

GHCL Limited

1/12

May 28, 2014

Mr. Hari K
Vice President
National Stock Exchange of India Limited
"Exchange Plaza"
Bandra - Kurla Complex,
Bandra (E), Mumbai - 400 051
Fax # 022 26598237/38

Mr. Vipul Patel
CFO & Managing Director (In charge)
Ahmedabad Stock Exchange Ltd.
Kamdhenu Complex, Opp. Sahajanand
College,
Ahmedabad - 380 015. (Fax: 079 26308877)

Mr. S Subramanian
DCS - CRD
BSE Ltd.
1st Floor, New Trading Ring, Rotunda Building,
P.J. Towers,
Dalal Street, Fort, Mumbai - 400 001
(Fax: 022 22723121/2037/2041/3714/2039/2061)

Dear Sirs,

Sub: Outcome of 162nd Board Meeting held on May 28, 2014

Pursuant to requirement of the Listing Agreement, it is hereby informed that the Board of Directors in their just concluded meeting has *inter alia* approved the following:

1. Annual accounts of the Company for the financial year ended March 31, 2014 subject to the adoption of shareholders in ensuing Annual General Meeting.
2. Recommended Dividend of Rs. 2.00 per share for the financial year ended March 31, 2014.
3. Notice for ensuing Annual General Meeting.
4. Audited financial results for the quarter / year ended March 31, 2014 (including consolidated financial results) of the Company and publication thereof as per the provisions of Clause 41 of the Listing Agreement alongwith audit report are enclosed herewith.
5. Voluntary delisting of Company's equity shares from the Ahmedabad Stock Exchange Limited.

You are requested to kindly take note of the same.

Thanking you

Yours faithfully,

For GHCL Limited

Bhuvneshwar Mishra
General Manager & Company Secretary

GHCL Limited (CIN : L24100GJ1983PLC006513)

Registered Office: GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat

(Email: ghclinfo@ghcl.co.in, Website: www.ghclindia.com, Phone: 079- 39324100, Fax: 079-26423623)

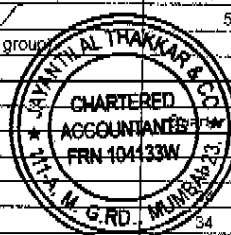
(Rs. in Lacs)

Statement of Audited Financial Results (Both Standalone and Consolidated) for the Quarter and Year ended on 31st March 2014

