

THIRTIETH
ANNUAL
REPORT
2012 - 13



GHCL Limited

Contents

Company Information	1
Chairman Statement	2
Notice	3
Directors' Report	7
Management Discussion & Analysis	13
Corporate Governance Report	18
Secretarial Audit Report	30
Independent Auditors' Report	32
Balance Sheet	35
Statement of Profit & Loss	36
Cash Flow Statement	37
Notes	39
Statement u/s 212 of The Companies Act, 1956	62
Auditors' Report On Consolidated Financial Statements	65
Consolidated Balance Sheet	66
Consolidated Statement of Profit & Loss	67
Consolidated Cash Flow Statement	68
Notes to Consolidated Accounts	70
Attendance Slip and Proxy Form	

Annual General Meeting – Thursday, September 26, 2013

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 September 16, 2013 to September 26, 2013

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
Ajoy Nath Jha	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	Executive Director (Finance)

SECRETARIES

Bhuwneshwar Mishra
General Manager & Company Secretary

Manoj Kumar Ishwar
Manager (Secretarial)

REGISTERED OFFICE

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

CORPORATE OFFICE

“GHCL House”
B-38, Institutional Area,
Sector - 1
Noida - 201 301 (UP)
Website: www.ghclindia.com

MAJOR SUBSIDIARIES

1. Teliforce Holding India Ltd.
2. Grace Home Fashions LLC
3. Others - As per Statement given U/S 212

COMPANY IDENTIFICATION NO.

CIN – L24100GJ1983PLC006513

STATUTORY AUDITORS

Jayantilal Thakkar & Co.
Rahul Gautam Divan & Associates

WORKS

SODA ASH

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

SALT REFINERIES

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

TEXTILES

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

ENERGY DIVISION

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

BANKERS / FINANCIAL INSTITUTIONS

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

SHARE TRANSFER AGENTS

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

I am happy to report that your company continues to clock a healthy growth rate despite slowdown in the domestic economy and uncertainties in the international market.

The slowdown in our economy, which started in 2011-12, deepened in the year gone by and further hurt domestic demand. With global markets grappling with uncertainty, exports have also taken a hit. This has meant that companies across sectors have seen a muted growth in revenues and have been forced to cut back on their expansion plans. As a result, job creation too has suffered. The rupee's steady decline against the dollar has only added to the pressure for most companies and measures taken to counter its fall may end up pushing interest rates.

The Indian economy is estimated to have grown at 5.0% in 2012-13, down from 6.2% a year ago. Estimates put out by most economic think tanks have shown that the growth may stay around for 5.0% for the current year as well. While we may still be the second fastest growing economy of the world, current growth rate is way below our potential and simply not good enough to meet the aspirations of a young India. We urgently need a strong dosage of reforms coupled with clarity on the policy front to rebound to 9%-plus growth rate.

The pessimism prevailing in the country notwithstanding, your company has continued to buck the trend. A company's business model and character is put to test during times of a slowdown. I am pleased to say that with our focus on core competencies and our strengths, we have so far weathered the storm.

Our initiatives and ability to tackle challenges helped us post another impressive performance in the year under review. Our top line grew by 12% to 2128 crore rupees in 2012-13 from 1906 crore rupees in 2011-12. Our EBITDA rose by 9% to 419 crore rupees from 384 crore rupees in the same period. Despite high volatility in the foreign exchange market, we pro-actively took steps to ensure that risks arising from our exposure were contained.

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

I am happy to report that despite over supply in the Indian market, your soda ash plant achieved its highest production of around 7.24 lakhs MT in 2012-13. Your company also clocked the highest domestic sales of 6.35 lakhs MT and total sales of 6.61 lakhs MT for soda ash including exports. While 2012-13 continued to see high imports of soda ash and exerted pressure on domestic manufacturers, imports are not expected to grow significantly this year as the government has imposed a definitive anti-dumping duty on soda ash imports from Russia and Turkey from April 18, 2013 for a period of five years. In addition, consumption of soda ash per person is expected to increase. This augurs well for your company.

The Indian textile industry, which shrunk in 2011-12 due to weak global demand and volatility in cotton prices, is now on a rebound. In the year under review, stable cotton prices and export promotion schemes introduced by the government aided growth. In addition, the government continued with Technology Upgradation Fund Scheme. The revenues of yarn division rose 29% to 382 crore rupees from 296 crore rupees. The outlook for spinning industry is also positive with stable cotton prices, recovery in demand, and improved yarn price scenario. While shortage of skilled labour and grim power situation are main



challenges, aggressive power trading by your company has resulted in substantial savings.

I am happy to share that we got a confirmed annual business of approximately \$50 Mn from an overseas retailer for our home textile business. This is a long term order and will take 40% of our capacity, thereby allowing better capacity utilization in coming years. Due to our sustained marketing efforts, we have secured large replenishment orders from big global retailers in the US and Europe like Bed Bath & Beyond, K-Mart, Macy, and Belk. The revenues of home textile division grew 14% in 2012-13 to 617 crore rupees from 543 crore rupees.

Being a socially responsible corporate, your company continues to work actively in the area of corporate social responsibility and has initiated a number of projects for upliftment of the living standards of citizens in and around its manufacturing sites. Some of the key initiatives undertaken or progressing are : promoting agro based livelihood by providing drip irrigation and sprinkler irrigation system to the farmers, sanitation initiatives like construction of household toilet blocks, roof rain harvesting structures for villagers, coastal area development for prevention of salinity and providing education to children at our lime stone mines area.

The state of Utrakhand was devastated by floods in June this year and your company took proactive steps and provided immediate relief material and monetary support for the people affected by the huge calamity.

Going forward, we will continue to be nimble footed, pre-empt challenges, offer quality products to our clients and create wealth for our stakeholders. We also hope to break into new markets with our high quality products and strengthen relationships with our existing customers.

I take this opportunity to thank all our stakeholders – our employees, who are at the core of our operations, governments, who have supported us through the years, customers for showing unflinching faith in our products and deliverability, lenders who have funded our growth plans and investors who have stood by us.

Sanjay Dalmia
Chairman

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of the members of GHCL Limited will be held at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall) on Thursday, September 26, 2013 at 9.30 AM to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare a dividend for the financial year ended March 31, 2013.
3. To appoint a director in place of Mr. Sanjay Dalmia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Mr. Neelabh Dalmia, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Mr. Sanjiv Tyagi, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a director in place of Mr. Mahesh Kheria, who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint M/s Jayantilal Thakkar & Co., Chartered Accountants (Firm Reg. No. 104133W) and M/s Rahul Gautam Divan & Associates, Chartered Accountants (Firm Reg. No. 120294W) as Joint Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting and to authorize Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

8. Re- Appointment of Mr. Raman Chopra as Whole Time 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 198, 269, 309, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, including any amendment thereof and pursuant to Article 166 of the Articles of Association of the Company, approval of the Company be and is hereby accorded to the re-appointment of Mr. Raman Chopra as a Whole Time Director designated as Executive Director (Finance) of the Company, for a period of 5 years with effect from April 1, 2013, liable to retire by rotation, on such terms and conditions including remuneration as stated in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to vary, alter and modify the terms and conditions of the said re-appointment and / or remuneration, subject to the same not exceeding the limit prescribed under Schedule XIII of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

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

9. Approval of Uniform Remuneration Package for Whole Time Directors (including Managing Directors)

To Consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution:-**

"RESOLVED that in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, or such other approvals as may be required the Uniform Remuneration Package as given in the Explanatory Statement annexed to the notice be and is hereby approved;

"RESOLVED further that in supercession to all earlier approvals given by members in this regard, the Whole time Directors (including Managing Director(s)) of the Company, shall be entitled to the remuneration in accordance with the terms and conditions of Uniform Remuneration Package as approved in this resolution with effect from April 1, 2014;

RESOLVED FURTHER that Board of Directors be and is hereby authorized to decide and fix remuneration, perquisites and other benefits for the individual directors and to do all necessary acts, deeds and things, including any alteration, amendment or variation in terms and conditions of Uniform Remuneration Package, within the overall approval given by the shareholders in this resolution and in accordance with the applicable provisions of the Companies Act, 1956 or direction of the statutory authorities given in this regards from time to time;

RESOLVED FURTHER that Mr. Raman Chopra, Executive Director (Finance) and / or Mr. Bhuneshwar Mishra, General Manager & Company Secretary and / or Mr. Manoj Kumar Ishwar, Manager (Secretarial) be and is hereby severally, authorized to do all such acts, deeds, matters, things, execute and certify all such documents, deeds and writings as may be required for the aforesaid purposes."

Registered Office:

GHCL HOUSE
Opp. Punjabi Hall,
Navrangpura,
Ahmedabad - 380009
Dated: May 24, 2013

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

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of Special Business in the notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, September 16, 2013 to Thursday, September 26, 2013 (both days inclusive).
5. The dividend as recommended by the Board of Directors will be paid to those members whose names appear on the Company's Register of Members on September 16, 2013. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose.
6. The relevant details of directors seeking reappointment under Items No. 3 to 6, as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges is given herein below.
 - a. Mr. Sanjay Dalmia (DOB - March 17, 1944) is Non-executive Chairman of the Company. Mr. Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He is also the Chairman of Remuneration Committee and Project Committee of the Company. He is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees.

He is a Director on the Board of Golden Tobacco Limited (formerly known as GTC Industries Limited). He does not hold any shares in the Company.

- b. Mr. Neelabh Dalmia (DOB – August 16, 1983) is a Director of the Company. He is Bachelor of Science in Business from Indiana University, Kelly School of Business, Bloomington, Indiana with majors in Finance and Entrepreneurship. He has also completed Masters of Business Administration (MBA) from Kelley School of Business, Indiana University, USA. He is a member of Share Transfer and Investors' Grievances Committee, CSR Committee and Banking and Operations Committee of the Company. He is not a member or Chairman of any Board or committee, other than GHCL Limited. He does not hold any shares in the Company.
 - c. Mr. Sanjiv Tyagi (DOB – February 25, 1959) is a Director of the Company. He is a graduate in arts and Diploma in Hotel Management from the prestigious Oberoi School of Hotel Management. He had worked with Oberoi Group, Holiday Inn, Radisson, Unitech etc. He has very rich experience in the Industry and his area of specialization is Management. He is a member of Remuneration Committee of the Company. Mr. Tyagi is neither a member of more than 10 Committees nor the Chairman of more than 5 Committees. He is on the Board of Unitech Country Club Limited, Unitech Pioneer Recreation Ltd., Unitech Pioneer Nirvana Recreation Ltd., Landmark Dwellers Pvt. Ltd., Landmark Infracon Private Limited, Siya Management Consultants Private Limited and Jupiter Venture Lands Private Limited. He does not hold any shares in the Company.
 - d. Mr. Mahesh Kheria (DOB – July 18, 1955) is a Director of the Company. He is a graduate in commerce and his area of specialization is Finance & Marketing. He has very wide areas of industrial experience and very long association with the Company. He is the Chairman of the Share Transfer and Investors' Grievances Committee of the Company. He is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. He is a Director on the Board of Mass Food Products Pvt. Ltd. and Amicus Advisory Pvt. Ltd. He does not hold any shares in the Company.
7. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Share Transfer Registrar of the Company in respect of their physical share folios, if any.
 8. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or / change in such bank details. Further instruction, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depositories Participants.
 9. Ministry of Corporate Affairs had taken a "Green Initiative in the Corporate Governance" and permitted companies to service documents to the members of the Company on their e-mail addresses. Accordingly, 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. To support this green initiative in full measure, 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. All documents referred to in the Notice and Explanatory Statement is available for inspection at the Registered Office of the Company during the business hours between 2.00 PM and 4.00 PM on all working days of the Company up to the date of the Annual General Meeting.
 12. Members attending the Meeting are requested to complete the enclosed slip and deliver the same at the entrance of the meeting hall.
 13. Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports as the practice of distribution of copies of the report at the meeting has been discontinued.
 14. Dividend for the financial year 2005-06 (9 months period ended December 31, 2005), 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 June 2013 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 December 31, 2005 or any subsequent financial year(s), are requested to lodge their claims with Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) (LIPL). Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie in respect thereof.
 15. **Electronic Clearing Service (ECS) Facility:** With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms.
 16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. 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.
 17. **Nomination Facility:** Members holding shares in physical form may obtain the nomination form from the Company's Registrar and Share Transfer Agent. Members holding shares in electronic form may obtain the nomination form from their respective Depository Participants.

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

Item no. 8

The Board of Directors has re-appointed Mr. Raman Chopra as Whole time Director designated as Executive Director (Finance) of the Company for a period of five years with effect from April 1, 2013. The disclosure in accordance with the provisions of Clause 49 of Listing agreement in regard to the re-appointment of Whole time Director is given below:

Mr. Raman Chopra, aged about 48 years (DOB – November 25, 1965) is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having wide experience in Corporate Finance and Textiles. Presently, he is in charge of Financial & Secretarial functions covering financial accounting, management accounting, taxation, secretarial, legal, IT and corporate finance areas. Mr. Chopra has more than 25 years of Industrial experience. Before elevated to Executive Director (Finance) with effect from April 1, 2008, he was CFO of the Company from October 30, 2007. Before taking charge of finance, he had successfully established the Home Textile plant at Vapi.

Mr. Raman Chopra is a Director on the Board of Rosebys Interiors India Limited and Dan River Properties LLC, USA, subsidiaries of

the Company. He is a member of Share Transfer and Investors' Grievances Committee and also a member of Banking and Operations Committee of the Company. He does not hold any shares of the Company in his name, but his wife holds 6000 shares. Apart from that he is also having Employees Stock Option of the Company, which is already reported in the relevant Annexure to the Directors' Report. Mr. Raman Chopra fulfills the eligibility criteria set out under Part I of Schedule XIII to the Companies Act, 1956. The remuneration payable to Mr. Raman Chopra is in line with the Uniform Remuneration Package approved by shareholders in their annual general meeting held on September 12, 2008. This remuneration package is also in accordance with the provisions of Schedule XIII of the Companies Act, 1956.

The details of remuneration payable to Mr. Raman Chopra are given below:

1. **Basic Salary:** ₹ 3,45,000/- per month. However, annual increments will be effective from 1st April each year, as may be decided by the Board on recommendation of Compensation / Remuneration Committee of the Company based on the merit and performance of the director and also taking into account the Company's performance. The overall remuneration shall be in accordance with the Uniform Remuneration Package as approved by the members.

2. **Perquisites / Allowances:** Mr. Raman Chopra shall also be entitled to the perquisites / allowances covering Housing, Medical Reimbursement, Leave, Leave Travel Concession, Club Fee, Personal Accident Insurance, conveyance, Car, Driver and other allowances / perquisites as approved under the Uniform Remuneration Package. Presently, total value of perquisites / allowances (including HRA, Car & other allowances / perquisites) except retiral benefits are ₹ 5,06,400/- per month. However, perquisites / allowances can be structured as per Company policy.

The breakup of perquisites / allowance as mentioned in Uniform Remuneration Package are given below:

2.1 **Housing:**

The expenditure incurred by the Company on providing unfurnished accommodation for the Director shall be as per rule of the company subject to ceiling of 60% of the basic salary. In case no accommodation is provided, the Director shall be entitled to House Rent Allowance subject to ceiling of 60% of the basic salary.

The expenditure incurred by the Company on Gas, Electricity, Water shall be valued as per Income Tax Act, 1962 amended from time to time.

2.2 **Medical Reimbursement:**

Expenses incurred by the Director and his family shall be in accordance with the policy of the Company.

2.3 **Leave:**

Full pay leave for one month for every eleven months of services.

2.4 **Leave Travel Concession:**

For the director and his family, once in a year, incurred in accordance with the rules specified by the Company.

2.5 **Club Fee:**

Fee of Clubs subject to maximum of two clubs. Admission fee and membership fee are excluded.

2.6 **Personal Accident Assurance:**

Premium on each director not to exceed ₹ 4000 per annum.

2.7 **Conveyance:**

Free use of Company's car with driver for official use as per Company policy.

2.8 **Telephone:**

Free use of telephone facility at residence and mobile phone for official use.

2.9 **Personal Adjustment allowance:**

The personal adjustment allowance shall be determined by Board on recommendation of Compensation Committee from time to time.

2.10 **Any other allowances:**

The Board is authorized to introduce any other allowance and or perquisites on recommendation of the Compensation Committee from time to time and subject to the limit determined for overall remuneration for managerial personnel in accordance with the Companies Act or any other rules and regulations applicable in this regard.

3. **Retiral Benefits:** In addition to the above perquisites, the director shall also be eligible to the following benefits, which is not included in the computation of the perquisites value. However, at present, total value of retiral benefits (Provident Fund, Superannuation & Gratuity) are 31.8% of the basic salary i.e. ₹ 1,09,710/- per month.

(a) **Provident Fund:**

As per Rules of the Company.

(b) **Superannuation:**

As per Rules of the Company.

(c) **Gratuity:**

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(d) **Encashment of Leave:**

Encashment of leave at the end of the tenure.

Current annual salary including perquisites / allowances and other retiral benefits (i.e. Total CTC) of Mr. Raman Chopra is ₹ 9,61,110/- per month (approx ₹ 115.33 lacs per annum) in addition to the annual commission as decided by the Board / Remuneration Committee from time to time.

4. **Total remuneration including Commission:** Annual Commission, salary and other perquisites (i.e. overall remuneration) payable to Whole time Director and Managing Director shall not exceed 10% of the net profits of the Company for the year in respect of which the remuneration is paid. The individual breakup of commission / annual increment of individual Whole time Director and Managing Director will be decided by the Board/ Compensation Committee from time to time and shall not exceed the overall ceiling stipulated U/s 198 and 309 of the Companies Act, 1956 or any amendment thereto.

5. **Minimum Remuneration:**

Where in any financial year during the currency of tenure of a Whole time Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration to the Whole time Director by way of salary and perquisites as specified in Uniform Remuneration Package or in accordance with provisions of Schedule XIII and any other applicable provisions of the Companies Act, 1956, including any amendment thereto from time to time, whichever is less.

Except Mr. Raman Chopra, none other directors are interested in the resolutions. Your Board recommends the above resolution for your approval.

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

Item no. 9

The Board of Directors in their meeting held on May 24, 2013 has approved the amendment with reference to the limit of basic salary from ₹ 6 lacs to ₹ 10 lacs per month in the Uniform Remuneration Package as approved by shareholders in their meeting held on

September 12, 2008. Except the increase in the limit of basic salary, no other change is proposed in the Uniform Remuneration Package. Keeping in view to the industry trend and in order to have delegated authority from the shareholders the aforesaid proposal is placed before the shareholders for their approval.

The full text of Uniform Remuneration Package is given below:

1. Basic Salary;

Basic Salary payable to each of the Whole time Director(s) (including Managing Director(s)) shall not exceed ₹ 10,00,000/- per month. The annual increments in basic salary will be decided by the Board of Directors on recommendation of Compensation / Remuneration Committee of the Company.

2. Perquisites: Perquisites to each of the Whole time Director (s) (including Managing Director(s)) shall be decided by the Board on recommendation of Compensation/ Remuneration Committee of the Company from time to time.

The breakup of perquisites is as follows:

2.1 Housing:

The expenditure incurred by the Company on providing unfurnished accommodation for the Director shall be as per rule of the company subject to ceiling of 60% of the basic salary. In case no accommodation is provided, the Director shall be entitled to House Rent Allowance subject to ceiling of 60% of the basic salary.

The expenditure incurred by the Company on Gas, Electricity, Water shall be valued as per Income Tax Act, 1962 amended from time to time.

2.2 Medical Reimbursement:

Expenses incurred by the Director and his family shall be in accordance with the policy of the Company.

2.3 Leave:

Full pay leave for one month for every eleven months of services.

2.4 Leave Travel Concession:

For the director and his family, once in a year, incurred in accordance with the rules specified by the Company.

2.5 Club Fee:

Fee of Clubs subject to maximum of two clubs. Admission fee and membership fee are excluded.

2.6 Personal Accident Assurance:

Premium on each director not to exceed ₹ 4000 per annum.

2.7 Conveyance:

Free use of Company's car with driver for official use.

2.8 Telephone:

Free use of telephone facility at residence and mobile phone for official use.

2.9 Personal Adjustment allowance:

The personal adjustment allowance shall be determined by Board on recommendation of Compensation Committee from time to time.

2.10 Any other allowances:

The Board is authorized to introduce any other allowance and or perquisites on recommendation of the Compensation Committee from time to time and subject to the limit determined for overall remuneration for managerial personnel in accordance with the Companies Act or any other rules and regulations applicable in this regard.

In addition to the above perquisites, the director shall also be eligible to the following, which shall not be included in the computation of the perquisites value.

(a) Provident Fund:

As per Rules of the Company.

(b) Superannuation:

As per Rules of the Company.

(c) Gratuity:

Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

(d) Encashment of Leave:

Encashment of leave at the end of the tenure.

3. Commission/ Special Allowance: Annual Commission, salary and other perquisites (i.e. overall remuneration) payable to Whole time Directors and Managing Director(s) shall not exceed 10% of the net profits of the Company for the year in respect of which the remuneration is paid. The individual breakup of commission will be decided by the Board/ Compensation Committee from time to time and shall not exceed the overall ceiling stipulated U/s 198 and 309 of the Companies Act, 1956 or any amendment thereto. Or

In the event of no profit or inadequate profit, special allowance payable to Whole time Directors (including Managing Director(s)) not exceeding twice the annual salary as approved by the Board. The special allowances for individual directors shall be decided by the Board/ Compensation Committee subject to compliance of Section 309 read with schedule XIII and other applicable provisions of the Companies Act, 1956.

