHI ROAD,  
FORT, MUMBAI - 400 023.  
TELEPHONES : 2265 8800  
2265 8900  
FAX : (91 - 22) 2265 8989  
E-MAIL : jtco@vsnl.net

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GHCL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GHCL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

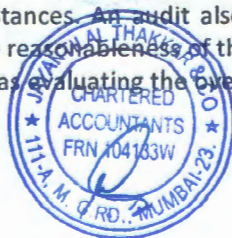
The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.



We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31<sup>st</sup> March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

(a) We did not audit the financial statements of the foreign subsidiary, whose financial statements reflect total assets of Rs. 122.60 Cr as at 31<sup>st</sup> March, 2016, total revenues of Rs. 177.91 Cr and net cash outflows amounting to Rs. 0.21 Cr for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the financial statements received.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, – Refer Note No.2.26 to the consolidated financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

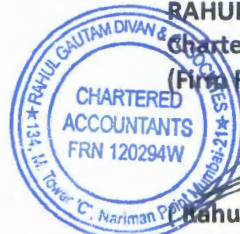
For and on behalf of  
JAYANTILAL THAKKAR & CO.  
Chartered Accountants  
(Firm Reg. No. 104133W)



*(Signature)*  
(S. V. THAKKER)  
Partner

Membership No: 006205

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



*(Signature)*  
(Rahul DIVAN)  
Partner

Membership No: 100733

Place: New Delhi  
Date: 19 May 2016

**Annexure - A to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of GHCL Limited ("the Holding Company") which is incorporated in India, as of that date. The subsidiary company which is part of the Group is incorporated outside India and Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") is not applicable to the subsidiary company.

**Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Holding Company, which is a company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.





### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, which is a company incorporated in India, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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



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

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



*(Signature)*  
(RAHUL DIVAN)  
Partner  
Membership No: 100733

Place: New Delhi  
Date: 19 May 2016



**FORM – A**

**(for audit report with unmodified opinion)**

1.	Name of the Company:	GHCL Limited
2.	Annual Financial statements for the year ended	31 <sup>st</sup> March 2016
3.	Type of Audit observation	Un-modified
4.	Frequency of observation	Not applicable

**Signed by the following:**

**For GHCL Limited**

**Mr. R. S Jalan**  
(Managing Director)

**Mr. Raman Chopra**  
(CFO & Executive Director- Finance)

**Dr. B. C. Jain**  
(Chairman of the Audit Committee)

**Auditors of the Company**

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



**Mr. C. V. Thakker**  
(Partner)

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



**Mr. Rahul Divan**  
(Partner)