S. No.	PART I	Particulars	Standalone			Standalone		Consolidated	
			Quarter Ended			Year Ended		Year Ended	
			31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
			Unaudited			Audited		Audited	
1		Income from operations							
	(a)	Net Sales / Income from Operations (Net of excise duty)	59,161.34	54,513.43	53,821.36	2,21,212.07	2,11,373.01	2,23,555.42	2,26,376.89
	(b)	Other Operating Income	393.19	243.19	187.69	1,208.81	1,121.63	1,208.81	1,121.63
		Total Income from Operations (Net)	59,554.53	54,756.62	54,009.05	2,22,420.88	2,12,494.64	2,24,764.23	2,27,498.52
2		Expenses:							
	(a)	Cost of Material consumed	22,497.85	22,142.16	18,486.36	88,880.02	79,091.35	88,880.02	79,091.35
	(b)	Purchase of Stock in-trade	1,036.29	1,259.45	489.29	3,334.94	6,129.12	9,085.86	20,751.44
	(c)	Changes in inventories of finished goods, work-in-progress and stock in-trade	1,060.20	730.55	2,115.68	(1,013.47)	558.33	(10,642.48)	(849.99)
	(d)	Employees benefits expenses	3,298.60	2,982.17	2,878.72	12,199.30	11,103.34	12,199.30	11,103.88
	(e)	Power, Fuel and Water	10,745.80	9,364.06	8,725.14	38,538.06	34,068.53	38,538.06	34,068.53
	(f)	Depreciation and amortisation expenses	1,984.58	2,054.91	2,048.12	8,156.77	8,195.72	8,173.84	8,208.10
	(g)	Other Expenses	9,153.02	8,091.96	8,872.48	34,881.29	33,444.08	40,503.54	36,249.47
		Total Expenses	49,779.14	48,635.26	43,615.78	1,84,956.91	1,72,991.47	1,88,808.26	1,88,622.78
		Profit From Operations before Other Income, finance cost & Exceptional Items (1-2)	10,075.39	8,121.36	10,393.27	37,463.97	39,503.17	37,955.97	38,875.74
4		Other Income	248.58	46.17	165.72	499.88	298.49	500.77	301.27
		Profit from ordinary activities before finance cost, Exchange Impact & Exceptional Items (3+4)	10,323.97	8,167.53	10,558.99	37,963.85	40,201.66	38,456.74	39,177.01
6		Finance Cost							
	(a)	Interest Cost and financial charges	3,898.03	3,803.57	2,949.05	14,910.21	14,091.22	16,101.90	16,009.74
	(b)	Add: Exchange loss equivalent to Interest Saving on forex instruments (refer point no 8 below and note no 3)	-	2.31	191.01	2,136.54	1,704.96	2,136.54	1,704.96
		Total Finance cost (a+b)	3,898.03	3,805.88	3,140.06	17,052.75	15,796.18	18,318.50	17,794.70
		Profit from ordinary activities before Exchange Impact & Exceptional Items (5-6)	6,425.94	4,361.65	7,418.93	20,911.10	24,405.48	20,138.24	21,382.31
8		Exchange Gain / (Loss)							
	(a)	Exchange Gain / (Loss) Gross	80.00	(176.46)	431.66	(4,024.85)	(8,146.03)	(4,025.51)	(8,146.07)
	(b)	Less: Exchange loss equivalent to Interest Saving on forex instruments transferred to finance cost (in point no 6(b) above)	-	2.31	191.01	2,136.54	1,704.96	2,136.54	1,704.96
	(c)	Net Exchange Gain / (Loss) (a+b) (refer note no 4)	80.00	(174.15)	622.67	(2,788.31)	(6,441.99)	(2,788.97)	(6,441.11)
		Profit from ordinary activities after Finance cost but before Exceptional Items (7+8)	6,505.94	4,187.50	8,041.60	18,122.79	17,963.51	17,349.27	14,941.20
10		Exceptional Items (refer note no 5)	(2,121.82)	(410.21)	(2,022.26)	(3,097.20)	(3,958.32)	(3,097.20)	(5,291.78)
11		Profit from ordinary activities before tax (9+10)	4,384.12	3,777.29	6,019.34	15,025.59	14,005.19	14,252.07	9,649.44
12		Tax expenses	495.89	1,077.97	749.54	3,395.38	2,512.54	3,399.96	2,512.54
13		Net Profit from ordinary activities for the period after tax (11-12)	3,888.23	2,699.32	5,269.70	11,629.21	11,492.65	10,852.11	7,136.90
14		Prior Period Income / (Expenses)	16.75	-	3.92	16.75	3.92	17.12	3.91
15		Excess/(Short) provision for Tax for earlier years	(75.31)	-	(1.08)	(75.31)	(1.08)	(75.31)	(0.10)
16		Net Profit (13+14+15)	3,828.67	2,699.32	5,272.54	11,569.65	11,495.49	10,792.92	7,140.71
17		Minority Interest Profit/(Loss)	-	-	-	-	-	-	-
18		Net Profit after Minority Interest (16-17)	3,828.67	2,699.32	5,272.54	11,569.65	11,495.49	10,792.92	7,140.71
		Paid Up Equity Share Capital (face value of Rs.10/- each)	10,001.93	10,001.93	10,001.93	10,001.93	10,001.93	10,001.93	10,001.93
		Reserve excluding Revaluation Reserve	-	-	-	43,784.30	34,934.83	28,601.76	16,594.39
		EPS - Before & after Extraordinary items (of Rs.10/-each) (not annualised)							
	(a)	Basic & Diluted	3.83	2.64	5.27	11.57	11.49	10.79	7.14