4. Minimum Remunerations:

Where in any financial year during the currency of tenure of a Whole time Director(s) including Managing Director(s), the Company has no profits or its profits are inadequate, the Company will pay remuneration to a Whole time Director(s) including Managing Director(s) by way of salary and perquisites as specified in Uniform Remuneration Package or in accordance with provisions of Schedule XIII and any other applicable provisions of the Companies Act, 1956, including any amendment thereto from time to time, whichever is less.

5. All other terms or privileges or facilities shall be in accordance with the standard rules of the company applicable to the senior officers of the Company.

6. Employees Stock Option: The Whole time Director(s) including Managing Director(s) shall be entitled for Employees Stock Option as per the scheme applicable to the Company.

In accordance with the provisions of Clause 49 (Corporate Governance) of Listing Agreement, the total remuneration including the commission paid to Whole time Directors are given in the Corporate Governance Report. The Uniform Remuneration Package, if approved by the shareholders shall be effective from April 1, 2014.

Mr. R S Jalan and Mr. Raman Chopra being Whole time Directors of the Company are interested in the proposed resolution as it concerns their remuneration for the services rendered and no other directors are interested in the above resolution. Your Board of Directors recommends the above resolution for your approval.

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

Registered Office:

GHCL HOUSE
Opp. Punjabi Hall,
Navrangpura,
Ahmedabad - 380009
Dated: May 24, 2013

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

DIRECTORS' REPORT

To The Members,

We are pleased to present the 30th Annual Report and the audited accounts of the company for the financial year ended March 31, 2013.

OPERATIONAL RESULTS

The summary of the financial performance of the Company for the financial year ended March 31, 2013 compared to the previous year ended March 31, 2012 is given below:

Particulars	₹ in Lacs	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Net Sales /Income	2,12,793.13	190,635.81
Gross profit before interest and depreciation	41,956.41	38,446.03
Finance Cost		
(a) Interest Cost	14,091.22	14,576.31
(b) Loss on foreign currency transactions and translation (net)	1,704.96	3,919.84
Total Finance cost (a+b)	15,796.18	18,496.15
Profit before depreciation and amortisation - (Cash Profit)	26,160.23	19,949.88
Depreciation and Amortisation	8,196.72	8,084.86
PBT before exceptional items	17,963.51	11,865.02
Exceptional items	(3,958.32)	--
Profit before Tax (PBT)	14,005.19	11,865.02
Provision for Tax – Current	2,819.45	377.00
Provision for Tax – Deferred	(306.91)	(259.93)
Profit after Tax	11,492.65	11,747.95
Balance brought forward from last year	14,212.44	14,570.27
Prior period adjustments	3.92	18.89
Excess provision for tax for earlier years	(1.08)	200.23
Amount available for appropriation	25,707.93	26,537.34
Appropriations		
Transfer to General Reserve	1,149.27	10,000.00
Proposed Dividend	2000.39	2000.39
Tax on Dividend	339.96	324.51
Balance carried to Balance Sheet	22,218.31	14,212.44

PERFORMANCE HIGHLIGHTS

SODA ASH

The Global Soda Ash demand which was around 50 million tons in 2011 is estimated to be slightly more than 51 million metric tons in 2012 against a capacity of about 60 Million MT.

We are seeing demand growth, despite the fact that the market is currently oversupplied. The projected growth for this year is 3 to 4% with most of the growth expected to be in China, India, Russia 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 little 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.

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 2012. China is likely to add at least 1.00 to 1.5 Mn MT capacities every year on the back of huge infrastructure investments. IHS analysts expect Global market for soda ash is projected to reach 65 million metric tons by 2016.

The biggest threat to the global soda ash industry is the global economic outlook, which remains quite delicate. The state of the global economy, combined with the role that China will continue to play in the market, is key to the future health of the soda ash industry. Global growth is set to pick up gradually and unevenly across the regions of the world. North America and Asia are on track to lead the way, with many other emerging regions and economies also doing their part.

Despite depressed conditions prevailing in the Indian Economy, Soda Ash demand witnessed a robust growth of around 9 to 10% in 2012-13. Market feedback suggests other than Glass; all other consuming segments led by Detergents recorded handsome 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 a cause of concern. Despite implementation of Anti-Dumping Duty effective July 2012, imports continue to flow in high volumes. The price differential between domestic and imported product is becoming bigger, landed prices of imported product are much lower than those of domestic despite ADD which is impacting pricing and discounting. Higher import continued to exert pressure on domestic manufacturers.

Soda Ash supply in India remains in excess of demand due to the high level of imports that the market is having to absorb. Domestic manufacturers are confident that imports will be reduced in this year. The Finance Ministry, Government of India has imposed a definitive anti-dumping duty on soda ash imports from Russia and Turkey. This anti-dumping duty will be valid for a period of five years from 18th April, 2013. The industry expects this additional trade restrictions (ADD) should bide well for the Indian Soda Ash industry. In addition, there is a view that the current level of exports from China is not sustainable given that the Chinese are exporting below their production cost.

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 (2012-13) the capacity utilization was of only 81%.

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 2012-13 your company has achieved highest production around 7.24 lacs MT. This year, the Company has also achieved highest domestic sales i.e. 6.35 lacs MT and total sales of Soda Ash is 6.61 lacs MT including exports.



BI-CARBONATE (BICARB)

During the year, the Company achieved production of Bi-Carbonate 23593 tons against 23369 tons in the previous year. During the year the Company achieved sales of Bi-Carbonate 23433 tons against 22939 tons in the previous year.

HOME TEXTILE

The Indian Textile Industry, 2nd largest in the world, after witnessing growth of around 10% in FY 2009-10 & 2010-11, had shrank during the FY'2011-12 mainly due to weak global economy and extreme volatility in cotton prices. However, FY 2012-13 started on a positive note for the Textile Industry, mainly due to the reason that prices of cotton had stabilized and the Government of India providing a number of export promotion policies for the Textile sector including the continuation of TUFS (Technology Upgradation Fund Scheme). There is some recovery in demand and prices for textiles products in domestic as well as global markets; hence the outlook for the textile industry looks positive.

In the Textile Business of your company, the performance of Yarn business has improved significantly as compared to the previous year, which is mainly due to better demand in yarn, increase in yarn prices and stability of cotton prices. The Made-ups (Home Textile) Business operations are now fully stabilized and doing reasonably well mainly due to the market sentiments in US continue to show improving trends. However, forex volatility significantly impacted the performance of the Home Textile division.

The Revenue of Home Textile division is at ₹ 617.04 Crores during the financial year 2012-13 against ₹ 543.15 Crores in 2011-12, thereby registering a growth of 14% 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, Macys, K-Mart, Springs, Revman and Belk etc. The Company's Home Textile division got confirmed annual business of approx US\$50 million from an overseas retailer, which is a long term business and will occupy about 40% of capacity and in turn this may help to achieve better capacity utilization in coming years.

The Revenue of Yarn division is at ₹ 381.87 Crores during the financial year 2012-13 against ₹296.57 Crores in 2011-12, thereby registering a handsome growth of 29% over previous year. The performance of Yarn business improved significantly 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 steady 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 for the financial year ended March 31, 2013.

FINANCE

During the FY'2012-13, your company has successfully arranged Project Loans of ₹ 84.50 crore to part finance CAPEX of around

₹117.80 crore. Additionally, the company has also enhanced its working capital limits by ₹ 152 crore from ₹ 728 crore to ₹ 880 crore and further tied-up long term loans amounting to ₹ 150 crore to meet overall working capital requirements of the company.

During the year, due to better cash-flow management/ negotiation with various lenders in respect of interest rate besides reduction in base rate, helped your company to reduce weighted average interest cost which is mentioned as follows:

Facility	As on April 1, 2012	As on March 31, 2013
Working Capital Loans	7.61%	6.09%
Term Loans	11.95%	11.46 %

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 ₹ 25.40 lacs towards unclaimed dividend/unclaimed deposits along with interest thereon.

FIXED DEPOSITS

Your Company discontinued inviting, accepting and renewing of fixed deposits effective from September 24, 2002. However, unclaimed deposits of ₹ 0.20 lacs have been transferred to IEPF during the financial year, which is included in ₹ 25.40 lacs transferred, as stated above.

EMPLOYEES STOCK OPTION SCHEME

Your company has Stock Option Scheme for its employees as per the Revised Scheme approved by shareholders in their Extra Ordinary General Meeting held on March 19, 2008 and accordingly Compensation Committee in their meeting held on March 24, 2008 had granted options to its eligible employees. Under the Scheme the employees are 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 are vested effective from March 24, 2010 accordingly, eligible employees can exercise their rights. So far none the employees have exercised their rights on vested options. In compliance of SEBI Circular issued on January 17, 2013 on the Stock Option Scheme read with clarification issued by SEBI vide its Circular dated May 13, 2013, the existing GHCL Employees Stock Option Scheme, administered through Trust, will complete its term on December 31, 2013. 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 ₹ 74.98 Crore in FY'11-12 to ₹ 150.04 Crore during FY'2012-13.

GHCL Upsom, Romania, a step down subsidiary of the Company whose operations are lying closed since Jan'2010 was put under administration on November 21, 2011. The control of GHCL Upsom SA, has been taken over by Casa Transilvania Cluj (the

official liquidator) and hence Indian England NV (subsidiary of GHCL Limited) has no control on GHCL Upsom and will continue to stand as a creditor in the insolvency proceeding initiated w.e.f. November 12, 2012. Further, Creditors Committee of SC GHCL Upsom SA, Romania in their meeting held on March 18, 2013 had decided to accept the highest bid of Euros 6.00mn made by Aloref SRL in association with Ascom International SRL. Accordingly, the assets of GHCL Upsom will only become the property of Ascom International when the price has been made in full.

Operations of Rosebys Interiors India Limited (RIIL), a subsidiary, engaged in the business of Home and Life Style Retailing, remained closed during the year. RIIL is meeting its statutory and other obligations through support of GHCL. Some of the creditors have filed winding up petitions against RIIL which is adequately represented by the company.

Non-operating subsidiaries namely GHCL Inc. (USA) and Indian Britain B.V. (Netherlands) have been voluntarily dissolved during the year. Colwell & Salmon Communications Inc. (USA) was voluntarily dissolved on April 1, 2013. Further Rosebys UK Limited another non operating company in UK was put under liquidation on 12th November 2012.

Ministry of Corporate Affairs, Government of India, vide its circular dated February 8, 2011, has 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 24, 2013 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. 2.39 (refer page no. 54 of Annual Report) and also under Statement u/s 212 of the Companies Act, 1956 (refer page no. 62 to page no. 64).

AWARDS AND RECOGNITIONS

Your directors are pleased to inform you that GHCL Limited achieved a new milestone as the Home Textile Division, Vapi has received “**Texprocil's Export – Bronze Award 2011-12**”.

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, 2013.

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

As a measure of good corporate governance practice, the Board of Directors of the Company appointed Dr. K.R. Chandratre, Practicing Company Secretary, to conduct Secretarial Audit. The Secretarial Audit Report for the financial year ended March 31, 2013, is provided in 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.

DIRECTORS

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

Mr. Raman Chopra, Executive Director (Finance) was re-appointed as Whole Time Director for a period of five years with effect from April 1, 2013 subject to the approval of the shareholders. The Board recommends their appointments at the ensuing Annual General Meeting.

During the year, IDBI Bank had nominated Mr. Ajoy Nath Jha in place of Mr. K. C. Jani as a Nominee Director of the Company with effect from January 15, 2013. Mr. Tej Malhotra, Sr. Executive Director (Operations) retired from the services of the Company at the close of office hours on May 4, 2012. Accordingly, Mr. Tej Malhotra ceased as a Director on the Board of the Company with effect from May 5, 2012. Your Directors wish to record their gratitude and appreciation for the contribution by Mr. K. C. Jani and Mr. Tej Malhotra during their tenure as Directors of the Company.

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

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

PARTICULARS OF EMPLOYEES

Particulars of employees as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are set out in Annexure to the Directors' Report and forms part of the Report.

However, having regard to the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

STATUTORY AUDITORS

M/s Jayantilal Thakkar & Co., Chartered Accountants and M/s Rahul Gautam Divan & Associates, Chartered Accountants, the Joint Auditors of the Company will retire at the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received certificates from the auditors to the effect that their re-appointment, if made, would be in accordance with Section 224 (1B) of the Companies Act, 1956. The Board recommends their re-appointment.

COST AUDITORS

The Board has appointed M/s R J Goel & Company, Cost Accountants, New Delhi, M/s L S Sathiamurthi & Co., Cost Accountants, Chennai and M/s N D Birla & Co., Cost Accountants, Ahmedabad as Cost Auditors for the Soda Ash division, Yarn division (Madurai) and Home Textile division (Vapi) of the Company respectively under Section 233B of the Companies Act, 1956 for the financial year 2013-14. The Board has also appointed M/s R J Goel & Company as the Lead Cost Auditor of the Company for the financial year 2013-14, 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 2011-12 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 2011-12	Actual date of filing of the Cost Audit Report (in XBRL) for Financial Year 2011-12
Soda Ash	M/s R. J. Goel & Co., Cost Auditors, (Membership No. 2171), Address - 31, Community Centre, Ashok Vihar, Delhi – 110052	February 28, 2013	Being Lead Cost Auditors of the Company, M/s R J Goel & Company filed the Cost Audit Report (in XBRL) on January 30, 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, 2013 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, 2013 and of the profits of the Company for the financial year ended March 31, 2013;
- 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, 2013 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 24, 2013
Place: New Delhi

Sd/-
SANJAY DALMIA
Chairman

ANNEXURE I TO THE DIRECTORS REPORT

A. CONSERVATION OF ENERGY

a) Energy Conservation Measure Taken

- 1 Usage of low GCV fuel in CFBC boiler maximized.
- 2 Mechanized briquette plant 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 CII recommendations being implemented in phases.
- 5 Installation of 120 TPH motor driven boiler feed water pump.
- 6 Various energy saving measures continued.

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

- 1 Installation of condensing turbine for better steam power balance.
- 2 Installation of Narmada water pipe line. This will eliminate operation of high energy consuming RO plants.
- 3 Variable Frequency Drive introduction in more drives.
- 4 Energy audit by external auditor being planned to identify energy saving potential.
- 5 Installation of New RO plant of improved technology with energy saving of about 50% against existing RO plant.
- 6 Installation of coal boiler project at vapi unit.

B. POWER & FUEL CONSUMED

	Year ended March 31,2013	Year ended March 31,2012
1 Electricity		
(i) Purchased Units (lacs kwh)	829.25	765.24
Total amount (₹ lacs)	5,954.24	4,143.29
Rate per Unit (₹)	7.18	5.41
(ii) Own Generation		
(a) Through DG		
Units (lacs kwh)	104.47	59.89
Units per ltr of Diesel Oil	3.26	3.39
Cost per Unit (₹)	13.67	11.89
(b) Through GTG		
Units (lacs kwh)	231.23	206.21
Units per SCM of Gas	4.04	3.47
Cost per Unit (₹)	8.79	7.64
(c) Through TG		
Units (lacs kwh)	1,674.92	1,674.75
Cost per Unit (₹)	2.23	1.98
2 Coal		
Quantity (MT)	2,02,251.45	1,56,190.00
Total Cost (₹ lacs)	14,561.32	10,815.55
Average Rate (₹/MT)	7,199.61	6,924.61
3 Lignite		
Quantity (MT)	2,94,487.38	3,86,944.00
Total Cost (₹ lacs)	6,796.24	6,272.09
Average Rate (₹/MT)	2,307.82	1,620.93
4 Consumption per Unit of Production		

	Production (MT)	Electricity (kwh/MT) Year ended March 31, 2013	Year ended March 31, 2012
Soda Ash	7,24,021	259.95	259.47
Salt	56,353	22.89	25.44
Yarn	16,156	4.33	5.06
Cloth (Fabric '000 Meters)	28,851	0.85	0.60
Coal -Soda Ash (MT/MT)	7,24,021	0.28	0.22
Lignite - Soda Ash (MT/MT)	7,24,021	0.41	0.54

C. TECHNOLOGY ABSORPTION

1 Research & Development

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

2 Technology -Absorption ,Adoption and Innovation

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, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
Earnings	55,745.73	52,783.68
Outgo (Includes CIF value of imports)	30,749.19	15,399.37

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.	90,000																		
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*	1,35,000																		
No of options vested in respect of employees who retired but not exercised their vested options**	3,60,000																		
Variation of Terms of Options	Nil																		
Money realized by exercise of options	Nil																		
Total Number of Options in force as on March 31, 2013	14,30,000																		
Number of employees for whom above options are in force	29																		
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. Tej Malhotra</td> <td style="text-align: right;">1,25,000</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. Tej Malhotra	1,25,000	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																		
Mr. Tej Malhotra	1,25,000																		
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																		
(iii) 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																		

* During the current financial year, the stock options in respect of two employees i.e. Mr. Neel Railkar (20000 options, resigned on 9-4-2012) and Mr. Chandan Sinha (20000 options, resigned on 28-2-2013) have lapsed as they have not exercised their vested options within 60 days of date of their resignations. Apart from this, in previous year 95,000 options in respect of two employees had lapsed as they had not exercised their vested options within 60 days of date of their resignations and the same had been reported in previous Annual Report.

** During the current financial year, Mr. B R D Krishnamoorthy (75000 options, retired on 30-4-2012), Mr. Tej Malhotra (125000 options, retired on 4-5-2012) and Mr. K V Rajendran (100000 options, retired on 31-1-2013) have not exercised their vested options. In addition to this, 60,000 options in respect of three employees, who had retired in earlier years but have not exercised their vested options and the same had been reported in previous Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS 2013

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, 2013 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), the growth in GDP during 2012-13 is estimated at 5% as compared to a growth rate of 6.2% in 2011-12. India's economic growth rate this fiscal is estimated to be sharply lower at 5%, lowest in a decade, on account of poor performance of manufacturing, agriculture and services sector. This estimate by CSO is even lower than what has been projected by the government and RBI.

Following the slowdown induced by the global financial crisis in 2008-09, the Indian economy responded strongly to fiscal and monetary stimulus and achieved a growth rate of 8.6% and 9.3% respectively in 2009-10 and 2010-11. However, with the economy exhibiting inflationary tendencies, the Reserve Bank of India (RBI) started raising policy rates in March 2010. High rates as well as policy constraints adversely impacted investment, and in the subsequent two years viz. 2011-12 and 2012-13, the growth rate slowed to 6.2% and 5% respectively. Nevertheless, despite this slowdown, the compound annual growth rate (CAGR) for gross domestic product (GDP) at factor cost, over the decade ending 2012-13 is 7.9%.

The moderation in growth is primarily attributable to weakness in industry (comprising the mining and quarrying, manufacturing, electricity, gas and water supply, and construction sectors), which registered a growth rate of only 3.5% and 3.1% in 2011-12 and 2012-13 respectively. The rate of growth of the manufacturing sector was even lower at 2.7% and 1.9% for these two years respectively. Growth in agriculture has also been weak in 2012-13, following lower-than-normal rainfall, especially in the initial

phases (months of June and July) of the south-west monsoon. After achieving double-digit growth continuously for five years and narrowly missing double digits in the sixth (between 2005-06 and 2010-11), the growth rate of the services sector also declined to 8.2% in 2011-12 and 6.6% in 2012-13.

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. Moreover, even as the economy slowed, it was also hit by slowing global economy, weighed down by the crisis in the Euro zone and uncertainties about fiscal policy in the United States of America, and a weak monsoon in its initial phase.

The reduction in private investment could be attributed to a number of factors. First is the increase in policy rates (to combat inflation and inflationary expectations). Between March 2010 and October 2011, the RBI raised the repo rate by 375 basis points (bps), thus raising the cost of borrowings in a bid to reduce demand. Another reason for lower private investment could be lower demand for Indian exports from the rest of the world, particularly the advanced countries. A third possible reason for lower corporate investment is policy bottlenecks (such as obtaining environmental permissions, fuel / coal linkages, mining bans and difficulties in land acquisition), which led to a number of large projects becoming stalled, which may in turn have discouraged new investment. Lack of growth and slowdown in investment are feeding into each other, with causation flowing both ways. High interest rates have contributed to the depressed investment climate as well. However, given the stability in the repo rate between April and December 2012 and three successive reductions in the repo rate by 25bps each by RBI in January, March and May 2013, the latest data suggest that interest costs of companies have moderated slightly.

Headline WPI inflation remained relatively sticky around 7 to 8 per cent in the current financial year and moderated to a three-year low of 7.18% in December 2012. Average headline WPI inflation in 2012 (April-December) moderated to 7.55% from 9.35% in the corresponding period of the previous year. The decline is mainly due to moderation in non-food manufacturing inflation (core as defined by the RBI). Core inflation remains muted and declined to 4.24% in December 2012 from its peak of 8.35% in November 2011. Apart from monetary measures taken by the RBI, softening of international and domestic prices of metals, chemicals, and textiles products also contributed to the moderation of core inflation. Elevated food inflation, however, remains an area of concern with inflation gradually inching upwards to double digits in December 2012.

As growth slowed and government revenues did not keep pace with spending, the fiscal deficit threatened to breach the target. With government savings falling, and private savings also shrinking, the CAD also widened. India's current account deficit (CAD), which is the difference between inflow and outflow of foreign funds, widened to a historic high of 6.7% of GDP in December quarter to USD 32 billion, mainly on account of a surge in oil and gold imports, besides weak exports. CAD was at USD 20 billion (4.4% of GDP) in the corresponding quarter of last fiscal. The government has already taken some important policy measures to bridge the fiscal deficit. In addition, one helpful potential development is in sight. The goods and services tax (GST), if approved, would replace a number of state and central taxes, make India more of a national integrated market, and bring more producers into the tax net. By improving efficiency as well as revenues, it can add substantially to growth as well as helping government finances.