PART-II SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2014

A PARTICULARS OF SHAREHOLDING					
1	Public Shareholding				
	- Number of Shares	8,24,25,402	8,24,25,402	8,24,15,402	8,24,25,402
	- Percentage of Shareholding	82.41	82.41	82.40	82.41
2	Promoters and promoter group Shareholding				
	a) Plugged / Encumbered				
	- Number of Shares	87,15,800	87,15,800	87,25,800	87,15,800
	- Percentage of Shares	49.54	49.54	49.57	49.54
	(as a % of the total shareholding of promoter & promoter group)				
	- Percentage of Shares	8.71	8.71	8.72	8.71
	(as a % of the total share capital of the company)				
	b) Non - encumbered				
	- Number of Shares	88,78,084	88,78,084	88,78,084	88,78,084
	- Percentage of Shares	50.46	50.46	50.43	50.46
	(as a % of the total shareholding of promoter & promoter group)				
	- Percentage of Shares	8.88	8.88	8.88	8.88
	(as a % of the total share capital of the company)				
	Particulars				
B	INVESTOR COMPLAINTS				
	Pending at the beginning of the quarter				
	Received during the quarter				
	Disposed of during the quarter				
	Remaining unresolved at the end of the quarter				



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GHCL Limited (CIN : L24100GJ1983PLC006513)

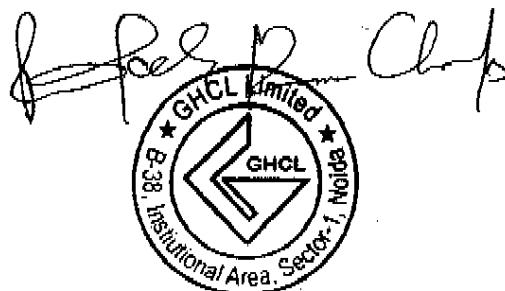
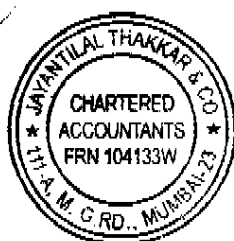
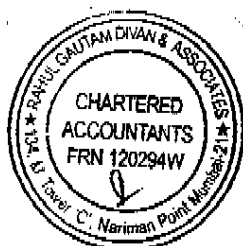
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(Rs. in Lacs)

Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement

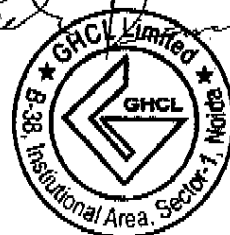
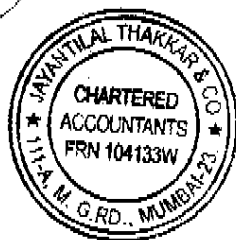
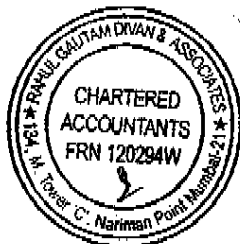
S. No.	Particulars	Standalone			Standalone		Consolidated	
		Quarter Ended			Year Ended		Year Ended	
		31.03.2014	31.12.2013	31.03.2013	31.03.2014	31.03.2013	31.03.2014	31.03.2013
		Unaudited			Audited		Audited	
1	Segment Revenue							
1.a	Inorganic Chemicals	34,722.01	30,086.85	31,499.13	1,23,062.66	1,21,553.94	1,23,062.66	1,21,553.94
1.b	Home Textiles	25,132.52	24,869.77	22,509.92	89,358.22	90,940.70	1,01,701.57	1,05,944.58
1.c	Others / Un-allocated	-	-	-	-	-	-	-
	Total Revenue	59,854.53	54,956.62	54,009.05	2,22,420.88	2,12,494.64	2,24,764.23	2,27,498.52
2	Segment Results							
	Operating Profit before Finance cost & Tax							
2.a	Inorganic Chemicals	8,544.27	5,951.81	10,240.92	27,634.23	30,243.90	27,634.23	30,243.90
2.b	Home Textiles	2,330.50	2,185.11	1,421.07	8,318.27	4,957.82	8,293.82	4,475.90
2.c	Others / Un-allocated	0.04	-	18.97	(8.74)	19.59	7.18	(923.76)
	Total Segment Results	10,874.81	8,136.92	11,680.96	35,943.76	35,221.11	35,935.23	33,896.04
2.d	Finance Cost							
	(a) Interest Cost and financial charges	3,898.03	3,803.57	2,949.05	14,916.21	14,091.22	15,181.98	16,089.74
	(b) Exchange Loss equivalent to Interest Saving on forex instruments	-	2.31	191.01	2,136.54	1,704.96	2,136.54	1,704.96
	Total Finance cost (a+b)	3,898.03	3,805.88	3,140.06	17,052.75	15,796.18	18,318.50	17,794.70
2.e	Un-allocated (Income)/ Expenditure	2,592.66	553.75	2,521.66	3,865.42	5,419.74	3,364.66	6,451.90
	Total Profit before Tax	4,369.12	3,777.29	6,019.24	15,025.59	14,006.19	14,252.07	6,649.44
3	Capital Employed							
3.a	Inorganic Chemicals	42,239.29	33,650.84	48,187.54	42,239.29	48,187.54	42,239.29	48,187.52
3.b	Home Textiles	32,476.46	31,910.80	32,896.95	32,476.46	32,896.95	22,776.77	23,607.99
3.c	Others/ un-allocated	11,757.11	13,824.45	13,910.81	11,757.11	13,910.81	10,414.78	9,943.20
	Total	86,472.86	79,385.89	94,995.30	86,472.86	94,995.30	75,430.84	81,738.71



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Standalone and Consolidated Statement of Assets & Liabilities under Clause 41 of the Listing Agreement

Particulars		Standalone (Rs. in lakhs)		Consolidated (Rs. in lakhs)	
		Year Ended			
		31.03.2014	31.03.2013	31.03.2014	31.03.2013
		Audited			
A	EQUITY AND LIABILITIES				
1	Shareholders' Funds				
	(a) Share Capital	10,001.93	10,001.93	10,001.93	10,001.93
	(b) Reserve & Surplus	75,977.71	96,745.34	48,726.14	46,660.75
	Sub-Total: Shareholders' funds	85,979.64	1,06,747.27	58,728.07	56,662.68
2	Minority interest	-	-	-	-
3	Non-Current Liabilities				
	(a) Long-term borrowings	72,332.69	62,208.14	68,511.39	99,036.14
	(b) Deferred Tax Liabilities (Net)	16,202.03	16,327.40	16,202.03	16,327.40
	(c) Other Long term liabilities	577.16	329.98	608.01	329.98
	(d) Long-term Provisions	168.14	106.95	168.14	106.95
	Sub-Total: Non-Current Liabilities	89,280.02	78,972.47	1,05,489.57	1,15,800.47
4	Current Liabilities				
	(a) Short-term borrowings	49,477.56	46,386.32	60,505.06	47,413.82
	(b) Trade payables	41,704.83	38,411.15	55,762.17	47,333.69
	(c) Other Liabilities	17,520.03	15,619.88	27,083.71	17,038.22
	(d) Short-term Provisions	3,836.97	3,719.29	3,836.96	3,719.28
	Sub-Total: Current Liabilities	1,12,539.39	1,04,136.65	1,37,187.90	1,15,505.01
	TOTAL EQUITY AND LIABILITIES	2,87,799.05	2,89,856.39	3,01,405.54	2,87,968.18
B	ASSETS				
1	Non-Current assets				
	(a) Fixed Assets	1,88,000.54	1,90,231.82	1,88,187.50	1,90,266.24
	(b) Goodwill on consolidation	-	-	-	435.41
	(c) Non-current Investments	558.33	558.39	549.20	548.80
	(d) Long-term loans and advances	2,375.52	823.01	2,375.52	823.01
	(e) Other non-current assets	54.68	382.25	54.68	382.25
	Sub-total: Non-Current assets	1,90,989.07	1,91,995.47	1,91,181.90	1,92,455.71
2	Current assets				
	(a) Current Investments	200.00	-	200.00	-
	(b) Inventories	40,418.06	39,107.11	54,387.13	43,447.16
	(c) Trade receivables	29,786.91	24,112.92	38,121.10	28,599.00
	(d) Cash and cash equivalents	3,905.91	2,869.06	4,172.16	2,907.76
	(e) Short-term loans and advances	22,498.08	31,771.83	13,363.26	20,558.53
	Sub-total: Current assets	95,809.98	97,860.92	1,10,243.64	95,512.45
	Total	2,87,799.05	2,89,856.39	3,01,405.54	2,87,968.18