The government has also taken a number of steps to revive investment and growth. The Cabinet Committee on Investments (CCI) headed by the Prime Minister has been set up to fast-track mega projects of more than ₹ 1000 crore. The Land Acquisition and Rehabilitation and Resettlement (LARR) Bill, could bring greater clarity, reduce uncertainty, and thereby aid investments. Apart from this a scheme for restructuring the debts of state power distribution companies and permitting FDI in a number of areas including multi-brand retail, power exchanges, and civil aviation and also increasing investment in irrigation, storage and cold storage networks. Steps have also been taken on financial-sector reform. The Banking Laws (Amendment) Act 2012 strengthens the regulatory powers of the RBI and paves the way for grant of new bank licences by the RBI. Progress on the Delhi-Mumbai Industrial Corridor has the potential of providing a fillip to the investment climate of the country. 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 2013 has increased by 10% to ₹ 2127.93 Crore as against ₹ 1906.36 Crore for the previous Financial Year ended 31st March 2012.
- Profit before financial expenses and depreciation for the financial year ended March 31, 2013 has risen by 8% to ₹ 419.56 Crore as compared to ₹384.46 Crore for the previous Financial Year ended 31st March 2012.
- PBT (Profit Before Tax) for the financial year ended March 31, 2013 is higher by 15% at ₹ 140.05 Crore against ₹ 118.65 Crore for the previous Financial Year ended 31st March 2012.

Inorganic Chemicals (Soda Ash) Global Soda Ash Industry

Demand-Supply Scenario

Demand

As economic conditions improved in many parts of the world, overall global demand for soda ash is said to have increased by about 1.5 to 2.00 % in 2012. Following a sharp global decline after the 2009 recession, developing economies, particularly those in Asia & South America, continue to drive demand for soda ash. According to the 2013 February IHS Chemical Global Soda Ash Report, the estimated world soda ash demand grew by 1.8%, or 1 million tons. The total world demand for soda ash was estimated to be slightly more than 51+ million metric tons in 2012 with an estimated capacity of 60 million tons. The Global Soda Ash demand was around 50 million tons in 2011 with a capacity of 57 million tons. We are seeing demand growth, despite the fact that the market is currently oversupplied. The projected growth for this year is 3 to 4% with most of the growth expected to be in China, India, Russia 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 little 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 is the largest Soda Ash player in the world, having a capacity of 30 Million MT, which is 50% of the global capacity. As

per IHS Chemical report China's operating rates were around 80% in 2012, reporting a production of 24 million tons and domestic consumption of 22 million tons, the balance 2 Million MTs is exported.

US capacity is 12.00 Million MT and they produced 11 million tones of soda ash and their annual production represents a 97 operating rate. The US production is stated to have grown by 3.8% in 2012 where as demand in the domestic markets shrunk by almost 5%, the total domestic consumption was estimated at around 5 million tons and they exported 6.2 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 based FMC brought back part of its idle capacity at Granger (Wyoming) in July 2011 and is also exploring the possibility to restart the remainder at Granger. According to IHS report, other producers are also considering additional capacity. 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. Domestic residential and commercial construction and automotive industries increased glass usage, which affected soda ash consumption worldwide. The world estimated 2012 distribution of soda ash by end use as under;

Glass	54%
Detergent & Soap formulations	15%
Chemical	10%
Alumina /Metals and mining	5%
Pulp & Paper	1%
Others (Environmental Protection/ Effluent treatment etc)	15%

Despite an oversupply, 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 51.00 Million MT is expected to grow by at least 3-4 % over the medium term with more than 50% of it is expected to come from Latin America, India, China and Middle East countries due to a higher GDP growth. Consumption of soda ash per person is expected to register healthy rise in the next few years with China leading the rankings with consumption from 10.85 kilograms in 2007 to an expected 12.00 kilograms in 2012. China is likely to add at least 1.00 to 1.5 Mn MT capacities every year on the back of huge infrastructure investments. IHS analysts expect Global market for soda ash is projected to reach 65 million metric tons by 2016.

The biggest threat to the global soda ash industry is the global economic outlook, which remains quite delicate. The state of the global economy, combined with the role that China will continue to play in the market, is key to the future health of the soda ash industry. Global growth is set to pick up gradually and unevenly across the regions of the world. North America and Asia are on track to lead the way, with many other emerging regions and economies also doing their part.

Indian Scenario

Notwithstanding a disappointing 5.00% growth in GDP in the 2012-13 FY, recent report suggest India's growth rate will begin to quicken. The Indian economy is estimated to grow by 6.5 per cent in 2013-14. In spite of the slow industrial growth of the Indian economy, Soda Ash demand witnessed a robust growth of 10% in 2012-13. Other than the Container Glass producers who are under pressure because of over capacity and shrinkage of demand due to replacement by PET in some segments, all other consuming segments led by Detergents recorded handsome growth. It is expected that on the back of higher 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.

Soda Ash supply in India remains in excess of demand due to the high level of imports that the market is having to absorb. Domestic manufacturers though are confident that imports will be reduced in this year. The industry expects that additional trade restrictions (ADD) will be put in place this year; namely against Turkey and Russia. In addition, there is a view that the current level of exports from China is not sustainable given that the Chinese are exporting below their production cost.

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 (2012-13) the capacity utilization was of only 81%.

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, 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

The Indian Textiles Industry is one of the leading textile industries in the world and 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. Indian Textiles Industry also plays an important role in the country in terms of employment generation. It not only generates jobs in its own industry, but also opens up scopes for the other ancillary sectors. The Indian Textiles Industry currently generates employment to more than 35 million people and is the second largest provider of employment after agriculture. Besides, another 54.85 million people are engaged in its allied activities. The close linkage of the Industry to agriculture and the ancient culture, and traditions of the country make the Indian textiles sector unique in comparison with the textiles industry of other countries.

After witnessing growth of around 10% in FY 2009-10 & 2010-11, the Indian Textile Industry shrank during the FY'2011-12 mainly due to weak global economy and extreme volatility in cotton prices. However, FY 2012-13 started on a positive note for the Textile Industry, mainly due to the reason that prices of cotton have stabilized and the Government of India providing a number of export promotion policies for the Textile sector. There is some recovery in demand and prices for textiles products in domestic as well as global markets and some indications of a possible improvement in the economy of the West. The IIP data for December 2012 shows better growth in textiles as compared to the earlier months.

Overall the outlook of the Indian Textile Industry looks positive, primarily because of the abovementioned reasons that for the past one year the prices of cotton have stabilized and the Government of India providing a number of export promotion policies for the Textile sector. Besides, the Government also announced the continuation of TUFs (Technology Upgradation Fund Scheme) during the 12th Plan. This initiative may help to achieve the objective of improving the competitiveness and overall long term viability of the Indian Textiles Industry so that it may have access to timely and adequate capital at internationally comparable rates of interest in order to upgrade its technology level. The Government had also 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). As per the Government estimates, India has the potential to increase its textiles and apparel share in the world trade from the current level of 4.5 percent to 8 percent and reach US\$ 80 billion by 2020. Inherent strengths & cost competitiveness of Indian textiles industry is catalyzing major retailers & brands of the world such as Wal-Mart, Target Gap, Marks & Spencer & Tesco to set up shops/increasing their Indian presence which augurs well for the sector.

GHCL - Textiles

GHCL Limited is one of the largest integrated textile manufacturers in the country with an installed spinning capacity of 1,50,280 spindles manufacturing 100% cotton and polyester cotton blended yarns. The company's state-of-art plant at Vapi, Gujarat, integrates weaving, processing and cut & sew facilities. With an annual capacity of 9 million meters, fabric is woven in plain weaves, plain sateens, sateens stripes, dobbies and jacquards.

Overall in the Textile Business of the Company, the performance of Yarn business has improved significantly 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 market sentiments in US continue to show improving trends. However, forex volatility significantly impacted the performance. The Home Textile Division, Vapi has received Texprocil's Export – Bronze Award 2011-12.

The Gross Revenue of Home Textiles division is at ₹ 617.05 Crores during the financial year 2012-13 against ₹ 543.15 Crores in 2011-12, thereby registering a growth of 14% 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, Macys, K-Mart, Springs, Revman and Belk etc. The Company got confirmed annual business of approx US\$50 million from an overseas retailer, which is a long term business and will occupy about 40% of capacity and in turn this may help to achieve better capacity utilization in coming years. 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 is in the process to move on coal based steam boiler to control the gas price impact, which may be completed by October 2013. Also, the Home Textiles division is getting 2% export benefit w.e.f January 1, 2013; which may be advantageous to boost up bottom line of the Company.

The performance of Yarn business improved significantly 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 Gross Revenue of Yarn division is at ₹ 381.87 Crores during the financial year 2012-13 against ₹ 296.57 Crores in 2011-12, thereby registering a handsome growth of 29% over previous year. Overall outlook for Spinning Industry looks steady and with stable cotton prices, timely cotton coverage and improved yarn price scenario, 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 power cost continue to affect the whole textiles industry and the huge increase in diesel prices introduced in January for bulk users 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 is setting 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.

Spillovers from global financial market uncertainties and waning investor confidence amidst deteriorating macroeconomic conditions, kept domestic currency and equity market under pressure. The rupee depreciated by nearly 10 per cent during first quarter of 2012-13, before staging some recovery in July 2012. 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 few quarters have been about the most volatile period 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

As on March 31, 2013, the Company had 3106 employees on its permanent rolls covering all business divisions. Throughout the year, the importance the company attaches to its people remained undiluted contrary to the approach of many organisations in the era of economic uncertainties. The company is firm on its belief that all progress and growth can happen only through people, hence its initiatives in furthering the competencies of its workforce, many of which were started in the previous years, continued during 2012-13 also.

Many processes have been rolled out in the company to ensure availability of trained and skilled employees to undertake specific tasks and business operations. The existing system of campus recruitment has been further strengthened to build our talent pool in the various management and engineering functions. The structured training schemes are complete with quarterly assessments, mentoring by senior executives as well as on the job trainings. By the end of the stipulated 1 year training period, the new recruits are shaped up to shoulder specific roles in their functional areas. It is also seen that the retention levels of fresh management / engineering graduates in the organisation is quite encouraging which also reflects the effectiveness of the training programme as well as the image of the organisation as a preferred employer.

At the organisational level, the business operations are being led by the forum DISHA which was constituted 2 years back and comprising of the top management executives. All macro level decisions, including policy and strategic issues are taken up by this group for considerable deliberations. This participative style of management is facilitating the organisation in a big way to deal with difficult scenarios in a rather smooth manner. With a view to build the leadership pipeline in the organisation longer, a new initiative, appropriately titled M-DISHA, i.e. Making of Disha has been launched this year. Members of M-DISHA are being drawn from the second line of leadership and in the process they are being exposed to the highest level of management processes in the organisation. The company firmly believes that this initiative will facilitate the development of its future leaders in the right perspective as it views them as the future torch bearers.

Apart from the continuous efforts to build and nurture the leaders, equal importance is also being given in the organisation to the other important building blocks of good management viz. Organisational values, inter personal relations, organisational communication, team work etc. Every business process or transaction in the organisation is ensured to be conforming to the established organisational core values and any initiative, which conflicts with any of these values namely, Respect, Trust, Ownership and Integrated Team Work is discarded irrespective of its potential or commercial gain.

During the year, the company also ascertained the extent of engagement on the part of its employees towards the achievement of organisational objectives and goals through a well defined and properly executed survey conducted across the various divisions, locations and levels of employees. It has been established that the various people development initiatives launched during the last few years have been quite influential in enhancing the engagement quotient to excellent levels. Overall,

it has been established that most of the workforce are aware of as well as subscribe to the management's vision, organisation culture, value systems and business priorities.

Another important aspect of the Human Resource Management in the organisation is the performance management and reward systems being applied. The annual performance appraisal exercise is being carried out in such a manner that it helps to identify and reward good performers as well as to provide wider responsibilities and growth opportunities to those who have potential to excel. Company, as a policy, strives to award market comparable remuneration to its workforce to attract and retain competent people. Outstanding performers or high potential individuals are taken on fast track growth paths to acknowledge and appreciate their contribution.

Training and development opportunities are continued to be given to the employees on a regular basis. Depending upon the need, internal training programmes are organised or employees are nominated to externally conducted programmes in functional, behavioural or technical subjects. Sharing of newly acquired knowledge with fellow workers is also being encouraged within the organisation which also helps to gradually develop internal faculty members and in reducing expenditure. Training and Development avenues are provided to employees also with a vision to have the necessary competencies in-house that may be required in the events of business expansion / diversification etc in the future.

The organisation also encourages employees' participation in cultural and recreational activities at regular intervals to rejuvenate their energy levels. Organising such events also promote the enthusiasm and bonding among employees. The unique cultural bond, which runs through the people from different business divisions of the company alike, is often referred as a peculiarity of this organisation.

CSR Activities

During 2012-13, the company continued its work towards the upliftment of the living standards of general public in and around its manufacturing sites. During this year, professionals having sound experience in the area of agriculture, water & sanitation, women empowerment etc were engaged to implement the defined sustainable development programs. The company also tied up with some technical and financial supporters / collaborators and partners in progress for growth from sectors such as agro chemicals, NGOs, hospitals etc. Some of the major initiatives undertaken / or progressing from the previous years are: (a) Running of five site schools at limestone mines (b) Establishment of Animal Insemination Centre at Sutrapada (c) Facilitation of drinking water supply in village Khadsaliya (d) Commencement of sanitation awareness program and construction of more than 150 household toilet blocks (f) Formation of women Self Help Groups and (g) Holding of farmers training programs, farm demonstrations of new variety of seeds etc.

GHCL will be undertaking more such initiatives on the CSR front in the coming days. The team specifically formed to plan and execute the community development programmes works full time on its projects and the company ensures that there is no dearth of funds in implementing the CSR projects which are taken up for execution.

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2013

(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, 2013 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2013			
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 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 – Executive Director (Finance)		
	TOTAL NO. OF DIRECTORS	13	100%

Note:

* IDBI Bank had nominated Mr. Ajoy Nath Jha in place of Mr. K C Jani as a Nominee Director of the Company w.e.f. January 15, 2013.

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. 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, 2013, four Board Meetings were held on May 30, 2012, July 27, 2012, October 29, 2012 and January 28, 2013. 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, 2013 is given herein below:

Sl. No.	Name	Date Of Board Meeting				AGM Attendance (September 20, 2012)
		May 30, 2012	July 27, 2012	October 29, 2012	January 28, 2013	
1	Mr. Sanjay Dalmia	Yes	Yes	No	Yes	No
2	Mr. Anurag Dalmia	Yes	Yes	Yes	Yes	No
3	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes
4	Dr. B C Jain	Yes	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. K. C. Jani – Nominee IDBI Bank	Yes	Yes	Yes	N/A	No
9	Mr. Ajoy Nath Jha – Nominee IDBI Bank	N/A	N/A	N/A	Yes	N/A
10	Mr. R. M. V. Raman – Nominee EXIM Bank	Yes	Yes	No	Yes	No
11	Mr. Mahesh Kheria	Yes	Yes	Yes	Yes	No
12	Mr. Sanjiv Tyagi	Yes	Yes	Yes	Yes	No
13	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes
14	Mr. Raman Chopra	Yes	Yes	Yes	Yes	Yes

Note:

1. The word N/A denotes that person was not a member of the Board of the Company at the date of the relevant Board Meeting.
2. Mr. Sanjay Dalmia, Mr. Neelabh Dalmia, Mr. Sanjiv Tyagi and Mr. Mahesh Kheria are Directors retiring by rotation and are eligible for re-appointment. 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 (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, 2013 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, 2013
1	Mr. Sanjay Dalmia	00206992	1	-	-	-
2	Mr. Anurag Dalmia	00120710	1	-	-	-
3	Mr. Neelabh Dalmia	00121760	-	-	-	-
4	Dr. B C Jain	00319666	-	-	-	-
5	Mr. Surendra Singh	00003337	4	2	4	-
6	Mr. Ajoy Nath Jha	03567844	-	-	-	-
7	Mr. R M V Raman	01459620	-	-	-	-
8	Mr. S H Ruparell	00705817	-	-	-	-
9	Mr. Mahesh Kheria	00161680	-	-	-	-
10	Mr. G. C. Srivastava	02194331	1	-	-	-
11	Mr. Sanjiv Tyagi	00225812	3	-	-	-



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, 2013
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, 2013, 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. During the year, the Board have reconstituted the Audit Committee in their meeting held on January 28, 2013 and accordingly intimation was given to the Stock Exchanges. 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.

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, 2013, 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:

	Name of the Audit Committee members				
	Dr. B C Jain -Chairman of the Committee	Mr. Ajoy Nath Jha*	Mr. K C Jani*	Mr. G C Srivastava	Mr. Neelabh Dalmia
Category	Independent Director (Expertise in Finance, Banking & Accounting)	Nominee Director- IDBI Bank Ltd(Corporate finance, risk management & personal banking)	Nominee Director - IDBI Bank Ltd (Expertise in Banking & Finance)	Independent Director (Expertise in Tax & Accounting)	Non-executive Director (Expertise in Finance & Industry)
Date of the Meeting					
May 29, 2012	Yes	N/A	Yes	Yes	Yes
July 27, 2012	Yes	N/A	Yes	Yes	Yes
October 29, 2012	Yes	N/A	Yes	Yes	Yes
January 28, 2013	Yes	N/A	N/A	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	N/A	No	No	Yes

* IDBI Bank had nominated Mr. Ajoy Nath Jha in place of Mr. K C Jani as a Nominee Director of the Company w.e.f. January 15, 2013. Subsequent to the substitution of the nominee by IDBI Bank, the Board of Directors in its meeting held on January 28, 2013, has reconstituted Audit Committee and appointed Mr. Ajoy Nath Jha as a member of the Audit Committee & Project Committee.

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. Bhuneshwar 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 29th Annual General Meeting held on September 20, 2012 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) Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Remuneration Committee of the Company was constituted as early as in 1995. During the previous financial year, the Board had reconstituted the Remuneration Committee. 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.

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, 2013, the Remuneration Committee met only once on May 30, 2012. The Remuneration Committee of the Board comprises of Non-Executive Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE REMUNERATION COMMITTEE MEETINGS HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2013				
Name of the 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 30, 2012	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	No	Yes	No	No

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 and project committee meeting attended by Director during the financial year
- Overall contribution and roll outside the Meeting;
- Role and responsibilities towards growth of the Company.

Details of remuneration, commission and sitting fee paid/ payable to the Directors of the Company for the financial year ended March 31, 2013 are given below:

Non-Whole time Directors		(in Rupees)	
Name	Sitting Fees	Commission	
Mr. Sanjay Dalmia	80,000	9,60,712	
Mr. Anurag Dalmia	80,000	11,94,947	
Mr. Neelabh Dalmia	1,60,000	15,38,947	
Dr. B. C. Jain	1,80,000	16,03,447	
Mr. Surendra Singh	1,00,000	12,59,447	
Mr. S. H. Ruparell	--	--	
Mr. G. C. Srivastava	1,60,000	15,38,947	
Mr. K. C. Jani/Mr. Ajoy Nath Jha – Nominee IDBI*	1,40,000	14,52,947	
Mr. R. M. V. Raman – Nominee EXIM Bank*	60,000	8,96,212	
Mr. Mahesh Kheria	80,000	11,94,947	
Mr. Sanjiv Tyagi	1,00,000	12,59,447	
TOTAL	11,40,000	1,29,00,000	

Note: Commission payable to all or any one of the Non Whole Time Directors shall in aggregate not exceed 1% per annum of the net profit of the Company calculated under the provisions of the Companies Act, 1956.

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

Managing Director / Whole Time Directors		(in Rupees)	
Name	Salary and other perquisites	Commission	
Mr. R S Jalan, Managing Director	1,98,43,376	1,94,00,000	
Mr. Raman Chopra, Executive Director (Finance)	1,06,96,424	1,14,00,000	
Mr. Tej Malhotra, Sr. Executive Director (Operations)*	79,11,232	--	
Total	3,84,51,032	3,08,00,000	

*Mr. Tej Malhotra retired from the services of the Company at the close of office hours on May 4, 2012. Accordingly, Mr. Malhotra ceased as a Director on the board of the Company with effect from May 5, 2012 and his salary includes benefits received by him on account of his retirement.

- 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.
- Presently the Company has an Employee Stock Option Scheme (ESOS) for its employees including Whole Time Directors of the Company. In line with the requirement of SEBI Circulars dated January 17, 2013 and May 13, 2013, ESOS will not be operational after December 31, 2013. The Trust will survive only for the limited purpose to represent its case pending before the Court or Arbitration.
- Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund, LTA paid and premium on Gratuity Policy.

(iii) Share Transfer and Investors' Grievances Committee:

The Board had constituted the Share Transfer & Investors' Grievances Committee. During the previous financial year, the Board had reconstituted the Share Transfer and 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, 2013 is as under:

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

The Company consider its shareholders as 'owners' and take all effective steps to resolve their complaints as soon as possible. All complaints are resolved within 15 days except those which are of legal nature. The Company received 38 shareholders complaints from Stock Exchanges and 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 38 complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2013:

Sl. No.	Type of Complaints	Total No. of Complaints received during the financial year ended March 31, 2013	Total No. of Complaints resolved during the financial year ended March 31, 2013	No. of Complaints pending as on March 31, 2013*
1	Non-receipt of dividend	232	229	3
2	Share transfer including Dmat request	25	24	1
3	Non receipt of Annual Report	18	18	0
	Total	275	271	4

*There are 4 complaints pending as on March 31, 2013. However, all are resolved as on April 30, 2013. 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.