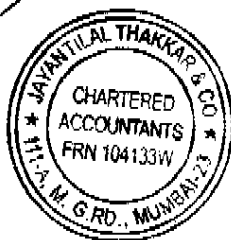
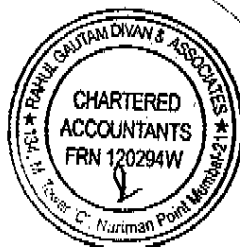


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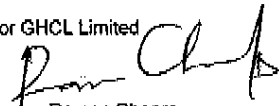
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1. The above results have been reviewed by the Audit Committee and were approved by the Board of Directors at its meeting held on 28 May 2014.
2. The Board of Directors at their meeting held on 28 May 2014, has recommended a dividend @ Rs.7/- equity share of Rs. 10 each (i.e.20%) (Previous year Rs.2/-equity share of Rs. 10 each) for the year ended on 31 March 2014, subject to the approval of the shareholders at the ensuing Annual General Meeting.
3. 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 Rs. 4924.86 Lakh (previous year Rs. 8146.92 Lakh) for the year. The Company had some borrowings in foreign currency instruments which carry lower interest rate as compared to Indian Rupee borrowing rate, resulting into lower interest cost of Rs. 2136.54 Lakh (previous year Rs. 1704.96 lakh). Therefore, out of total exchange loss of Rs.4924.86 Lakh (previous year Rs. 8146.92 Lakh), a sum of Rs. 2136.54 Lakh (previous year Rs. 1704.96 Lakh) has been recognized under finance cost as "Exchange Loss equivalent to Interest Saving on forex instruments transferred to finance cost" and balance Rs. 2788.31 Lakh (previous year Rs. 6441.96 Lakh) has been shown as Foreign Exchange Loss.
4. 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 the following effects in the audited financial statements for the year ended 31 March 2014:-
 - a) The company has provided for diminution / impairment of Rs. 27,679.47 Lacs (previous year Rs. NIL) in the value of investments in and loans & advances to and receivables from subsidiaries and the same has been charged to Business Development Reserve as per Scheme. Further additional depreciation arising out of revaluation amounting to Rs.1937.65 Lacs (Previous year Rs. 1934.39 Lacs) has been charged to the Business Development Reserve.
 5. Exceptional items are in respect of :
 - (a) Crystallized Loss amounting to Rs.1004.40 Lacs on sale of 8,81,191 Shares held by GHCL Employees Stock Option Trust in line with the circulars issued by SEBI on January 17, 2013, May 13, 2013 and November 29, 2013 on Employees Stock Option Scheme (ESOS) and Employees Stock Purchase Scheme, GHCL ESOS Scheme will cease to be in existence by June 30, 2014 and accordingly all the shares controlled by the trust have been sold before the Balance Sheet date.
 - (b) Consequent to para (a) above, Rs. 240.85 lacs relating to the provision made in previous years for minimum price appreciation guarantee @ 20% as per the GHCL ESOS has been written back, since none of the employees have exercised the option during the period ended 31st March 2014.
 - (c) Write off amounting to Rs.2333.65 Lacs due to permanent diminution in the value of 20,46,195 shares originally held by GHCL ESOS trust based on the difference in the average purchase price and current market value. Of these, 15,79,922 shares were illegally sold by a party against which ESOS trust has initiated legal proceedings and balance 4,66,273 shares are held by Stock exchange based on an arbitration award.
 6. The figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figure upto third quarter of the current financial year. The previous year's/corresponding periods' figures have been regrouped / reclassified.
 7. The 31st Annual General Meeting of shareholders will be held on Thursday, 21st August 2014 at The Institution of Engineers (India), Gujarat State Centre, Bhakaka Bhavan, Law College Road, Ahmedabad - 380006. The Registers of Members will be closed from 11th August 2014 to 21st August 2014 (both days inclusive) for the purpose of Annual General Meeting including determining the eligible shareholders for payment of dividend.