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

(iv) Banking and Operations Committee

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

The composition of the Banking and Operations Committee as on March 31, 2013 is as under:

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

(v) Project Committee

During the year, the Board have reconstituted the Project Committee in their meeting held on January 28, 2013 and accordingly adequate intimation was given to the Stock Exchanges in this regard. 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, 2013 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 year, the Board of Directors have 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 is constituted to strengthen and monitor CSR policy of the Company.

The composition of the CSR Committee as on March 31, 2013 is as under:

Sl. No.	Name	Status
1	Mr. Sanjiv Tyagi – Independent Director	Member
2	Mr. Neelabh Dalmia – Non Executive Director	Member
3	Mr. R S Jalan – Managing Director	Member



4. General Body Meeting:

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

Financial Year	Date	Time	Venue
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
2009-10	September 9, 2010	10.00 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
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
27 th AGM	September 9, 2010	No Special Resolution

(c) Extraordinary General Meeting (EGM)

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2012-13, 2011-12 and 2010-11.

(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, 2013, 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.

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

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

- (i) During the financial year 2008-09, SEBI had passed ad interim, ex-parte order dated April 20, 2009, 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. The Adjudication officer had issued Show Cause Notices to the company and its officers, which have been adequately replied. Simultaneously, the Company had applied for consent settlement to put an end to the protracted proceedings and with a view to avoid litigation and to safeguard the interest of the stakeholders. The matter is still sub judice. In the matter of Mr. R S Jalan and Mr. Raman Chopra, the Adjudicating Officer has passed the order on October 12, 2012 and recorded in his order that "*noticee might have acted on legal advise, but it would have been appropriate if he would have attempted to make a full and fair disclosure. - ----However, it is also noted that the Noticee had not dealt in shares of GHCL*". After considering the representations of Mr. R S Jalan and Mr. Raman Chopra, AO has imposed a penalty of ₹ 1.00 lacs and closed the matter.
- (ii) In other matter, Securities Exchange Board of India (SEBI) vide its Show Cause Notice No. EAD-7/PB/CS/28204/2010 dated November 30, 2010 ("the Notice") had inter alia alleged that GHCL has violated the provisions of Clause 35 of the Listing Agreement and other regulations by not disclosing shares held by promoters which are subject matter of Arbitration process with Indiabulls as an "encumbered shares". Similar notices 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. At present, GHCL's matter is pending before AO.



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

Code for prevention of insider trading practices

In compliance with the SEBI regulation on prevention of Insider Trading, the Company has placed a comprehensive code of conduct for its management and its staff. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

Code of Conduct:

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

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

Pursuant to the requirement of Clause 54 of the Listing Agreement, the Company maintains a functional website of

the Company and website address of the Company is www.ghclindia.com. Website of the Company provides the basic information about the Company e.g. details of its business, financial information, shareholding pattern etc. and the Company is regularly updating the Information provided on its website.

Risk Management:

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

The Company has complied with the above requirement.

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

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

6. Means of communications:

PUBLICATION OF UNAUDITED QUARTERLY / HALFYEARLY RESULTS AND RELATED MATTERS							
Sl. No.	Particulars		Quarter - I	Quarter - II	Quarter - III	Quarter - IV	Financial Year ended March 31, 2013 (Audited)
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 28, 2012	October 30, 2012	January 29, 2013	May 25, 2013	May 25, 2013
		The Hindu - Business Line	July 28, 2012	October 30, 2012	January 29, 2013	May 25, 2013	May 25, 2013
2	Vernacular Newspapers in which quarterly results were published / to be published	The Economic Times – Gujarati	July 30, 2012	October 30, 2012	January 29, 2013	May 27, 2013	May 27, 2013
		Jai Hind – Gujarati	July 28, 2012	---	----	May 25, 2013	May 25, 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 27, 2012	October 29, 2012	January 28, 2013	May 24, 2013	May 24, 2013
	BSE Limited (BSE)	www.bseindia.com	July 27, 2012	October 29, 2012	January 28, 2013	May 24, 2013	May 24, 2013
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:

GENERAL SHAREHOLDER INFORMATION				
Sl. No.	Particulars	Details		
1	Annual General Meeting	Thursday, September 26, 2013	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, 2013)	By 2 nd week of August 2013		
	Financial Reporting for - Quarter - II (ending September 30, 2013)	By 2 nd week of November 2013		
	Financial Reporting for - Quarter - III (ending December 31, 2013)	By 2 nd week of February 2014		
	Financial Reporting for - Quarter - IV (ending March 31, 2014)	By 4 th week of May 2014		
3	Date of Book Closure	Monday, September 16, 2013 to Thursday , September 26, 2013 (both days inclusive)		
4	Dividend Payment Date	Dividend of ₹ 2.00 per share (20%) will be paid on or after Monday, September 30, 2013, 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, Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	500171	INE 539 A01019
		National Stock Exchange of India Limited , "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019
		The Stock Exchange, Ahmedabad, KamDhenu Complex, Opp. Sahajanand College, Ahmedabad - 380 015	20850	INE 539 A01019
6	Listing 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 : rnt.helpdesk@linkintime.co.in)		
8	Outstanding GDRs / ADRs / Warrants or any convertible instruments:			
	Not applicable			
9	Address for Correspondence			
	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : 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 9,57,99,501 shares were held in dematerialized form as on March 31, 2013. 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

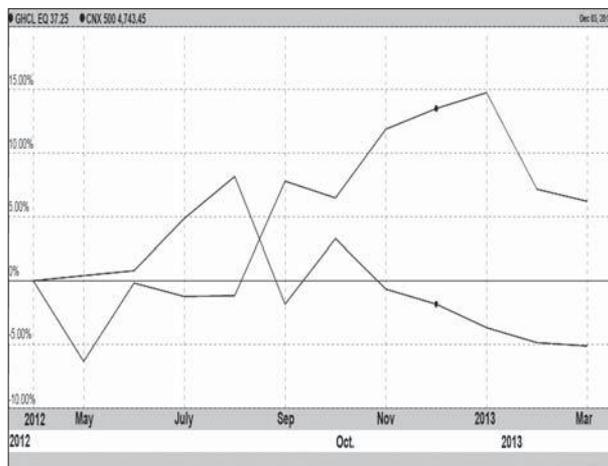
Dividend declared for last 10 years		
Financial Year	Dividend	Dividend (₹ per Share)
2002-03	23.00%	2.30
2003-04	15.00%	1.50
2004-05	20.00%	2.00
2005-06	24.00%	2.40
2006-07	27.00%	2.70
2007-08	24.00%	2.40
2008-09	20.00%	2.00
2009-10	20.00%	2.00
2010-11	20.00%	2.00
2011-12	20.00%	2.00

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, 2013

MARKET PRICE DATA						
Month of the financial year 2012-13	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
	High	Low		High	Low	
April 2012	39.15	28.00	1031926	40.00	33.10	1942894
May 2012	38.75	35.20	733657	38.90	35.20	935361
June 2012	39.70	37.50	358434	39.75	37.10	688289
July 2012	43.50	38.35	1105896	43.50	38.30	1966741
August 2012	43.65	39.30	439813	43.65	39.10	955162
September 2012	41.70	36.55	460780	41.65	36.00	1169859
October 2012	44.20	37.20	3303958	44.50	37.15	6700913
November 2012	40.15	36.55	1806852	40.05	36.50	1951352
December 2012	39.50	37.05	552952	39.90	37.05	1261417
January 2013	38.95	36.25	431627	38.90	36.30	1499736
February 2013	37.40	36.05	312651	37.25	36.00	1376958
March 2013	37.00	35.25	366804	36.50	35.20	1414175

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 years 2003-04 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 years 2003-2004.

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
2005-06 (9 months)	19-06-2006	June 2013
2006-07 (15 months)	30-07-2007	July 2014
2007-08	12-09-2008	September 2015
2008-09	31-12-2009	December 2016
2009-10	09-09-2010	September 2017
2010-11	02-09-2011	September 2018
2011-12	20-09-2012	September 2019

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2013

No. of Shares held of ₹ 10 each between		No. of shareholders	% of total share holders	No. of shares	% of total shares
From	To				
1	500	58543	86.10%	9639618	9.64%
501	1000	5048	7.42%	4289750	4.29%
1001	2000	2218	3.26%	3480600	3.48%
2001	3000	723	1.06%	1875761	1.88%
3001	4000	306	0.45%	1115107	1.11%
4001	5000	302	0.45%	1443304	1.44%
5001	10000	420	0.62%	3056236	3.06%
10001	Above	436	0.64%	75118910	75.10%
		67996	100.00%	100019286	100.00%

SHAREHOLDING PATTERN AS ON 31ST MARCH 2013

Category	No. of shares held	% of shareholding
A Promoters Holding		
1 Promoters		
Indian Promoters	11943984	11.94%
Foreign Promoters	5507900	5.51%
2 Others		
Trust	152000	0.15%
Sub-Total	17603884	17.60%
B Non-promoters Holding		
3 Institutional Investors		
Mutual Funds and UTI	16913	0.02%
Banks, Financial Institutions & Insurance Companies	6372722	6.37%
FIs	6250589	6.25%
Foreign Mutual Fund	0	0.00%
Sub-Total	12640224	12.64%
4 Non-institutional Investors		
Bodies Corporate	31012298	31.01%
Indian public (Individuals & HUF)	35157348	35.15%
NRIs, OCBs & Foreign Companies	1966044	1.97%
Directors & relatives	56843	0.06%
Others	1582645	1.57%
Sub-Total	69775178	69.76%
Grand Total	100019286	100.00%

Plant Locations:

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

**DECLARATION**

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the financial year ended March 31, 2013.

For GHCL LIMITED

Sd/-
R S Jalan
Managing Director

Sd/-
Raman Chopra
Executive Director (Finance)

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

We the undersigned certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2013 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
 - (ii) 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 24, 2013

Sd/-
Raman Chopra
Executive Director (Finance)

AUDITORS' CERTIFICATE

To the Members of
GHCL LIMITED

We have examined the compliance of conditions of corporate governance by GHCL Limited ('the Company'), for the financial year ended on 31st March, 2013, 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 : 24th May , 2013

For and on behalf of

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

(GAUTAM R. DIVAN)
Partner
Membership No: 006457



SECRETARIAL AUDIT REPORT

The Board of Directors
GHCL Limited

I have examined the registers, records and documents of GHCL Limited ("the Company") for the financial year ended on March 31, 2013 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - 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;
- (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, , 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 29th . Annual General Meeting held on September 20, 2012;
- (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, issue and allotment of shares and issue and delivery of original and duplicate certificates of shares;
- (n) declaration and payment of final dividend;
- (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;
 - (v) generally, all other applicable provisions of the Act and the Rules made under that Act. and
 - (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 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; and
 - (c) the Company has obtained all necessary approvals under the various provisions of the Act;
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; and
 - (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;

Dr K R Chandratre
Practising Company Secretary
Certificate of Practice No. 5144
Dated **May 24, 2013**.

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 2013, 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"). 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. 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 2013;
- (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; and
- e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, 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 : 24th May, 2013

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

(GAUTAM R. DIVAN)
Partner
Membership No: 006457

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, 2013 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to ₹1300.30 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	CIT (Appeal), Ahmedabad	F.Y. 2007-2008	3.14
2	Central Excise Act, 1944	CENVAT credit	High Court Chennai	2001-02	3.44
			Customs, Excise and Service Tax Appellate Tribunal	2002-03, 2008-09, 2009-10 & 2010-11	1077.50
			Commissioner (Appeals)	2005-06 & 2011-12	8.67

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	5.86
4	Urban Land Tax Act	Urban Land Tax	High Court, Chennai	1981-2013 & 2010-2011	73.18
5	Bombay Tenancy & Agricultural Land Tax Act, 1948	Non-Agriculture conversion Premium for Land	High Court, Ahmedabad	2005-2006	121.18
6	The Employee's State Insurance Act, 1948	Contribution Demand	ESI Court, Madurai	Various Years	6.02
			Supreme Court	1985-1986	1.31

- (x) The Company neither has any accumulated losses at the end of the financial year nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.
- (xii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable.
- (xiv) According to the information and explanations given by management, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) Based on our examination of the records, we are of the opinion that the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interest of the Company.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xvii) Based on our examination of the Balance Sheet and cash flows of the Company as at 31st March, 2013 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, 2013.

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)
 (GAUTAM R. DIVAN)
 Partner
 Membership No: 006457

Place : New Delhi
 Date : 24th May, 2013



BALANCE SHEET AS AT 31ST MARCH 2013

	Notes	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	10,001.93	10,001.93
Reserves and Surplus	2.2	96,745.34	86,155.20
		106,747.27	96,157.13
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	62,208.15	70,436.01
Deferred Tax Liability (Net)	2.4	16,327.40	16,634.31
Other Long term liabilities	2.5	329.97	210.19
Long-term provisions	2.6	106.95	70.29
		78,972.47	87,350.80
CURRENT LIABILITIES			
Short-term borrowings	2.7	46,386.32	48,171.28
Trade payables	2.8	38,411.16	22,981.28
Other current Liabilities	2.9	15,619.88	19,467.94
Short-term Provisions	2.10	3,719.29	3,480.44
		104,136.64	94,100.94
Total		289,856.39	277,608.87
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible assets	2.11	186,930.58	187,077.31
Intangible assets	2.11	145.05	163.07
Capital Work-in-Progress		3,156.20	1,506.54
		190,231.83	188,746.92
Non-current Investments	2.12	558.38	2,493.92
Long-term loans and advances	2.13	823.01	1,301.82
Other non-current assets	2.14	382.25	938.63
CURRENT ASSETS			
Current Investments	2.12	-	379.53
Inventories	2.15	39,107.11	32,452.73
Trade receivables	2.16	24,112.92	18,949.25
Cash and bank balances	2.17	2,869.06	3,011.26
Short-term loans and advances	2.18	31,771.83	28,949.71
Other Current assets	2.19	-	385.10
		97,860.92	84,127.58
Total		289,856.39	277,608.87

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS

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

G C Srivastava
Director

R. S. Jalan
Managing Director

Raman Chopra
Executive Director - Finance

(C. V. Thakker)
Partner

(Gautam R. Divan)
Partner

Bhuvneshwar Mishra
General Manager & Company
Secretary

Place : New Delhi
Date : 24th May, 2013

Place : New Delhi
Date : 24th May, 2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

	<u>Note</u>	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
INCOME			
Revenue from operations (Gross)	2.20	226,485.66	200,019.79
Less: Excise Duty		13,991.02	10,346.64
Revenue from operations(Net)		212,494.64	189,673.15
Other Income	2.21	298.49	962.66
TOTAL REVENUE		212,793.13	190,635.81
EXPENSES			
Cost of Material consumed	2.49(i)	79,091.35	77,074.82
Purchase of Stock-in-trade		6,129.12	9,201.43
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.22	558.33	(2,435.41)
Employees benefits expenses	2.23	11,103.34	9,992.52
Others expenses	2.24	73,954.58	58,356.42
		170,836.72	152,189.78
Profit Before Finance costs and Depreciation and Amortisation expenses		41,956.41	38,446.03
Finance costs	2.25	15,796.18	18,496.15
Profit Before Depreciation and Amortisation expenses		26,160.23	19,949.88
Depreciation and Amortisation expenses	2.11	10,131.11	10,021.17
Less: Transferred from Business Development Reserve		1,934.39	1,936.31
		8,196.72	8,084.86
		17,963.51	11,865.02
Exceptional Items	2.29	(3,958.32)	-
Profit Before Tax		14,005.19	11,865.02
Tax expenses			
- Current Tax	2.30	2,819.45	377.00
- Deferred Tax (Net)	2.4	(306.91)	(259.93)
Profit For The Year after Tax		11,492.65	11,747.95
Transferred from General Reserve as per Scheme of Arrangement		-	9,989.96
Loss on Investment /Balances written off as per Scheme of Arrangement		-	(9,989.96)
Net Profit For The Year after Tax		11,492.65	11,747.95
Earnings per Share(Rupees) - Basic / Diluted	2.26	11.49	11.96
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 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	G C Srivastava Director
		R. S. Jalan Managing Director	Raman Chopra Executive Director - Finance
(C. V. Thakker) Partner	(Gautam R. Divan) Partner		Bhwneshwar Mishra General Manager & Company Secretary
Place : New Delhi Date : 24th May, 2013		Place : New Delhi Date : 24th May, 2013	

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and Extraordinary items	17,963.51	11,865.02
Adjustment for :		
Depreciation / Amortisation	8,196.72	8,084.86
Foreign Exchange (Gain)/ Loss (Net)	6,441.96	1,181.27
Interest Income	(478.71)	(224.18)
Income From Dividend	(3.39)	(5.69)
Prior Period Adjustments	3.92	18.89
(Profit) / Loss on Sales / Discarding of Fixed Assets (Net)	23.28	(564.68)
Provision for Doubtful Debts / Advances (Net)	85.60	-
Profit on Sale of Investments (Net)	(36.63)	(14.58)
Financial Expenses (Net)	16,274.89	18,720.33
Operating Profit before Working Capital Changes	48,471.15	39,061.24
Adjustments for :		
[i] Trade & Other Receivables		
* (Increase) / decrease in Trade receivables	(5,163.67)	(147.51)
* (Increase) / decrease in Long term Loans and Advances	478.81	(301.28)
* (Increase) / decrease in Short term Loans and Advances	(4,948.78)	(5,782.91)
* (Increase) / decrease in other Non - Current Assets	556.38	-
[ii] Trade & Other payables		
* Increase / (decrease) in Trade payables	15,429.88	21.50
* Increase / (decrease) in Long term provisions	36.66	70.29
* Increase / (decrease) in Short term provisions	220.39	(216.86)
* Increase / (decrease) in other current liabilities	527.11	171.16
* Increase / (decrease) in other long term liabilities	119.78	15.06
[iii] (Increase) / decrease in Inventories	(6,654.38)	5,866.45
Cash Generated from Operations	49,073.33	38,757.14
Direct taxes paid	(2,864.62)	(28.11)
Net cash from Operating Activities	46,208.71	38,729.03
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(11,796.55)	(3,318.63)
Sale of Fixed Assets	22.63	957.37
(Purchase) / Sale of non current Investments	(0.52)	(0.53)
(Purchase) / Sale of current Investments	416.16	(364.96)
Gain on Exchange	(6,441.96)	(1,181.27)
Interest Received	257.48	163.42
Dividend Received	3.39	5.69
Net cash used in Investing Activities	(17,539.37)	(3,738.91)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term borrowings	21,427.65	38,570.43



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Repayments against Long Term Borrowings	(29,655.52)	(56,482.90)
Short Term Borrowings (Net)	(1,784.96)	3,448.26
Interest and Finance Charges Paid	(16,467.09)	(18,341.07)
Dividend and tax thereon paid	(2,331.62)	(2,317.70)
Net Cash from Financing Activities	(28,811.54)	(35,122.98)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(142.20)	(132.86)
Cash and Cash Equivalents at beginning of year	3,011.26	3,144.12
Cash and Cash Equivalents at end of year	2,869.06	3,011.26

As per our report attached

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

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

(C. V. Thakker)
Partner

(Gautam R. Divan)
Partner

Place : New Delhi
Date : 24th May, 2013

For and on behalf of the Board

Sanjay Dalmia
Chairman

G C Srivastava
Director

R. S. Jalan
Managing Director

Raman Chopra
Executive Director - Finance

Bhwneshwar Mishra
General Manager & Company
Secretary

Place : New Delhi
Date : 24th May, 2013

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.

Deferred Revenue Expenditure

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

However, expenditure incurred during the year, on such items which do not meet the definition of Intangible Assets as per the said Standard are charged off to the Statement of Profit and Loss.

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 YEAR ENDED 31ST MARCH 2013
NOTE 2.1 : SHARE CAPITAL

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
SHARE CAPITAL		
Authorised		
175,000,000 Equity Shares of ₹10/- each	17,500.00	17,500.00
	<u>17,500.00</u>	<u>17,500.00</u>
Issued, Subscribed and Paid up		
100,019,286 Equity Shares of ₹ 10/- each fully paid up	10,001.93	10,001.93
	<u>10,001.93</u>	<u>10,001.93</u>
Notes :		
Shareholder's holding more than 5 % Shares as on Balance Sheet date:	NIL	NIL

NOTE 2.2 : RESERVES AND SURPLUS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
CAPITAL RESERVE		
Cash subsidy	25.69	25.69
Surplus on re-issue of forfeited Shares	15.50	15.50
Forfeiture of Preferential Convertible Warrants	715.73	715.73
	<u>756.92</u>	<u>756.92</u>
BUSINESS DEVELOPMENT RESERVE		
As per last Balance Sheet	60,579.09	66,360.27
Add: Earlier diminution in value of Investment Written back	-	10,000.00
	<u>60,579.09</u>	<u>76,360.27</u>
Less: Diminution in value of Investment/ Advances/ Receivables	-	(10,330.51)
Add/ (Less): Mark to Market impact on derivative (forward contracts & options)	3,172.20	(2,958.90)
Less : Depreciation Transferred to statement of Profit and Loss as reduction from depreciation	(1,934.39)	(1,936.31)
Less: Write back on Sales of Revalued Assets	(6.38)	(555.46)
	<u>1,231.43</u>	<u>60,579.09</u>
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	1,000.00	1,000.00
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Balance Sheet	287.96	(49.61)
Adjustment during the year	203.58	337.57
	<u>491.54</u>	<u>287.96</u>
SECURITIES PREMIUM RESERVE		
As per last Balance Sheet	1,815.04	1,815.04
GENERAL RESERVE		
As per last Balance Sheet	7,503.75	7,493.71
Add: Transfer From Statement of Profit and Loss	1,149.27	10,000.00
	<u>8,653.02</u>	<u>17,493.71</u>
Less: Transfer to Statement of Profit and Loss as per Scheme of arrangement	-	(9,989.96)
	<u>8,653.02</u>	<u>7,503.75</u>

NOTE 2.2 : RESERVES AND SURPLUS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	14,212.44	14,570.27
Add: Profit For The Year after Tax	11,492.65	11,747.95
Prior period adjustments	3.92	18.89
Excess / (Short) provision for Tax for earlier years	(1.08)	(24.98)
Excess provision for Deferred Tax for earlier years	-	225.21
Amount Available For Appropriation	<u>25,707.93</u>	<u>26,537.34</u>
APPROPRIATIONS		
Transfer to General Reserve	1,149.27	10,000.00
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Tax on Dividend	339.97	324.51
	<u>3,489.63</u>	<u>12,324.90</u>
	<u>22,218.30</u>	<u>14,212.44</u>
Total	<u>96,745.34</u>	<u>86,155.20</u>

NOTE 2.3 : LONG TERM BORROWINGS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
FROM BANKS / FINANCIAL INSTITUTIONS		
Secured Loan		
Rupee Term Loans	59,079.69	69,217.44
Unsecured Loan		
Other Loans from banks	3,128.46	1,218.57
Total	<u>62,208.15</u>	<u>70,436.01</u>

Notes:

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

- Loan aggregating to ₹ 13984.36 Lacs is secured by extension of first charge on pari passu basis, by way of equitable mortgage on immovable properties of the Soda Ash Division situated at Sutrapada, Veraval, Gujarat and extension of hypothecation charge on movable assets, both present and future of the company's Soda Ash division situated at village – Sutrapada, Veraval in Gujarat with other term lenders of the said project. The remaining tenure of the loans is 3 to 5 years.
- Loan aggregating to ₹ 8919.53 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 6 to 10 years.
- Loan aggregating to ₹ 12244.48 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 4 years.
- Loan aggregating to ₹ 5612.18 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 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 2 to 3 years.
- Loan aggregating to ₹ 3029.91 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 6 to 10 years.
- Loan aggregating to ₹ 2803.12 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu and hypothecation of specified movable assets, both present and future of the Company's Textile Division. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 2 to 4 years.

- g) Loan aggregating to ₹ 3426.60 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 6 to 9 years.
- h) Loan aggregating to ₹ 11652.00 Lacs is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 3 to 5 years.
- i) Loan aggregating to ₹ 206.91 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 loans is 2 years.
- j) Loan aggregating to ₹ 302.60 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 loans is 2 years.
- k) Loan aggregating to ₹ 3333.33 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 loans is 3 years.
- l) Loan aggregating to ₹ 2437.50 Lacs is secured by an exclusive charge on immovable property situated at GHCL House, Swastik Society, Navrangpura, Ahmedabad, Gujarat. The remaining tenure of the loans is 4 years.
- m) Out of all the aforesaid secured Loans appearing in note 2.3 (a) to 2.3 (l) totaling ₹ 67952.52 Lacs, an amount of ₹ 8872.83 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 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Deferred tax liability on account of:		
i) Depreciation	16,864.68	16,837.93
ii) Others		
Foreign Currency Fluctuation Loss	-	323.25
Total (A)	16,864.68	17,161.18
Deferred tax assets on account of:		
i) Employee Benefit	394.56	394.22
ii) Provision for Bad Debts	29.23	0.13
iii) Disallowance u/s 40 (a)	65.05	-
iv) Carry forward loss as per IT Act	-	67.36
v) Deferred Revenue Expenditure	48.44	65.16
Total (B)	537.28	526.87
Total (A-B)	16,327.40	16,634.31

NOTE 2.5 : OTHER LONG TERM LIABILITIES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Trade Deposits from Dealers	290.25	174.58
Security Deposits	39.72	35.61
Total	329.97	210.19


NOTE 2.6 : LONG TERM PROVISIONS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Mines Restoration Expenditure:		
Opening Provision	70.29	-
Add: Provision during the year	73.79	70.29
Less: Utilisation during the year	(37.13)	-
Total	106.95	70.29

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 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
SECURED LOANS REPAYABLE ON DEMAND		
Working Capital Loans from Banks	46,386.32	48,171.28
Total	46,386.32	48,171.28

- 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.
- 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 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Sundry Creditors for Goods and Expenses		38,329.17	22,949.15
Sundry Creditors- Micro, Small & Medium Enterprises	2.52	81.99	32.13
Total		38,411.16	22,981.28

NOTE 2.9 : OTHER CURRENT LIABILITIES

		As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Current maturities of long term Debt		8,872.83	7,960.83
Foreign currency payable on forward contact		-	3,172.20
Interest accrued but not due on borrowings		164.66	143.83
Interest accrued and due on borrowings		904.94	1,117.97
Sundry Creditors for Capital Expenditure		638.69	1,658.19
Advances from Customers		499.72	580.90
*Investor Education & Protection Fund in respect of			
- Unclaimed Dividend		250.62	241.89
- Unclaimed Fixed Deposits		-	0.20
Other liabilities			
Accrued salaries and benefits		1,249.30	1,482.49
Withholding and other taxes payable		836.13	431.99
Provision for Expenses		1,729.25	1,958.17
Other payable		473.74	719.28
Total		15,619.88	19,467.94

* The figure reflects the position as of 31st March, 2013. 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 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Provision for employees' benefits		
Unavailed leave	727.08	696.17
Bonus/gratuity	638.85	449.37
Others		
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Provision for		
Tax on Dividend	339.97	324.51
Wealth Tax	13.00	10.00
Total	3,719.29	3,480.44

NOTE 2.11 : FIXED ASSETS

(₹ In Lacs)

PARTICULARS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-04-2012	Additions (Deletions)	As at 31-03-2013	As at 01-04-2012	Additions (Deletions)	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
(A) TANGIBLE ASSETS								
Freehold Land	38,632.63	-	38,632.63	-	-	-	38,632.63	38,632.63
Leasehold Land	38,732.43	-	38,732.43	2,036.20	485.57	2,521.77	36,210.66	36,696.23
Buildings	17,826.65	1,141.10 (0.86)	18,966.89	4,819.41	544.27 (0.22)	5,363.46	13,603.43	13,007.24
Plant and Machinery	158,256.02	8,347.41 (621.22)	165,982.21	67,125.49	7,285.94 (579.55)	73,831.88	92,150.33	91,130.53
Wind Turbine Generators	4,044.93	-	4,044.93	1,542.58	213.57	1,756.15	2,288.78	2,502.35
Furniture and Fixtures	670.71	25.89	696.60	337.82	41.41	379.23	317.37	332.89
Office Equipments	1,453.96	86.01 (10.72)	1,529.25	825.69	148.92 (5.77)	968.84	560.41	628.27
Vehicles	429.50	65.12 (31.12)	463.50	179.28	40.21 (24.88)	194.61	268.89	250.22
Leased Mines	6,166.61	35.56	6,202.17	3,428.46	617.30	4,045.76	2,156.41	2,738.15
Salt Works Reservoirs and Pans	6,332.23	198.17	6,530.40	5,173.43	615.30	5,788.73	741.67	1,158.80
Sub Total (A)	272,545.67	9,899.26 (663.92)	281,781.01	85,468.36	9,992.49 (610.42)	94,850.43	186,930.58	187,077.31
(B) INTANGIBLE ASSETS								
Goodwill	262.32	-	262.32	262.32	-	262.32	-	-
Software	545.15	120.50	665.65	382.08	138.61	520.69	144.96	163.07
Trade mark	-	0.10	0.10	-	0.01	0.01	0.09	-
Sub Total (B)	807.47	120.60	928.07	644.40	138.62	783.02	145.05	163.07
Grand Total (A+B)	273,353.14	10,019.86 (663.92)	282,709.08	86,112.76	10,131.11 (610.42)	95,633.45	187,075.63	187,240.38
Previous Year	271,467.70	3,235.90 (1,350.46)	273,353.14	76,465.28	10,021.17 (373.69)	86,112.76	187,240.38	

- Building include a sum of ₹ 497.80 Lacs being cost of office premises acquired on ownership basis purchased during the 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).
- Deletion of Free Hold Land includes ₹ Nil (Previous Year ₹ 548.97 lacs) being revaluation amount of land of Sree Meenakshi Mills Division at Madurai and Plant & Machinery of ₹ 9.29 Lacs (Previous Year 9.04 lacs) of Soda ash Division sold during the year.



NOTE 2.12 : NON CURRENT INVESTMENTS /CURRENT INVESTMENTS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ 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 Limited (Subscribed during the year)	0.52	-
SHARES IN SUBSIDIARY COMPANIES		
Unquoted (at cost unless stated otherwise)		
35,942 Equity Shares of EURO 100/- each fully paid up of Indian Britain B.V (Written off during the year as exceptional items)	-	1,936.06
45380 Equity Shares of Euro 1 each fully paid of Indian England B.V	0.49	0.49
750 Equity Shares of \$ 10 each fully paid of Grace Home Fashion LLC	3.64	3.64
1000 Equity Shares of \$ 1 each fully paid of Teliforce Holding India Limited	0.45	0.45
50,000 Equity Shares of 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
	9.58	1,945.64
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)	558.38	2,493.92
CURRENT INVESTMENTS - (UNQUOTED)		
(At lower of cost and fair value-fully paid)		
Investment in Mutual Funds		
486282 Units of HDFC Liquid Fund - Growth	-	102.84
524590 units of J P MORGAN IndiaLiquid Fund	-	72.85
8912 units of PRAMERICA Liquid Fund-Growth	-	101.88
6924 units of RELIGARE Liquid Fund -Growth	-	101.96
Total (B)	-	379.53
Total (A+B)	558.38	2873.45
	As at 31.03.2013	As at 31.03.2012
	Book Value	Book Value
Quoted	547.46	547.46
Others	10.92	2,325.99
	396.22	416.23
	558.38	2,873.45

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

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Advances against capital expenditure	553.96	642.58
Security Deposits	269.05	659.24
Total	823.01	1,301.82

NOTE 2.14 : OTHERS NON-CURRENT ASSETS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Foreign Currency Monetary Item Translation Difference Account	-	611.05
Long Term Trade Receivable (Unsecured, considered good)	382.25	327.58
Total	382.25	938.63

NOTE 2.15 : INVENTORIES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ 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 ₹ 3957.39 Lacs)	20,227.83	14,004.35
Finished goods	8,633.66	9,189.49
Stock in process	3,316.99	2,921.66
Stock in trade	-	397.83
Stores and spares	6,928.63	5,939.40
Total	39,107.11	32,452.73

NOTE 2.16 : TRADE RECEIVABLES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Trade Receivable (Unsecured, considered good unless stated otherwise)		
Outstanding over six months from due date		
Considered good	257.89	307.49
Considered doubtful	85.60	0.41
Provision for Doubtful Debts	(85.60)	(0.41)
	257.89	307.49
Other debts	23,855.03	18,641.76
Total	24,112.92	18,949.25

NOTE 2.17 : CASH AND BANK BALANCES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Cash and cash equivalents		
(a) Balances with Banks		
On current Account	1,653.31	2,419.51
On unpaid dividend account	250.62	241.89
(b) Cash -on- hand	10.07	14.70
Others bank balances		
Banks deposits with original maturity for more than 12 months	94.83	306.43
Margin money deposit	860.23	28.73
Total	2,869.06	3,011.26

NOTE 2.18 : SHORT-TERM LOANS AND ADVANCES

(Unsecured, considered good)	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Advances recoverable in cash or in kind or for value to be received - Considered Good	13,780.16	12,073.74
Loan to Employee Stock Option Scheme Trust	4,353.57	6,377.36
Due from Subsidiary Companies	12,545.87	9,602.05
Interest Accrued on Investments	0.56	0.56
Balances with Customs, Port Trust, Central Excise etc.	658.23	493.66
Income Tax paid / TDS (net of provisions of ₹ 2819.45 Lacs Previous Year ₹377 lacs)	433.44	402.34
Total	31,771.83	28,949.71

NOTE 2.19 : OTHERS CURRENT ASSETS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Foreign Currency Monetary Item Translation Difference Account	-	385.10
Total	-	385.10

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS
NOTE 2.20 : REVENUE FROM OPERATIONS

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Revenue from operations		
Sales of Products		
Finished Goods	216,356.39	186,390.68
Traded Goods	7,140.97	9,958.64
Sales of Services	1,121.63	885.04
Others operating revenue		
Waste & Scrap sales	1,866.67	2,785.43
Revenue from operations(Gross)	226,485.66	200,019.79
Less: Excise Duty	13,991.02	10,346.64
Revenue from operations(Net)	212,494.64	189,673.15

NOTE 2.21 : OTHER INCOME

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Interest on Investment	7.44	3.06
Dividend Income (Non Current Investment)	3.39	5.69
Interest on Income Tax Refund	-	51.39
Profit on sale of Assets (net)	-	564.68
Profit on sale of Investment (net) (Current Investment)	36.63	14.58
Bad debts written off recovered	17.00	-
Sundry Balances Written back (net)	46.08	163.89
Rent Income	3.00	3.68
Others non-operating income	184.95	155.69
Total	298.49	962.66

NOTE 2.22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

		For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Opening stock	2.49(b)		
Finished Goods		9,189.49	7,217.74
Stock in trade		397.83	330.10
Stock in Process		2,921.66	2,525.73
	(A)	12,508.98	10,073.57
Closing stock	2.49(h)		
Finished Goods		8,633.66	9,189.49
Stock in trade		-	397.83
Stock in Process		3,316.99	2,921.66
	(B)	11,950.65	12,508.98
Changes in inventories of finished goods, work-in-progress and stock-in-trade (A-B)		558.33	(2,435.41)

NOTE 2.23 : EMPLOYEES BENEFITS EXPENSES

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Salaries, Wages and Bonus	9,155.13	8,315.51
Contribution to PF and other funds	1,086.78	822.86
Staff Welfare	553.43	496.15
Commission to Whole time Directors	308.00	358.00
Total	11,103.34	9,992.52

NOTE 2.24 : OTHERS EXPENSES

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Repairs and Maintenance		
Machinery	1,801.60	1,183.37
Building	104.28	74.88
Others	271.55	269.71
	2,177.43	1,527.96
Stores and Spares	4,175.90	3,767.19
Power, Fuel and Water	34,068.53	25,895.94
Other Manufacturing Expenses	7,294.68	7,562.68
Packing Expenses	6,454.22	5,714.05
Cash Discount	1,468.94	1,235.62
Freight and Forwarding	4,322.06	5,074.12
Commission on Sales	1,708.26	1,532.43
Sales Promotion Expenses	390.13	289.45
Travelling & Conveyance	924.84	773.35
Rent and Lease Rent	525.15	550.99
Rates and Taxes (includes ₹13.00 Lacs (previous year ₹ 10.00 Lacs) for Wealth Tax)	147.51	121.38
Insurance	614.49	559.09
Loss on Exchange (net) *	6,441.96	1,181.27
Commission to Non Whole time Directors	129.00	102.00
Communication Expenses	175.38	162.12
Legal & Professional Expenses	1,243.42	1,135.64
Bad Debts / Irrecoverable amounts written off	1.29	-
Donation	162.14	70.64
Provision for Doubtful Debts	85.60	-
Deficit on Sale/Discarding of Fixed Assets (Net)	23.28	-
Excise Duty	258.44	(41.78)
Miscellaneous Expenses	1,161.93	1,142.28
Total	73,954.58	58,356.42

NOTE 2.25 : FINANCE COSTS

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Interest - Fixed Loans	10,541.71	11,110.85
- Others	3,222.38	3,150.51
Loss on foreign currency transactions and translation (net) *	1,704.96	3,919.84
Other borrowing costs	805.84	539.13
	16,274.89	18,720.33
Less : Interest and Financial charges capitalised	221.23	60.76
Less : Interest from Subsidiary Company	192.58	132.98
Less : Interest Income Others	64.90	30.44
	478.71	224.18
Total	15,796.18	18,496.15

* 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 ₹ 8146.92 Lakh (previous year ₹ 5101.11 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 lower interest cost of ₹ 1704.96 Lakh (previous year ₹ 3919.84 lakh). Therefore, out of total exchange loss of ₹8146.92 Lakh (previous year ₹ 5101.11 Lakh), a sum of ₹ 1704.96 Lakh (previous year ₹ 3919.84 Lakh) has been recognized under finance cost as "Exchange Loss equivalent to Interest Saving on forex instruments transferred to finance cost" and balance ₹ 6441.96 Lakh (previous year ₹ 1181.27 Lakh) has been shown as Foreign Exchange Loss.

NOTE 2.26 : EARNING PER SHARE(EPS)

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Basic /Diluted EPS		
Earnings per Share has been computed as under:		
Profit after Taxation (₹ in Lacs)	11,492.65	11,747.95
(Less)/Add : Prior year Adjustment	2.84	219.12
	<u>11,495.49</u>	<u>11,967.07</u>
The weighted average number of Equity Shares for Basic /Diluted EPS	100,019,286	100,019,286
Earnings per share (Face value of ₹ 10/- per share) (A) / (B)	11.49	11.96

	As at 31st March, 2013 (₹ in Lacs)	As at 31st March, 2012 (₹ in Lacs)
2.27 a) Estimated value of contracts remaining to be executed on Capital Account and not provided for	3,204.49	5,134.98
b) Contingent Liabilities :		
(i) Guarantees issued by banks	1,604.01	1,548.78
(ii) Bills discounted with banks (since realized)	5,489.45	5,340.95
(iii) Claims against the Company not acknowledged as debts		
- Income Tax & Wealth Tax	72.89	102.71
- Sales Tax / VAT	9.85	3.99
- Excise & Service Tax	5,139.53	3,498.44
- Other claims	1,859.66	1,084.23
(iv) Corporate guarantee to Bank on behalf of subsidiaries of the Company	52,565.73	50,036.68
(of the above, US \$ 40 Million loan is due to be repaid on 27th July 2013)		
c) Export Obligation on duty free imports	24,811.61	16,782.33

2.28 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 NIL (previous year ₹ 10330.51 Lacs) has been charged to Business Development Reserve on account of diminution in the value of investments in and loans & advances to and receivables from subsidiaries. Any further impairment arising out of such diminution shall be accounted for in subsequent years upon reasonable certainty that the same is non realisable and shall be charged to Business Development Reserve until such reserves exists. Further additional depreciation arising out of revaluation amounting to ₹ 1934.39 Lacs (Previous year ₹ 1936.31 Lacs) has been charged to the Business Development Reserve.

- b) As per the Scheme, NIL (Previous year ₹ 9989.96 Lacs) pertaining to investment in subsidiary has been written off and adjusted against General Reserve.

2.29 Exceptional items are in respect of write off of investment of ₹1934.53 Lacs in Indian Britain B. V. (subsidiary company liquidated on 30th November, 2012) and ₹ 2023.79 Lacs on account of arbitration settlement entered into by GHCL Employees Stock Option Trust for loss on investment in company shares held by the ESOS Trust.



- 2.30 Provision for taxation has been made during the year under the Minimum Alternate Tax (MAT) as per the provision of the Income tax Act, 1961 which can be set off in subsequent years based on the provisions of Section 115JB.
- 2.31 The Company has received draft assessment order from the Income tax Department for the Assessment Year 2009-10 (relevant to Accounting Year 2008-09) showing addition of ₹ 3339.66 Lacs in the total income on account of various disallowances. The Company is disputing and denying additions proposed in draft assessment order based on legal opinion available with it and has approached the Dispute Resolution Panel (DRP) for adjudication. Hence no provision is considered necessary in the books of accounts.
- 2.32 The following changes have taken place during the year with regard to Subsidiary Companies

a) Liquidation/Dissolution of the company	Country	Date of Liquidation
GHCL Inc.	USA	14th May 2012
Indian Britain B.V.	Netherlands	30th November 2012
Colwell & Salmon Communications Inc	USA	1st April, 2013
b) Textile & Design Limited UK and Rosebys UK Limited, subsidiaries of the company are under Liquidation since 25th September, 2009 & 12th November, 2012 respectively.		
c) Due to Impending issues with the gas supplier M/s Romgaz, SC GHCL Upsom SA has been put under liquidation w.e.f. November 12, 2012. Casa Transilvania Cluj, was appointed as the official liquidator and the affairs of the company are being controlled by him. The Official Liquidator had called for bids for disposal of the Plant. Creditors Committee of GHCL Upsom in their meeting held on March 18, 2013 has decided to accept the highest bid of Euros 6.00mn made by Aloref SRL in association with Ascom International SRL. GHCL and its subsidiary Indian England NV henceforth, will continue to stand as a creditor in the insolvency proceeding.		

- 2.33 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.
- 2.34 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, 2013	For the Year Ended 31st March, 2012
	Payable	Payable
Due within one year	204.05	188.47
Due within the following four years	675.43	-
Due after five years	-	-

- 2.35 The value of closing stock of Finished Goods includes excise duty not paid ₹ 269.52 Lacs (previous year ₹62.70 Lacs). The value of Lignite at mines includes excise duty, royalty & clean energy cess of ₹ 37.66 Lacs (previous year ₹ 22.16 Lacs) on the closing stock. The Value of Salt at Salt Fields includes Cess & Royalty of ₹ 24.27 Lacs (previous year ₹ 19.11 Lacs) on Closing Stock.

This has however, no impact on the profit for the year.

- 2.36 Prior Period Item of ₹ 3.92 Lacs (Previous year ₹ 18.89 Lacs) is on account of excess provision for expenses of earlier year.
- 2.37 Loans & Advances includes ₹ 7,617.29 Lacs (previous year ₹ 7650.18 Lacs) paid as advance for purchase of materials and services outstanding for more than six months and considered good.
- 2.38 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, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
Employer's contribution to Provident Fund/Pension Scheme	551.11	496.08
Employer's contribution to Superannuation Fund	163.76	169.35

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 Profit & Loss Account based on actuarial valuation.

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

	For the Year Ended 31st March, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
Liability at the beginning of the year	692.61	686.71
Paid during the year	133.95	95.42
Provided during the year	228.93	101.32
Liability at the end of the year	787.59	692.61

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

Particulars	For the Year Ended 31st March, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
Obligation at year beginning	2,266.76	2,051.97
Service cost	139.87	152.87
Interest cost	198.34	169.29
Actuarial gain/(loss)	(189.30)	(30.01)
Benefits paid	(261.75)	(77.36)
Obligation at year end	2,532.52	2,266.76
Change in plan assets		
Plans assets at year beginning, at fair value	2,096.49	1,886.03
Expected return on plan assets	180.30	150.88
Actuarial gain/(loss)	(5.55)	(24.77)
Contributions	161.70	161.71
Benefits paid	(196.78)	(77.36)
Plan Assets at year end, at fair value	2,236.16	2,096.49
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	2,236.16	2,096.49
Present value of the defined benefit obligation at the end of the year	2,532.52	2,266.76
Assets recognised in the Balance Sheet	(296.36)	(170.27)
Gratuity cost for the year		
Service cost	139.87	152.87
Interest cost	198.34	169.29
Expected return on plan assets	180.30	150.88
Actuarial gain/(loss)	(194.85)	(5.24)
Net Gratuity cost	352.76	166.04
Investment details of plan assets		
% of the Plan Assets invested in debt instruments	90.47%	86.79%
% of the Plan Assets invested in equity	9.53%	13.21%



Particulars	For the Year Ended 31st March, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
Assumptions		
Mortality Table -LIC	2006-08(Ultimate)	1994-96(Ultimate)
Interest rate	8.25%	8.75%
Estimated rate of return on plan assets	8.70%	8.60%
Estimated future salary growth	7.00%	7.00%

2.39 Related Party Transactions
a Subsidiaries & Associate :

Indian England N.V.
 Indian Wales N.V.

 Dan River Properties LLC
 Grace Home Fashions LLC
 GHCL Rosebys Limited
 Rosebys Interiors India Limited
 Teliforce Holding India Limited
 Rosebys UK Limited (under Liquidation since 12th November, 2012)
 Textile & Design Limited (under Liquidation since 25th September, 2009)
 GHCL Inc. (Dissolved as at 14th May, 2012)
 Indian Britain B.V. (Liquidated as at 30th November, 2012)
 S C GHCL Upsom SA (ownership upto 12th November, 2012)
 Colwell & Salmon Communications Inc. (Liquidated as at 1st April, 2013)
 Fabient Textile Limited (Dissolved as at 31st January 2012)
 Rosebys International Limited (Dissolved as at 31st January 2012)
 DM Solar Farm Pvt Limited (w. e. f. 04th June, 2012)

b Key Management Personnel:

Mr. R. S. Jalan, Managing Director
 Mr. Tej Malhotra, Sr. Executive Director - Operations (upto 4th May 2012)
 Mr. Raman Chopra, 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 (w. e. f. 1st August, 2012)

Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2013

Sr. No.	Description	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
a) Transactions with Subsidiaries & Associate			
1.	Purchase of Electricity	43.41	-
	DM Solar Farm Pvt Limited	43.41	-
2.	Net Payment/(Receipt) of Loans & Advances	2,547.66	5,119.28
	Rosebys Interiors India Limited	1,546.13	5,053.45
	Dan River Properties LLC	(158.33)	(514.33)
	Teliforce Holding India Limited	24.87	580.15
	Indian England N.V.	1,134.99	-

Sr. No.	Description	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
3.	Interest Received	192.58	132.98
	Teliforce Holding India Limited	165.70	132.98
	Indian England N.V.	26.88	-
4.	Investment in Equities	0.52	(9.47)
	DM Solar Farm Pvt Limited	0.52	-
	Indian Britain B.V.	-	0.04
	Indian England N.V.	-	0.49
	Fabient Textile Limited (Dissolved as at 31st January 2012)	-	(5.00)
	Rosebys International Limited (Dissolved as at 31st January 2012)	-	(5.00)
5.	Loans & Advances Recoverable at the year end	12,545.87	9,602.05
	Rosebys Interiors India Limited	6,599.59	5,053.45
	Dan River Properties LLC	1,261.01	1,419.34
	Teliforce Holding India Limited	3,528.68	3,129.25
	Indian England N.V.	1,156.59	-
6.	Balance of Investment in Equities at the year end	10.10	1,945.64
	Indian England N.V.	0.49	0.49
	Grace Home Fashions LLC	3.64	3.64
	Teliforce Holding India Limited	0.45	0.45
	Rosebys Interiors India Limited	5.00	5.00
	DM Solar Farm Pvt Limited (w. e. f. 04th June, 2012)	0.52	-
	Indian Britain B.V.	-	1,936.06
b)	Transactions with Key Management Personnel		
1.	Remuneration	652.23	761.83
	Mr. R. S. Jalan, Managing Director	392.01	382.83
	Mr. Tej Malhotra, Sr. Executive Director - Operations (upto 4th May 2012)	39.93	157.70
	Mr. Raman Chopra, Executive Director - Finance	220.29	221.30
2.	Dividend on Shares	1.02	-
	Mr. R. S. Jalan, Managing Director	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	-
	Ravi Shanker Jalan, HUF (*0=₹ 200)	*0	-
d)	Transactions with Enterprises over which significant influence exercised by Directors		
1.	Purchase of Goods	0.75	-
	Dalmia Centre for Research & Development (w. e. f. 1st August, 2012)	0.75	-
2.	Payment of Royalty	4.00	-
	Dalmia Centre for Research & Development (w. e. f. 1st August, 2012)	4.00	-

*Balances of Investment, Advance for Share Application are after writing off of ₹ 1934.53 Lacs (Previous year ₹ 10.00 Lacs), NIL (Previous year 10320.51 Lacs).

2.40 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	Max. Balance	Investment
		at 31st March, 2013	outstanding	outstanding
		₹ in Lacs	₹ in Lacs	₹ in Lacs
Dan River Properties LLC	Subsidiary	1,261.01	1,419.34	-
Rosebys Interiors India Limited		6,599.59	6,599.59	5.00
Indian England N.V.		1,156.59	1,156.59	0.49
Teleforce Holdings India Limited		3,528.68	3,528.68	0.45

ii) Loans and Advances in the nature of Loans where there is no interest comprise employee loans of ₹ 196.27 Lacs (previous year ₹170.13 Lacs).

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

	For the Year Ended 31st March, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
Power & Fuel	-	1.74
Insurance	1.70	-
Legal and Professional Expenses	2.23	-
Miscellaneous Expenses	-	0.18
Financial Charges	13.01	36.36
Interest Charges	203.40	41.40
Total Preoperative Expenses	220.34	79.68
Add : Preoperative expenses incurred up to previous year	49.35	48.23
	269.69	127.91
Less : Capitalised during the year	161.26	78.56
Balance	108.43	49.35

2.42 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, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
Manufacturing Expenses	17,247.94	15,634.58
Stores and spares consumed	200.69	347.39
Power and Fuel	414.07	352.81
Excise Duty, Cess and Royalty	866.90	1,011.84
Repairs and maintenance		
Building	7.05	10.14
Plant and machinery	90.03	37.81
Earth work	79.24	88.25
Others	15.32	16.88
Salaries and Wages	831.09	742.76
Traveling & Conveyance	72.52	62.95
Lease Rent	67.19	58.54
Rates and taxes	14.09	13.16
Insurance	42.51	56.99
Misc. Expenses (Including Deferred Revenue & Intangible Expenses)	116.79	196.53
Less: Interest on Investments (other than trade)	(0.84)	(2.99)
Other Misc. Income	(183.81)	(125.51)
TOTAL	19,880.78	18,502.13

2.43 Payment to Auditors

	For the Year Ended 31st March, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
a) To Statutory Auditors as (excluding service tax)		
Auditors	28.00	28.00
Fees for Limited Review	10.00	10.00
Fee for tax financial statements	1.75	1.60
Certification fees and Others	3.64	6.08
Out of pocket expenses	0.60	0.61
Total	43.99	46.29
b) To Cost Auditors (excluding service tax)		
Audit Fee	1.60	1.23
Out of pocket expenses	0.09	0.05
Total	1.69	1.28

2.44 Managerial Remuneration

	For the Year Ended 31st March, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
a) Whole time Directors		
Salaries	261.36	330.55
Contribution to Provident and Superannuation funds	29.18	36.68
Perquisites	28.00	30.08
Gratuity & Leave Encashment	25.69	6.52
Commission	308.00	358.00
b) Other Directors		
Sitting Fees	11.40	11.00
Commission	129.00	102.00
	792.63	874.83

2.45 Expenditure in Foreign Currencies

	For the Year Ended 31st March, 2013 (₹ in Lacs)	For the Year Ended 31st March, 2012 (₹ in Lacs)
Foreign Travel	91.47	66.71
Commission on Export Sales	460.07	667.62
Interest and Commitment Charges	1,790.46	1,752.23
Others	885.67	214.57

2.46 Remittances during the year in foreign currency on account of

Dividend for the financial year ended	2011-12	2010-11
Dividends to non-resident shareholders (₹ In Lacs)	119.77	121.11
Number of non-resident shareholders	669	730
Number of Shares	5,988,399	6,055,359

2.47 Earnings in Foreign exchange

Export of Finished Goods on FOB basis	55,388.72	52,063.34
Recovery towards Freight etc. on Exports	350.01	689.87
Others	7.00	30.47

2.48 Value of imports on CIF basis

Raw Materials and Utilities	19,396.56	8,202.62
Components and spare parts	404.89	460.81
Capital Goods	4,571.85	728.61
Trading Goods	3,148.23	3,306.19

2.49 Quantitative information in respect of Company's operations

	UNIT	For the Year Ended 31st March, 2013		For the Year Ended 31st March, 2012	
		Installed	Licensed	Installed	Licensed
(a) Capacity (as certified by the Management)					
Soda Ash	MT	850,000	N.A.	850,000	N.A.
Refined Salt	MT	72,000	N.A.	72,000	N.A.
Yarn - Spindles	Nos.	148,280	N.A.	148,280	N.A.
Sodium bicarbonate	MT	27,000	N.A.	27,000	N.A.
Wind Turbine Generators	MW Per Hour	8	N.A.	8	N.A.
Cloth Looms	Nos.	96	N.A.	96	N.A.
Cloth Processing	MT₹ ('000)	34,000	N.A.	34,000	N.A.
	UNIT	For the Year Ended 31st March, 2013		For the Year Ended 31st March, 2012	
		Quantity	₹ in Lacs	Quantity	₹ in Lacs
(b) Opening Stock					
Soda Ash	MT	6,893	694.70	13,960	1,228.68
Yarn	MT	577	1,176.30	594	1,340.11
Cloth	MT₹ ('000)	711	1,328.45	564	920.90
Bed Sheet Sets	MT₹ ('000)	3,065	5,806.04	1,776	3,532.86
Others		N.A.	581.83	N.A.	525.29
			9587.32		7547.84
(c) Production					
Soda Ash - (Gross)	MT	724,021		711,706	
Refined Salt	MT	56,353		42,769	
Yarn	MT	16,156		12,488	
Cloth - Job work + Own Production	MT₹ ('000)	38,416		38,352	
Bicarb - (Produced from Soda Ash)	MT	23,593		23,369	
Bed Sheet Sets - Job Work	MT₹ ('000)	23,692		24,616	
			6,129.12		9,201.43
(d) Purchase of Trading Goods					
(e) Purchase of Cloth					
Yarn	MT	151		-	
Cloth	MT₹ ('000)	15,068			
(f) Consumption for internal use *					
Soda Ash	MT	55,063		51,861	
Yarn	MT	3,139		3,445	
Cloth	MT₹ ('000)	47,622		36,352	
(g) Sales					
Soda Ash	MT	660,955	120,804.19	666,912	108,645.18
Yarn	MT	13,412	27,011.35	9,060	18,414.54
Cloth	MT₹ ('000)	5,679	3,702.56	1,853	2,166.64
Bed Sheet Sets	MT₹ ('000)	24,711	57,384.29	23,327	50,508.58
Others		N.A.	17,583.27	N.A.	20,284.85
			226,485.66		200,019.79
(h) Closing Stock					
Soda Ash	MT	14,896	1,774.31	6,893	694.70
Yarn	MT	333	643.37	577	1,176.30
Cloth	MT₹ ('000)	894	1,625.49	711	1,328.45
Bed Sheet Sets	MT₹ ('000)	2,046	4,382.75	3,065	5,806.04
Others		N.A.	207.74	N.A.	581.83
			8,633.66		9,587.32

* Including transit differences and process wastage.

	UNIT	For the Year Ended 31st March, 2013		For the Year Ended 31st March, 2012	
		Quantity	(₹ in Lacs)	Quantity	(₹ in Lacs)
(i) Consumption of Raw Materials and Consumables					
Salt	MT	1,361,115	8,895.64	1,320,297	9,065.99
Lime Stone	MT	1,480,572	7,803.38	1,493,941	5,365.08
Coke	MT	97,801	12,099.69	101,566	12,639.88
Cotton & Staple Fiber	MT	19,781	21,238.03	17,196	21,552.66
Yarn	MT	757	1,485.01	3,452	10,023.14
Fabric	MT₹ ('000)	14,826	22,346.98	11,052	13,877.82
Others		N.A.	5,222.62	N.A.	4,550.25
			79,091.35		77,074.82

The Consumption of Lime Stone is net of undersize realization/sales of ₹ 891.82 Lacs (previous year ₹ 970.36 Lacs).

		For the Year Ended 31st March, 2013		For the Year Ended 31st March, 2012	
		Value of Consumption	% AGE	Value of Consumption	% AGE
(j) Consumption of Raw Materials & Stores and Spares					
Raw Materials :					
Imported		5,322.79	6.73%	475.22	0.62%
Indigenous		73,768.56	93.27%	76,599.60	99.38%
		79,091.35	100.00%	77,074.82	100.00%
Stores and Spares :					
Imported		725.61	17.38%	478.17	12.69%
Indigenous		3,450.29	82.62%	3,289.02	87.31%
		4,175.90	100.00%	3,767.19	100.00%

2.50 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.

2.51 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.

2.52 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, 2013 ₹ in Lacs	As at 31st March, 2012 ₹ 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	-	-

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

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	No. of Contracts	Foreign Currency Equivalent (In Lacs)	INR Equivalent (In Lacs)	No. of Contracts	Foreign Currency Equivalent (In Lacs)	INR Equivalent (In Lacs)
a) Long Term Export Options (Dollar Receivables)	NIL	-	-	1	45.00	1795.50
Forward (Dollar Receivables)	32	368.32	21,143.83	25	764.08	37203.72
Forward (EURO Receivables)	NIL	-	-	4	16.00	1066.16
Forward (Dollar Payables)	1	8.43	459.35	2	5.26	269.50
b) Foreign currency exposures that are not hedged by a derivative instrument or otherwise are						
Particulars			As at 31st March, 2013			As at 31st March, 2012
			(₹ in Lacs)			(₹ in Lacs)
Import Payable			16,879.32			16,193.46
Foreign Currency Loans & Interest thereon			24,478.55			28,274.95

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

As per SEBI (ESOS & ESPS) Guidelines 1999 the Employees Stock Option Scheme is administered by the registered Trust named GHCL Employees Stock Option Trust (ESOS Trust). The balance amount of interest free loan that the Company has advanced for the year for the purpose of purchase of shares from the open market for allotment of shares to the eligible employees upon exercising their option from time to time is of ₹ 4,353.57 Lacs (Previous year 6,377.36 Lacs).

The current market value of the shares held by ESOS Trust is lower than the cost of acquisition of these shares by ₹ 3,274 Lacs which is on account of market volatility. The impact of fall in market value, if any would be appropriately considered by the company in its Statement of Profit and Loss at the time of exercise of Options by the eligible employees. As per ESOS scheme, 15, 65,000 option have been vested with the eligible employees as on March 24th 2010 with an exercise period of 4 years ending on 24th March 2014. However, in line with the circulars issued by SEBI on January 17, 2013 and May 13, 2013 on Employees Stock option Scheme and Employees Stock Purchase Scheme, GHCL ESOS Scheme will cease to be in existence by December 31, 2013 and accordingly all the shares held by the trust will be disposed off on or before December 31, 2013. None of the employees have exercised the option during the period ended 31 March 2013.

The total number of shares purchased by ESOS Trust was 4,995,386 shares. Of these, 1,579,922 shares were illegally sold by a party against which ESOS trust has initiated legal proceedings. Pursuant to arbitration award dated February 14, 2013, ESOS trust has set off ₹1,057.00 Lacs Loan taken from various companies against 2,068,000 shares pledged on their behalf to third parties.

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

Particulars	Details
a) No of Options granted	16,55,000 (Each option is equivalent to one equity share on exercise of option)
b) Pricing Formula	₹ 76.95 (Market Price i.e. the latest available closing price prior to the date of grant of options)
c) Options lapsed in respect of 5 employees who have left / retired before commencement of vesting period i.e. March 24, 2010.	90,000
d) Options Vested	15,65,000
e) Options Exercised	Nil
f) Total Number of shares arising as a result of exercise of options	Nil
g) Option Lapsed during the year *	135,000
h) No of options vested in respect of employees who retired but not exercised their vested options**	360,000
i) Variation of Terms of Options	Nil
j) Money realized by exercise of options	Nil
k) Total Number of Options in force as at 31st March, 2013	1,430,000
L.) Number of Employees for whom options are in force	29

(i) Senior Managerial person

Name	No. of Options Granted	Name	No. of Options Granted
Mr. R.S. Jalan	200,000	Mr. R S Pandey	75,000
Mr. Raman Chopra	100,000	Mr. N N Radia	75,000
Mr. Sunil Bhatnagar	100,000	Mr. M Sivabalasubramaniun	75,000
		Mr. 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

m) Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share"

Not Applicable

n) Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

Not Applicable

o) Weighted Average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.

Not Applicable

Particulars

Details

p) A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information :

Options are granted at Market price

Risk - Free interest Rate

Not Applicable

Expected Life

Not Applicable

Expected Volatility

Not Applicable

Expected Dividends

Not Applicable

The price of the underlying share in the market at the time of grant of option

₹ 76.95 per share

* During the current financial year, the stock options in respect of two employees i.e. Mr. Neel Railkar (20000 options, resigned on 9-4-2012) and Mr. Chandan Sinha (20000 options, resigned on 28-2-2013) have lapsed as they have not exercised their vested options within 60 days of date of their resignations.

** During the current financial year, Mr. B R D Krishnamoorthy (75000 options, retired on 30-4-2012), Mr. Tej Malhotra (125000 options, retired on 4-5-2012) and Mr. K V Rajendran (100000 options, retired on 31-1-2013) have not exercised their vested options.

2.55 The previous years/corresponding period figures have been regrouped/reclassified.

Signature to Note 1 to 2
As per our report attached

For and on behalf of the Board

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

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

Sanjay Dalmia
Chairman

G C Srivastava
Director

R. S. Jalan
Managing Director

Raman Chopra
Executive Director - Finance

(C. V. Thakker)
Partner

(Gautam R. Divan)
Partner

Bhuvneshwar Mishra
General Manager & Company
Secretary

Place : New Delhi
Date : 24th May, 2013

Place : New Delhi
Date : 24th May, 2013



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

S.No.	Name of Subsidiary Company	Colwell & salmon Communication Inc	Indian Britain B.V.	Rosebys Interior India Limited	Indian England N.V.	Indian Wales N.V.	SC GHCL Upsom SA	GHCL INC. USA.	GHCL Rosebys Limited	Rosebys UK Ltd	Grace Home Fashion LLC	Telforce Holding India Ltd
1.00	The financial period of the Subsidiary Company ended on	31st March 2013	30th November 2012	31st March 2013	31st March 2013	31st March 2013	12th November 2012	14th May 2012	31st March 2013	12th November 2012	31st March 2013	31st March 2013
2.00	Date from which they become subsidiary Companies	12th December 2002	17th November 2005	12th December 2007	18th November 2005	27th December 2005	6th December 2005	13th November 2005	21st July 2006	18th September 2008	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.	2000 Equity Shares of USD 1/- each	35942 Equity Shares of EURO 100/-each	50000 Equity Shares of ₹ 10/-each	45380 Ordinary Shares of EURO 1/- each	60000 Ordinary Shares of EURO 1/- each	155614464 shares of RON 0.25/- share	500000 Equity Shares of USD 0.01 each	10,000,001 Ordinary shares of GBP 1/- each	200 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.	100.00%	100.00%	96.45%	100.00%	100.00%	95.67%	100.00%	100.00%	100.00%	75.00%	100.00%
3.20	Name of the Immediate Holding Company	GHCL Limited	GHCL Limited	GHCL Limited	GHCL Limited	Rosebys Interiors India Limited	Indian England NV	Indian Britain BV	Indian Wales NV	GHCL Rosebys Ltd	GHCL LTD	GHCL LTD
4.00	The net aggregate amount of the subsidiary Company Profit/(Loss) so far as concerns the members of the holding company.	USD 0.51 Mn INR 260.69 Lacs	USD 0.05 Mn INR 1298.01 Lacs	NA INR (3839.05 Lacs)	USD (17.09 Mn) INR (9302.82 Lacs)	USD (1.85 Mn) INR (1007.69 Lacs)	RON 86.65 Mn INR 12181.77 Lacs	NIL INR 1387.30 Lacs	GBP 0.0043 Mn INR 3.45 Lacs	GBP 0.02 Mn INR 13.39 Lacs	USD 0.17 Mn INR 79.40 Lacs	USD (0.83 Mn) INR (525.31 Lacs)
4.10	Not dealt with in the holding Company accounts.											
4.10.10	For the financial year ended 31st March 2013	USD 0.51 Mn INR 260.69 Lacs	USD 0.05 Mn INR 1298.01 Lacs	NA INR (3839.05 Lacs)	USD (17.09 Mn) INR (9302.82 Lacs)	USD (1.85 Mn) INR (1007.69 Lacs)	RON 86.65 Mn INR 12181.77 Lacs	NIL INR 1387.30 Lacs	GBP 0.0043 Mn INR 3.45 Lacs	GBP 0.02 Mn INR 13.39 Lacs	USD 0.17 Mn INR 79.40 Lacs	USD (0.83 Mn) INR (525.31 Lacs)
4.10.20	For the previous financial years of the subsidiary Company since it became the holding Company's subsidiary.	USD (0.53 Mn) INR (261.67 Lacs)	USD (26.05 Mn) INR (13221.93 Lacs)	NA INR (6284.73 Lacs)	USD (14.64 Mn) INR (4723.32 Lacs)	USD (59.51 Mn) INR (26632.45 Lacs)	RON (160.67 Mn) INR (24035.07 Lacs)	USD (41.01 Mn) INR (19218.30 Lacs)	GBP (10.01 Mn) INR (8517.90 Lacs)	GBP (0.01 Mn) INR (13.56 Lacs)	USD (0.32 Mn) INR (164.53 Lacs)	USD (2.24 Mn) INR (1137.59 Lacs)



S.No.	Name of Subsidiary Company	Colwell & salmon Communication Inc	Indian Britain B.V.	Rosebys Interfor India Limited	Indian England N.V.	Indian Wales N.Y.	SC GHCL Upsom SA	GHCL INC. USA.	GHCL Rosebys Limited	Rosebys UK Ltd	Grace Home Fashion LLC	Tellforce Holding India Ltd
4.20	Dealt with in holding company's account											
4.20.10	For the financial year ended 31st March 2013	NIL	NIL	NIL	NIL	NIL	NIL	NIL	N.A.	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	NIL	NIL	NIL	NIL	N.A.	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 2013 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
R. S. Jalan
Managing Director

G C Srivastava
Director
Raman Chopra
Executive Director - Finance

Place : New Delhi
Date : 24th May 2013

Bhuvneshwar Mishra
Company Secretary

Details of Subsidiary Companies

		(₹ In lacs)										
S.No.	Name of Subsidiary Company	Colwell & Salmon Communication Inc	Indian Britain BV	Rosebys Interiors India Ltd	Indian England NV	Indian Wales NV	SC GHCL Upsom S.A.	GHCL INC., USA	GHCL Rosebys Limited	Rosebys UK Ltd	Grace Home Fashions LLC	Teliforce Holding India Ltd
a	Capital	0.98	2,248.08	5.18	26.83	35.47	6,849.87	2.27	8,510.00	0.17	3.64	0.45
b	Reserves	(0.98)	(2,248.08)	(9,666.35)	(17,452.95)	(33,303.78)	(6,849.87)	(2.27)	(8,514.45)	(0.17)	(85.13)	(1,662.90)
c	Total Assets	-	-	9,676.17	487.36	18.81	-	-	0.05	2.36	8,613.82	1,867.76
d	Total Liabilities	-	-	19,337.33	17,913.49	33,287.13	-	-	4.50	2.36	8,695.31	3,530.20
e	Investments (Except in case of Investment in Subsidiary)	-	-	-	-	-	-	-	-	-	-	-
f	Turnover/ Total Income	1.36	-	1.42	-	-	-	-	-	-	15,003.87	94.54
g	Profit before Taxation (Including Exceptional Item)	260.69	1,298.01	(3,839.05)	(9,302.82)	(1,007.69)	12,181.77	1,387.30	3.45	13.39	83.88	(525.31)
h	Provision for Taxation	0.00	-	-	-	-	-	-	-	-	4.47	-
i	Profit After Taxation	260.69	1,298.01	(3,839.05)	(9,302.82)	(1,007.69)	12,181.77	1,387.30	3.45	13.39	79.40	(525.31)
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 Grace Home Fashion LLC, and Rosebys Interiors India Ltd. in which company holds 95.67% , 75 % and 96.45% respectively
- 2) No Books of accounts are available since the companies are under Liquidation and/or no control:-
 - a) Dan River Properties Inc.
 - b) Textile & Design Ltd
- 3) The above details have been annexed in terms of general circular No. 2/2011 (No. 5/12/2007-CL-III) dated 8th February 2011 issued by the Govt. of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956
- 4) During the year the following companies has been closed :-
 - a) Indian Britain B.V. (Dissolved on 30th November 2012)
 - b) GHCL Inc. (Dissolved on 14th May 2012)

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 2013, 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 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 controls relevant to the Company's preparation and presentation 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 accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 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 2013;
- (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 ₹ 9,296 lakhs as at 31st March, 2013 and total revenues of NIL for the year ended on that date.
- b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total liabilities (net) of ₹ 1,867 lakhs as at 31st March 2013 and total revenues NIL for the year ended on that date. Other auditor, whose report has been furnished to us, have audited these financial statements, and in our opinion, so far as it relates to the amounts included in respect of this subsidiary, are based solely on their reports.
- c) The Consolidated Financial Statements also includes the unaudited financial statements of Nine subsidiaries which reflect total liabilities net of ₹ 50,780 lakhs as at 31st March, 2013 and total revenue of ₹ 15,004 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been certified by the management.

Our Opinion is not qualified in respect of other matters.

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 : 24th May, 2013

For and on behalf of

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

(GAUTAM R. DIVAN)
Partner
Membership No: 006457

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2.1	10,001.93	10,001.93
Reserves and Surplus	2.2	46,660.75	38,199.63
NON-CURRENT LIABILITIES			
Long-term borrowings	2.3	99,036.15	108,985.46
Deferred Tax Liability (Net)	2.4	16,327.40	16,634.31
Other Long term liabilities	2.5	329.98	210.19
Long-term provisions	2.6	106.95	70.29
CURRENT LIABILITIES			
Short-term borrowings	2.7	47,413.82	62,120.56
Trade payables	2.8	47,333.69	35,606.68
Other current Liabilities	2.9	17,038.23	21,344.74
Short-term Provisions	2.10	3,719.29	3,480.44
Total		287,968.19	296,654.23
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets			
Tangible assets	2.11	186,964.99	202,781.59
Intangible assets	2.11	580.48	3,937.32
Capital Work-in-Progress		3,156.20	3,991.53
		190,701.67	210,710.44
Non-current Investments	2.12	548.80	548.28
Long-term loans and advances	2.13	823.01	1,302.88
Other non-current assets	2.14	382.25	938.63
CURRENT ASSETS			
Current Investments	2.12	-	388.45
Inventories	2.15	43,447.16	35,553.34
Trade receivables	2.16	28,599.01	22,161.00
Cash and bank balance	2.17	2,907.76	3,513.03
Short-term loans and advances	2.18	20,558.53	21,153.08
Other Current assets	2.19	-	385.10
Total		287,968.19	296,654.23

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS 1&2

The Notes referred to above form an integral part of the Consolidated 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	G C Srivastava Director
		R. S. Jalan Managing Director	Raman Chopra Executive Director - Finance
(C. V. Thakker) Partner	(Gautam R. Divan) Partner		Bhuvneshwar Mishra General Manager & Company Secretary
Place : New Delhi Date : 24th May 2013		Place : New Delhi Date : 24th May 2013	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
INCOME			
Revenue from operations (Gross)	2.20	241,489.54	207,811.56
Less: Excise Duty		13,991.02	10,346.64
Revenue from operations(Net)		227,498.52	197,464.92
Other Income	2.21	301.27	932.68
TOTAL REVENUE		227,799.79	198,397.60
EXPENDITURE			
Cost of Material consumed		79,091.35	77,077.35
Purchase of Stock-in-trade		20,751.44	16,970.10
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.22	(849.99)	(3,819.40)
Employees benefits expenses	2.23	11,103.88	10,293.11
Others Expenses	2.24	75,878.51	60,423.26
(Gain)/ Loss on Conversion into INR		880.59	919.89
		186,855.78	161,864.31
Profit Before Finance costs and Depreciation and Amortisation expenses		40,944.01	36,533.29
Finance costs	2.25	17,794.70	21,319.51
Profit Before Depreciation and Amortisation expenses		23,149.31	15,213.78
Depreciation and Amortisation expenses	2.11	10,142.49	12,581.81
Less: Transferred from Business Development Reserve		1,934.39	1,936.31
		8,208.10	10,645.50
Exceptional Items		(5,291.76)	-
Profit Before Tax		9,649.45	4,568.28
Tax expenses			
- Current Tax		2,819.45	378.33
- Deferred Tax (Net)	2.4	(306.91)	(259.93)
Profit For The Year after Tax		7,136.91	4,449.88
Share in Profit / (Loss) from Associates		-	-
Net Profit For The Year after Tax		7,136.91	4,449.88
Earning per share (₹ - Basic/Diluted)	2.26	7.14	4.66

SIGNIFICANT ACCOUNTING POLICES AND NOTES ON ACCOUNTS

The notes referred to above form an integral part of the Consolidated 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

 G C Srivastava
 Director

 R. S. Jalan
 Managing Director

 Raman Chopra
 Executive Director - Finance

 (C. V. Thakker)
 Partner

 (Gautam R. Divan)
 Partner

 Bhuneshwar Mishra
 General Manager & Company
 Secretary

 Place : New Delhi
 Date : 24th May 2013

 Place : New Delhi
 Date : 24th May 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the Year Ended 31 March 2013 (₹ in Lacs)	For the Year Ended 31 March 2012 (₹ in Lacs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) before tax and Extraordinary items	14,941.21	4,568.28
Adjustment for :		
Depreciation / Amortisation	8,208.10	10,645.50
Foreign Exchange Gain (Net)	6,441.12	1,182.40
Interest Income	(286.13)	(91.20)
Income From Dividend	(3.39)	(5.69)
Prior Period Adjustments	3.92	11.44
(Profit) / Loss on Sales / Discarding of Fixed Assets (Net)	29.64	(503.67)
Provision for Doubtful Debts	290.01	-
Profit on Sale of Investments (Net)	(36.63)	(14.58)
Financial Expenses (Net)	18,080.83	21,410.71
Operating Profit before Working capital Changes	47,668.68	37,203.19
Adjustments for :		
[i] Trade & Other Receivables		
• (Increase) / decrease in Trade receivables	(6,436.72)	(2,851.86)
• (Increase) / decrease in Long term Loans and Advances	479.87	208.57
• (Increase) / decrease in Short term Loans and Advances	822.47	(108.54)
[ii] Trade & Other payables		
• Increase / (decrease) in Trade payables	15,996.64	2,936.44
• Increase / (decrease) in Long term provisions	36.66	70.29
• Increase / (decrease) in Short term provisions	238.85	(716.86)
• Increase / (decrease) in other current liabilities	376.30	(1,241.68)
• Increase / (decrease) in other long term liabilities	119.79	(29.46)
[iii] (Increase) / decrease in in Inventories	(8,062.70)	4,390.17
Other Adjustments		
Deferred Revenue Expenditure (to the extent not written off)	-	3.93
Cash generated from Operations	51,239.84	39,864.19
Direct taxes paid	(2,864.62)	25.57
Net cash generated from Operating Activities	48,375.22	39,889.76
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(11,796.55)	(3,352.97)
Sale of Fixed Assets	22.63	960.43
(Purchase) / Sale of non-current Investments	(0.52)	(8.16)
(Purchase) / Sale of current Investments	416.16	(379.52)
Profit on Sale of Investments (Net)	36.63	14.58
Gain on Exchange	(6,441.12)	(1,182.40)
Interest Received	286.13	91.20
Dividend Received	3.39	5.69
Net cash used from Investing Activities	(17,473.25)	(3,851.15)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the Year Ended 31 March 2013 (₹ in Lacs)	For the Year Ended 31 March 2012 (₹ in Lacs)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term borrowings	21,427.65	38,570.43
Repayments against Long Term Borrowings	(30,523.87)	(57,204.33)
Short Term Borrowings (Net)	(1,784.96)	6,237.40
Interest and Finance Charges Paid	(18,294.44)	(21,268.87)
Dividend and tax thereon paid	(2,331.62)	(2,317.70)
Net Cash used from Financing Activities	(31,507.24)	(35,983.07)
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(605.27)	55.54
Cash and Cash Equivalents at beginning of year	3,513.03	3,457.49
Cash and Cash Equivalents at end of year	2,907.76	3,513.03

As per our report attached

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

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

 (C. V. Thakker)
Partner

 (Gautam R. Divan)
Partner

 Place : New Delhi
Date : 24th May 2013

For and on behalf of the Board

 Sanjay Dalmia
Chairman

 G C Srivastava
Director

 R. S. Jalan
Managing Director

 Raman Chopra
Executive Director - Finance

 Bhuneshwar Mishra
General Manager & Company
Secretary

 Place : New Delhi
Date : 24th May 2013



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, IT enabled services and Wind Power Generation.
- b The consolidated financial statements of the Group have been combined on a line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses in accordance with Accounting Standard on "Consolidated Financial Statements" (AS - 21) and Accounting for "Investment in Associates Consolidated Financial Statements" (As-23) in 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, 2013	As at 31st March, 2012
1	Indian Britain B.V.	Netherlands	-	100
2	Indian England N.V.			
3	Indian Wales N.V.			
4	Rosebys UK Ltd	UK	100	
5	GHCL Rosebys Limited			
6	Teliforce Holding India Limited	Cyprus		
7	Colwell & Salmon Communications Inc.,	USA	-	
8	GHCL Inc.		-	
9	Grace Home Fashions LLC		75	75
10	Rosebys Interiors India Limited	India	96.45	96.45
11	SC GHCL Upsom SA	Romania	-	95.67

- d Following subsidiaries of the Company, are under Liquidation.

Name of Subsidiaries	Date	Status
Rosebys UK Limited	12th November 2012	Under Liquidation
Textile & Design Limited	25th September, 2009	Under Liquidation

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

GHCL Inc.	14th May 2012
SC GHCL Upsom SA	12th November 2012
Indian Britain B.V.	30th November 2012
Colwell & Salmon Communications Inc.,	1st April 2013

- 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 NV
 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 as at 31st March 2013, 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.

NOTE 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 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ 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

NOTE 2.2 : RESERVES AND SURPLUS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ 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	25,290.63	30,741.30
Add: Earlier diminution in value of Investment Writen back	3,544.30	-
	28,834.93	30,741.30
Add/ (Less): Mark to Market impact on derivative (forward contacts & options)	3,172.20	(2,958.90)
Less: Depreciation Transferred to statement of Profit and Loss as reduction from depreciation	(1,934.39)	(1,936.31)
Less: Write back on Sales of Revalued Assets	(6.38)	(555.46)
	30,066.36	25,290.63
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	1,000.00	1,000.00
FOREIGN CURRENCY TRANSLATION RESERVE		
As per last Balance Sheet	(2,328.08)	898.26
Adjustment during the year	(1,114.98)	(3,226.34)
	(3,443.06)	(2,328.08)
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	2,314.60	2,314.60
GENERAL RESERVE		
As per last Balance Sheet	7,503.74	7,493.70
Add: Transfer From Statement of Profit and Loss	1,149.27	10,000.00
	8,653.01	17,493.70
Less: Transfer to Statement of Profit and Loss as per Scheme of arrangement	-	(9,989.96)
	8,653.01	7,503.74
SURPLUS IN THE STATEMENT OF PROFIT AND LOSS		
As per last Balance Sheet	3,661.82	1,332.20
Net Profit for the Year after Tax	7,136.91	4,449.88
Transferred from General Reserve as per Scheme of Arrangement	-	9,989.96
Prior period adjustments	3.92	11.44
Excess/(Short) provision for Tax for earlier years	(0.10)	(21.96)
Excess provision for Deferred Tax for earlier years	-	225.20
	10,802.55	15,986.72
APPROPRIATIONS		
Transfer to General Reserve	1,149.27	10,000.00
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Tax on Dividend	339.97	324.51
	3,489.63	12,324.90
	7,312.92	3,661.82
Total	46,660.75	38,199.63

NOTE 2.3 : LONG TERM BORROWINGS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
FROM BANKS / FINANCIAL INSTITUTIONS		
Secured Loan		
Rupee Term Loans	59,533.39	70,119.14
Foreign Currency Loans	36,374.30	37,647.75
Unsecured Loan		
Loan from Banks	3,128.46	1,218.57
Total	99,036.15	108,985.46

Notes :

- 1) Foreign Currency Loans aggregating to ₹ 36,374.30 Lacs of the foreign subsidiary companies are 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 foreign subsidiary companies and guaranteed by the holding company.
- 2) **Rupee Term Loans from Banks / Institutions have been secured against :-**
 - a) Loan aggregating to ₹ 13984.36 Lacs is secured by extension of first charge on pari passu basis, by way of equitable mortgage on immovable properties of the Soda Ash Division situated at Sutrapada, Veraval, Gujarat and extension of hypothecation charge on movable assets, both present and future of the company's Soda Ash division situated at village – Sutrapada, Veraval in Gujarat with other term lenders of the said project. The remaining tenure of the loans is 3 to 5 years.
 - b) Loan aggregating to ₹ 8919.53 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 6 to 10 years.
 - c) Loan aggregating to ₹ 12244.48 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 4 years.
 - d) Loan aggregating to ₹ 5612.18 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 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 2 to 3 years.
 - e) Loan aggregating to ₹ 3029.91 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 6 to 10 years.
 - f) Loan aggregating to ₹ 2803.12 Lacs is secured by first charge on pari passu basis by way of equitable mortgage on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu and hypothecation of specified movable assets, both present and future of the Company's Textile Division. The said loan is availed under Technology Upgradation Fund Scheme for Textile. The remaining tenure of the loans is 2 to 4 years.
 - g) Loan aggregating to ₹ 3426.60 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 6 to 9 years.
 - h) Loan aggregating to ₹ 11652.00 Lacs is secured by extension of first charge on pari passu basis on Factory Land & Building of Textile Division situated at Paravai and Manaparai, Tamil Nadu with other term lenders of the said project. The remaining tenure of the loans is 3 to 5 years.
 - i) Loan aggregating to ₹ 206.91 Lacs is secured by an exclusive first charge by way of equitable mortgage on immovable properties pertaining to Wind Mill Division – I situated at Irukandurai 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 loans is 2 years.
 - j) Loan aggregating to ₹ 302.60 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 loans is 2 years.

- k) Loan aggregating to ₹ 3333.33 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 loans is 3 years.
- l) Loan aggregating to ₹ 2437.50 Lacs is secured by an exclusive charge on immovable property situated at GHCL House, Swastik Society, Navrangpura, Ahmedabad, Gujarat. The remaining tenure of the loans is 4 years.
- m) Loans aggregating to ₹ 901.70 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 2 years.
- n) Out of all the aforesaid secured Loans appearing note 2.3 (a) to 2.3 (m) totalling ₹ 68,854.22 lacs, an amount of ₹ 9320.83 lacs is due for payment in next 12 months and accordingly reported under note no 2.9 under the head "others Current Liabilities" as 'current maturities of Long Term Debt'.

NOTE 2.4 : DEFERRED TAX LIABILITIES (NET)

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Deferred tax liability on account of:		
i) Depreciation	16,864.68	16,837.93
ii) Others		
Foreign Currency Fluctuation Loss	-	323.25
Total (A)	16,864.68	17,161.18
Deferred tax assets on account of:		
i) Employee Benefit	394.56	394.22
ii) Provision for Bad Debts	29.23	0.13
iii) Disallowance u/s 40 (a)	65.05	-
iv) Carry forward loss as per IT Act	-	67.36
v) Deferred Revenue Expenditure	48.44	65.16
Total (B)	537.28	526.87
Total (A-B)	16,327.40	16,634.31

NOTE 2.5 : OTHER LONG TERM LIABILITIES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Trade Deposits from Dealers	290.25	174.58
Security Deposits	39.73	35.61
Total	329.98	210.19

NOTE 2.6 : LONG TERM PROVISIONS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Mines Restoration Expenditure:		
Opening Provision	70.29	-
Add: Provision during the year	73.79	70.29
Less: Utilisation during the year	(37.13)	-
Total	106.95	70.29

NOTE 2.7 : SHORT TERM BORROWINGS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
SECURED LOANS REPAYABLE ON DEMAND		
Working Capital Loans from Banks	46,386.32	61,093.06
UNSECURED LOANS REPAYABLE ON DEMAND		
Loans from others	1,027.50	1,027.50
Total	47,413.82	62,120.56

- 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 0.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Sundry Creditors for Goods and Expenses	47,251.70	35,574.55
Sundry Creditors - Micro, Small & Medium Enterprises 2.37	81.99	32.13
Total	47,333.69	35,606.68

NOTE 2.9 : OTHER CURRENT LIABILITIES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Current maturities of long term Debt	9,320.83	8,408.83
Foreign currency payable on forward contract	-	3,172.20
Interest accrued but not due on borrowings	877.96	825.03
Interest accrued and due on borrowings	904.94	1,118.53
Advances from Customers	705.09	1,735.19
Sundry Creditors for Capital Expenditure	499.71	580.90
*Investor Education & Protection Fund in respect of		
- Unclaimed Dividend	250.62	241.89
- Unclaimed Fixed Deposits	-	0.20
Other liabilities		
Accrued salaries and benefits	1,262.43	1,496.81
Withholding and other taxes payable	836.13	431.99
Provision for Expenses	1,729.25	1,958.17
Other payable	651.27	1,375.00
Total	17,038.23	21,344.74

* The figure reflects the position as of 31st March, 2013. 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 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Provision for employees' benefits		
Unavailed leave	727.08	696.17
Bonus/gratuity	638.85	449.37
Others		
Proposed Dividend on Equity Shares	2,000.39	2,000.39
Provision for		
Tax on Dividend	339.97	324.51
Wealth Tax	13.00	10.00
Total	3,719.29	3,480.44

NOTE 2.11 : FIXED ASSETS

PARTICULARS	₹ Lacs							
	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at 01-04-2012	Additions (Deletions)	As at 31-03-2013	As at 01-04-2013	Additions (Deletions)	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
(A) TANGIBLE ASSETS								
Leasehold Land	38,732.43	-	38,732.43	2,036.20	485.57	2,521.77	36,210.66	36,696.23
Free hold Land	39,080.07	-	38,632.64	-	-	-	38,632.64	39,080.07
Buildings	28,480.98	(447.43) 1,141.10 (10,655.19)	18,966.89	6,960.53	544.29 (2,141.34)	5,363.48	13,603.41	21,520.45
Plant and Machinery	174,005.57	8,347.41 (16,370.78)	165,982.20	76,181.00	7,285.94 (9,635.08)	73,831.86	92,150.34	97,824.57
Wind Turbine Generators	4,044.93	-	4,044.93	1,542.58	213.57	1,756.15	2,288.78	2,502.35
Furniture and Fixtures	713.22	35.17	748.39	344.18	52.42	396.60	351.79	369.04
Office Equipments	1,526.54	86.00 (78.15)	1,534.39	884.83	149.28 (60.12)	973.99	560.40	641.71
Vehicles	429.50	65.12 (31.12)	463.50	179.28	40.21 (24.88)	194.61	268.89	250.22
Leased Mines	6,166.61	35.56	6,202.17	3,428.46	617.30	4,045.76	2,156.41	2,738.15
Salt Works Reservoirs and Pans	6,332.23	198.17	6,530.40	5,173.43	615.30	5,788.73	741.67	1,158.80
Sub Total (A)	299,512.08	9,908.53 (27,582.67)	281,837.94	96,730.49	10,003.88 (11,861.42)	94,872.95	186,964.99	202,781.59
(B) INTANGIBLE ASSETS								
Goodwill	783.66	-	697.74	277.40	-	262.33	435.41	506.26
Trade mark	-	(85.92) 0.10	0.10	-	(15.07) 0.01	0.01	0.09	-
Software	563.40	120.50 (18.24)	665.66	393.35	138.60 (11.27)	520.68	144.98	170.05
Brand Expenditure	4,076.26	-	-	815.25	-	-	-	3,261.01
		(4,076.26)			(815.25)			
Sub Total (B)	5,423.32	120.60 (4,180.42)	1,363.50	1,486.00	138.61 (841.59)	783.02	580.48	3,937.32
Grand Total (A+B)	304,935.40	10,029.13 (31,763.09)	283,201.44	98,216.49	10,142.49 (12,703.01)	95,655.97	187,545.47	206,718.91
Previous Year	303,108.74	3,270.42 (1,443.76)	304,935.40	86,113.79	12,581.81 (479.11)	98,216.49	206,718.91	

- Building include a sum of ₹ 497.80 Lacs being cost of office premises acquired on ownership basis purchased during the 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 ₹ 823.35Lacs(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).
- Deletion of Free Hold Land includes ₹ Nil (Previous Year ₹ 548.97 lacs) being revaluation amount of land of Sree Meenakshi Mills Division at Madurai and Plant & Machinery of ₹ 9.29 Lacs (Previous Year 9.04 lacs) of Soda ash Division sold during the year.

NOTE 2.12 : NON CURRENT INVESTMENTS /CURRENT INVESTMENTS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ 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 (Subscribed during the year)	0.52	-
Investment in Government securities		
Unquoted (at cost unless stated otherwise)		
7 year National Savings Certificates (Pledged with Government Authorities)	0.82	0.82
	548.80	548.28
CURRENT INVESTMENTS - (UNQUOTED)		
(At lower of cost and fair value- fully paid)		
486282 Units of HDFC Liquid Fund - Growth	-	102.84
524590 units of J P MORGAN IndiaLiquid Fund	-	72.85
8912 units of PRAMERICA Liquid Fund-Growth	-	101.88
6924 units of RELIGARE Liquid Fund -Growth	-	101.96
	-	379.53
Shares of Romanian Bank	-	0.76
Shares of Bega Invest SA Timisoara	-	8.16
	-	8.92
	-	388.45
Total	548.80	936.73
	As at 31.03.2013	As at 31.03.2012
	Book Value	Book Value
	Market Value	Market Value
Quoted	547.46	547.46
	396.22	416.23
Others	1.34	389.27
	-	-
	548.80	936.73

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

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Advances against capital expenditure	553.96	642.58
Security Deposits	269.05	660.30
Total	823.01	1,302.88

NOTE 2.14 : OTHERS NON-CURRENT ASSETS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Foreign Currency Monetary Item Translation Difference Account	-	611.05
Long Term Trade Receivable (Unsecured, considered good)	382.25	327.58
Total	382.25	938.63

NOTE 2.15 : INVENTORIES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ 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 ₹ 3957.39 Lacs)	20,227.83	14,095.88
Finished goods	8,633.66	9,266.83
Stock in process	3,316.99	2,921.66
Stock in trade	4,340.05	3,329.57
Stores and spares	6,928.63	5,939.40
Total	43,447.16	35,553.34

NOTE 2.16 : TRADE RECEIVABLES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Sundry Debtors (Unsecured, considered good unless stated otherwise)		
Outstanding over six months from due date		
Considered good	489.40	1,227.30
Considered doubtful	290.01	4.82
Provision for Doubtful Debts	(290.01)	(4.82)
	489.40	1,227.30
Other debts	28,109.61	20,933.70
Total	28,599.01	22,161.00

NOTE 2.17 : CASH AND BANK BALANCES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Cash and Cash Equivalents		
(a) Balances with Banks		
On current account	1,684.51	2,914.06
On unpaid dividend account	250.62	241.89
(b) Cash -on- hand	10.07	14.94
Others bank balances		
Banks deposits with original maturity for more than 12 months	102.33	313.41
Margin money deposit	860.23	28.73
Total	2,907.76	3,513.03

NOTE 2.18 : SHORT-TERM LOANS AND ADVANCES

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received - Considered Good	15,111.59	13,877.88
Loan to Employee Stock Option Scheme Trust	4,353.57	6,377.36
Interest Accrued on Investments	0.56	0.56
Balances with Customs, Port Trust, Central Excise etc.	659.28	494.94
Income Tax paid / FBT paid / TDS	433.53	402.34
Total	20,558.53	21,153.08

NOTE 2.19 : OTHERS CURRENT ASSETS

	As at 31.03.2013 (₹ in Lacs)	As at 31.03.2012 (₹ in Lacs)
Foreign Currency Monetary Item Translation Difference Account	-	385.10
Total	-	385.10

NOTE 2.20 : REVENUE FROM OPERATIONS

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Revenue from operations		
Sales of Products		
Finished Goods	216,356.39	186,645.06
Traded Goods	22,144.85	17,496.03
Sales of Services	1,121.63	885.04
Others operating revenue		
Waste & Scrap sales	1,866.67	2,785.43
Revenue from operations(Gross)	241,489.54	207,811.56
Less: Excise Duty	13,991.02	10,346.64
Revenue from operations(Net)	227,498.52	197,464.92

NOTE 2.21 : OTHER INCOME

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Interest on Investment	8.03	7.94
Dividend Income (Non Current Investment)	3.39	5.69
Interest on Income Tax Refund	0.07	51.46
Profit on sale of Assets (net)	-	503.67
Profit on sale of Investment (net) (Current Investment)	36.63	14.58
Bad debts written off recovered	17.00	-
Sundry Credit Balances Written back (net)	46.47	188.82
Rent Income	3.00	3.68
Others non-operating income	186.68	156.84
Total	301.27	932.68

NOTES 2.22 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Opening stock		
Finished Goods	9,189.48	7,301.30
Stock in trade	3,329.57	1,871.63
Stock in Process	2,921.66	2,525.73
(A)	15,440.71	11,698.66
Closing stock		
Finished Goods	8,633.66	9,266.83
Stock in trade	4,340.05	3,329.57
Stock in Process	3,316.99	2,921.66
(B)	16,290.70	15,518.06
Changes in inventories of finished goods, work-in-progress and stock-in-trade	Total (A-B)	(849.99)
		(3,819.40)

NOTES 2.23 : EMPLOYEES BENEFITS EXPENSES

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Salaries, Wages and Bonus	9,155.65	8,552.44
Contribution to PF and other funds	1,086.80	886.15
Staff Welfare	553.43	496.52
Commission to Wholetime Directors	308.00	358.00
Total	11,103.88	10,293.11

NOTES 2.24 : OTHERS EXPENSES

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Repairs and Maintenance		
Machinery	1,801.60	1,184.77
Building	104.28	74.88
Others	271.55	273.03
	2,177.43	1,532.68
Stores and Spares	4,175.90	3,767.19
Power, Fuel and Water	34,068.53	25,918.61
Other Manufacturing Expenses	7,294.68	7,562.68
Packing Expenses	6,454.22	5,714.05
Cash Discount	2,122.85	1,646.59
Freight and Forwarding	4,322.06	5,313.23
Commission on Sales	2,018.30	1,682.19
Sales Promotion Expenses	685.14	289.83
Travelling & Conveyance	925.59	780.25
Rent and Lease Rent	604.00	782.72
Rates and Taxes (includes ₹ 13 Lacs (previous year ₹ 10.00 Lacs) for Wealth Tax)	151.98	192.97
Insurance	619.73	566.94
Loss on Foreign Exchange (net)	6,441.12	1,182.40
Commission to Non Wholetime Directors	129.00	102.00
Communication Expenses	181.00	175.82
Legal & Professional Expenses	1,302.31	1,214.93
Deferred Revenue Expenditure Written Off	-	3.93

NOTES 2.24 : OTHERS EXPENSES

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Bad Debts / Irrecoverable amounts written off (net)	161.12	555.11
Donation	162.14	70.64
Provision for Doubtful Debts	290.01	-
Returns (Net of Sale/Purchase)	-	72.32
Deficit on Sale / Discarding of Fixed Assets (net)	29.64	-
Excise Duty	258.44	(41.78)
Miscellaneous Expenses	1,303.32	1,337.96
Total	75,878.51	60,423.26

NOTES 2.25 : FINANCE COSTS

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Interest - Fixed Loans	10,541.70	13,743.11
- Others	4,977.28	3,150.91
(Gain)/Loss on foreign currency transactions and translation (net)	1,704.96	3,919.84
Other borrowing costs	856.89	596.85
	18,080.83	21,410.71
Less : Interest and Financial charges capitalised	221.23	60.76
Less : Interest Income Others	64.90	30.44
	286.13	91.20
Total	17,794.70	21,319.51

NOTES 2.26 : EARNING PER SHARE (EPS)

	For the Year Ended 31.03.2013 (₹ in Lacs)	For the Year Ended 31.03.2012 (₹ in Lacs)
Basic /Diluted EPS		
Earnings per Share has been computed as under:		
Profit after Taxation (₹ in Lacs)	7,136.91	4,449.88
(Less)/Add : Prior year Adjustment	3.82	214.68
	7,140.73	4,664.56
The weighted average number of Equity Shares for Basic EPS	100,019,286	100,019,286
Earnings per share (Face value of ₹ 10/- per share) (A) / (B)	7.14	4.66

	As at 31st March,2013 (₹ in Lacs)	As at 31st March,2012 (₹ in Lacs)
2.27 (a) Estimated value of contracts remaining to be executed on Capital Account and not provided for	3,204.49	5,134.98
(b) Contingent Liabilities :		
(i) Guarantees issued by banks	1,609.21	1,548.78
(ii) Bills discounted with banks (since realized)	5,489.45	5,340.95
(iii) Claims against the Company not acknowledged as debts		
- Income Tax & Wealth Tax	271.10	102.71
- Sales Tax/VAT	189.08	3.99
- Excise & Service Tax	5,139.53	3,498.44
- Other claims	2,858.34	1,399.15
(c) Export Obligation on duty free imports	24,811.61	16,782.33

2.28 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.

An additional depreciation arising out of revaluation amounting to ₹ 1934.39 Lacs (Previous year ₹ 1936.31 Lacs) has been charged to the Business Development Reserve.

2.29 Prior Period Item of ₹ 3.92 Lacs (Previous year 11.44 Lacs) is on account of excess provision for expenses of earlier year.

2.30 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, 2013	For the Year Ended 31st March, 2012
	Payable	Payable
Due within one year	204.05	188.47
Due within the following four years	675.43	-
Due after five years	-	-

2.31 Segment

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

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

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

BUSINESS SEGMENT

₹ in Lacs

	INORGANIC CHEMICALS		TEXTILES		Others		Total	
	Apr. 12 - Mar. 13	Apr. 11 - Mar. 12	Apr. 12 - Mar. 13	Apr. 11 - Mar. 12	Apr. 12 - Mar. 13	Apr. 11 - Mar. 12	Apr. 12 - Mar. 13	Apr. 11 - Mar. 12
SEGMENT REVENUE								
External Revenue	121,553.94	115,108.06	105,944.58	82,356.86	-	-	227,498.52	197,464.92
Less : Inter Segment Revenue							-	-
Total Revenue	121,553.94	115,108.06	105,944.58	82,356.86	-	-	227,498.52	197,464.92
SEGMENT RESULT								
Unallocated Corporate Expenses.							1,461.42	1,215.62
Operating Profit							32,434.64	24,955.11
Interest Expenses							17,794.70	21,319.51
Interest Income							-	-
Other Income							255.42	914.43
Unallocated Corporate Other Income							45.85	18.25
Total Other Income							301.27	932.68
Profit from Ordinary Activities							14,941.21	4,568.28
Exceptional Items							(5,291.76)	-
NET PROFIT BEFORE TAXES							9,649.45	4,568.28
OTHER INFORMATION								
Segment Assets	177,344.51	195,090.77	111,537.25	97,917.81	(1,848.48)	2,361.49	287,033.28	295,370.07
Unallocated Corporate . Assets	-	-	-	-	-	-	934.91	1,284.16
Total Assets	177,344.51	195,090.77	111,537.25	97,917.81	(1,848.48)	2,361.49	287,968.19	296,654.23
Segment Liabilities	97,998.78	130,661.42	63,216.71	49,753.10	48,293.79	47,860.37	209,509.28	228,274.89
Unallocated Corporate . Liabilities							21,796.21	20,177.78
Total Liabilities	97,998.78	130,661.42	63,216.71	49,753.10	48,293.79	47,860.37	231,305.51	248,452.67
Capital Expenditure	3,298.57	1,234.66	6,707.63	1,979.60	-	-	10,006.20	3,214.26
Unallocated Capital Expenditure	-	-	-	-	-	-	22.93	56.16
Total Capital Expenditure	3,298.57	1,234.66	6,707.63	1,979.60	-	-	10,029.13	3,270.42
Depreciation	5,290.61	7,135.95	2,836.92	3,432.02	-	-	8,127.53	10,567.97
Unallocated Depreciation							80.57	77.53
Total Depreciation	5,290.61	7,135.95	2,836.92	3,432.02	-	-	8,208.10	10,645.50
Non-Cash Expenses other than Depreciation	-	-	-	-	-	3.93	-	3.93
Unallocated Non Cash Expenses other than Depreciation							-	-
Total Non Cash Expenses other than Depreciation	-	-	-	-	-	3.93	-	3.93

GEOGRAPHICAL SEGMENT

Particulars	India		Rest of The World		Total	
	Apr. 12 - Mar. 13	Apr. 11 - Mar. 12	Apr. 12 - Mar. 13	Apr. 11 - Mar. 12	Apr. 12 - Mar. 13	Apr. 11 - Mar. 12
Segment Revenue	212,494.64	189,673.15	15,003.88	7,791.77	227,498.52	197,464.92
Carrying Costs of Segment Assets	289,856.39	277,608.87	(1,888.20)	19,045.36	287,968.19	296,654.23
Additions to Fixed Assets and Intangible Assets	10,019.86	3,235.90	9.27	34.52	10,029.13	3,270.42

2.32 Related Party Transactions:
Related Party
a Associate :

DM Solar Farm Pvt Limited (w. e. f. 04.06.2012)

b Key Management Personnel:

Mr. R. S. Jalan, Managing Director

Mr. Tej Malhotra, Sr. Executive Director - Operations (upto 4th May 2012)

Mr. Raman Chopra, 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 (w. e. f. 01.08.2012)

2.33 Disclosure of transactions between the Company and related parties and the status of outstanding balances as at 31st March, 2013

Sr. No.	Description	₹ in Lacs	
		For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
a)	Transactions with Subsidiaries & Associate		
1.	Purchase of Electricity	43.41	-
	DM Solar Farm Pvt Limited	43.41	-
2.	Investment in Equities	0.52	-
	DM Solar Farm Pvt Limited	0.52	-
3.	Balance of Investment in Equities at the year end	0.52	-
	DM Solar Farm Pvt Limited (w. e. f. 04th June, 2012)	0.52	-
b)	Transactions with Key Management Personnel		
1.	Remuneration	652.23	761.83
	Mr. R. S. Jalan, Managing Director	392.01	382.83
	Mr. Tej Malhotra, Sr. Executive Director - Operations (upto 4th May 2012)	39.93	157.70
	Mr. Raman Chopra, Executive Director - Finance	220.29	221.30
2.	Dividend on Shares	1.02	-
	Mr. R. S. Jalan, Managing Director	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	-
	Ravi Shanker Jalan, HUF (*0=₹ 200)	*0	-
d)	Transactions with Enterprises over which significant influence exercised by Directors		
1.	Purchase of Goods	0.75	-
	Dalmia Centre for Research & Development (w. e. f. 1st August, 2012)	0.75	-
2.	Payment of Royalty	4.00	-
	Dalmia Centre for Research & Development (w. e. f. 1st August, 2012)	4.00	-

2.34 Category-wise quantitative data about derivative instruments that are outstanding are disclosed as per the requirement of Accounting Standard - 30 issued by

	As at 31st March, 2013			As at 31st March, 2012		
	No. of Contracts	USD Equivalent (In Lacs)	INR Equivalent (In Lacs)	No. of Contracts	USD Equivalent (In Lacs)	INR Equivalent (In Lacs)
a) Long Term Export Options (Dollar Receivables)	NIL	-	-	1	45.00	1,795.50
Forward (Dollar Receivables)	32	368.32	21,143.83	25	764.08	37,203.72



Forward (EURO Receivables)	NIL	-	-	4	16.00	1,066.16
Forward (Dollar Payables)	1	8.43	459.35	2	5.26	269.50

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

Particulars	As at 31st March, 2013 (₹ in Lacs)	As at 31st March, 2012 (₹ in Lacs)
Import Payable	16,879.32	16193.46
Foreign Currency Loans & Interest thereon	24,478.55	28,274.95

2.35 Intangible Assets

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

a) **Software /Trade mark**

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

2.36 Impairment of Assets

In pursuance of Accounting Standard - 28 - Impairment of Assets issued by the Institute of Chartered Accountants of India, the Company has reviewed its carrying cost of assets with value in use (determined based on future earnings) / net selling price (determined based on valuation). Based on such review, management has provided the following :-

- a) Brand building and software amounting to ₹ 3266.97 Lacs have been impaired and shown as exceptional items
- b) Provision for doubtful debt amounting ₹ 204.41 Lacs and debtors amounting to ₹ 159.83 Lacs have been written off basis on the legal notice or documents received from parties for recovery.

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

Sr. No	Particulars	₹ in Lacs	₹ in Lacs
		As at 31st March, 2013	As at 31st March, 2012
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	-	-

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

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

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

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	G C Srivastava Director
		R. S. Jalan Managing Director	Raman Chopra Executive Director - Finance
(C. V. Thakker) Partner	(Gautam R. Divan) Partner		Bhwneshwar Mishra General Manager & Company Secretary
Place : New Delhi Date : 24th May 2013		Place : New Delhi Date : 24th May 2013	

GHCL Limited

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

ATTENDANCE SLIP

I hereby record my presence at the Thirtieth ANNUAL GENERAL MEETING of the Company held on Thursday, September 26, 2013 at 9:30 a.m. at The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006 (Opp. Gajjar Hall).

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

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

GHCL Limited

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

PROXY FORM

I/We of
..... in the district of being a Member/Members of
the above named Company, hereby appoint of
..... in the District of or failing him of
..... in the District of as my/our Proxy to
attend and vote for me/us and on my/our behalf at the Thirtieth Annual General Meeting of the Company,
to be held on Thursday, September 26, 2013 at 9:30 a.m. and at any adjournment thereof.

Signed this day of 2013

Reference Folio:/DPID/CL.ID

No. of Shares:

Signature

Affix Re. 1 Revenue stamp

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

Book-Post

If undelivered, please return to:



GHCL Limited

Registered Office:

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