New Delhi
28 May 2014




R. S. Jalan
Managing Director

For GHCL Limited

Raman Chopra
Executive Director (Finance)



RAHUL GAUTAM DIVAN & ASSOCIATES AND**JAYANTILAL THAKKAR & CO.**
CHARTERED ACCOUNTANTS111 (A), MAHATMA GANDHI ROAD,
FORT, MUMBAI - 400 023.
TELEPHONES : 2265 8800
2265 8900
FAX : (91 - 22) 2265 8989
E-MAIL : jtc@vsnl.net

REF. NO.

INDEPENDENT AUDITORS' REPORTTO 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 31st March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

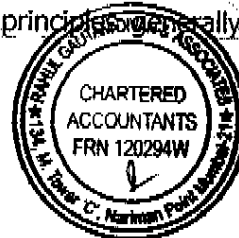
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform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

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

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

Opinion

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



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JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

Continuation Sheet No. 2

Date _____

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

Report on Other Legal and Regulatory Requirements

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

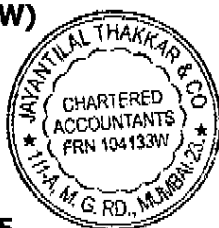
For and on behalf of
JAYANTILAL THAKKAR & CO.
Chartered Accountants
(Firm Reg. No. 104133W)


(C. V. THAKKER)

Partner
Membership No: 006205

Place : New Delhi

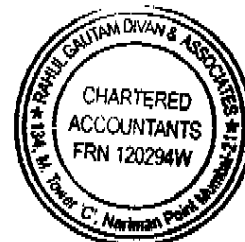
Date : 28th May, 2014



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


(RAHUL DIVAN)

Partner
Membership No: 100733



JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

Continuation Sheet No. 3

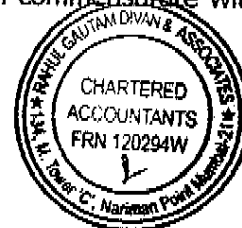
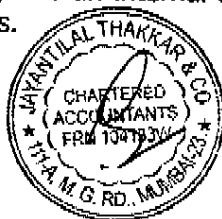
Date

8/12

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.



JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

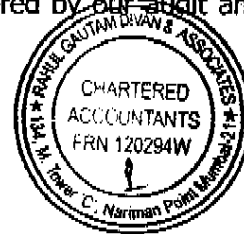
Continuation Sheet No. 4

Date 9/12

- (viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 209 (1)(d) of the Companies Act, 1956, and are of the opinion that prima facie, the prescribed accounts and records have been maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix)(a) According to the records of the Company and the information and explanations given to us, the Company has been regularly depositing with the appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Sales Tax, Wealth tax, Service tax, Customs Duty, Excise Duty, Cess and any other statutory dues applicable to it. There are no undisputed statutory dues as referred to above as at 31st March 2014 outstanding for a period of more than six months from the date they become payable.
- (b) The disputed statutory dues aggregating to Rs.2527.56 lakhs that have not been deposited on account of matters pending before the appropriate authority are as under:

Sr. No.	Name of the statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. in Lakhs)
1	Income Tax Act, 1961	Depreciation	ITAT, Ahmedabad	F.Y. 2007-08	3.14
		Write off of loans of Subsidiaries	CIT (Appeal), Ahmedabad		799.86
2	Central Excise Act, 1944	CENVAT credit & Non Payment of Service Tax	High Court Chennai	2001-02	3.44
			Customs, Excise and Service Tax Appellate Tribunal	2002-03, 2008-09, 2009-10 & 2010-11	1325.51
			Commissioner (Appeals)	2007-08, 2008-09, 2009-10, 2010-11, 2011-12	186.23
3	Tamil Nadu General Sales Tax Act, 1959	Exemption from Sales Tax	High Court Chennai	2004-05 & 2005-06	7.36
4	Urban Land Tax Act	Urban Land Tax	High Court Chennai	1981-2013 & 2010-2011	73.52
5	Bombay Tenancy & Agricultural Land Tax Act, 1948	Non-Agriculture conversion Premium for Land	High Court Ahmedabad	2005-06	121.17
6.	The Employee's State Insurance Act, 1948	Contribution Demand	ESI Court, Madurai	Various Years	6.02
			Supreme Court	1985-86	1.31

- (x) The Company neither has any accumulated losses at the end of the financial year nor has incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.



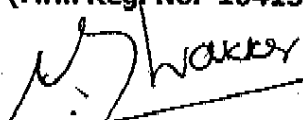
JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

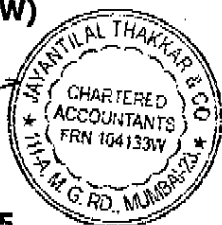
Continuation Sheet No. 5

Date 10/12

- (xi) Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions.
- (xii) Based on our audit procedures and according to the information and explanations given by the management, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund/nidhi/mutual benefit fund/society to which the provisions of special statute relating to chit fund are applicable.
- (xiv) According to the information and explanations given by management, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) Based on our examination of the records, we are of the opinion that the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are prima facie not prejudicial to the interest of the Company.
- (xvi) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (xvii) Based on our examination of the Balance Sheet and cash flows of the Company as at 31st March 2014 and according to the information and explanations given to us, we report that funds raised on a short-term basis have not been used for long-term investment.
- (xviii) During the year, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures at the year end.
- (xx) During the year, the Company has not raised money by way of public issue.
- (xxi) Based on the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year ended 31st March 2014.

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

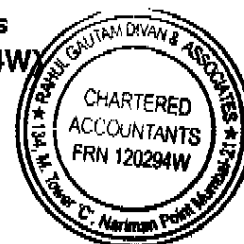

(G. V. THAKKER)
Partner
Membership No: 006205



Place : New Delhi
Date : 28th May, 2014

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


(RAHUL DIVAN)
Partner
Membership No: 100733



RAHUL GAUTAM DIVAN & ASSOCIATES AND**JAYANTILAL THAKKAR & CO.**
CHARTERED ACCOUNTANTS111 (A), MAHATMA GANDHI ROAD,
FORT, MUMBAI - 400 023.
TELEPHONES : 2265 8800
2265 8900
FAX : (91 - 22) 2265 8989
E-MAIL : jtco@vsnl.net

REF. NO.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTSTo 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 31st March 2014, the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

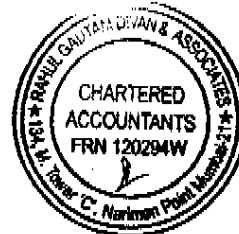
Auditors' Responsibility

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

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

Opinion

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



12/12

JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

Continuation Sheet No. 2

Date _____

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

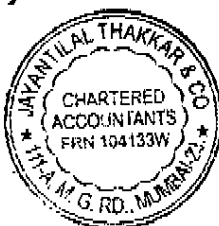
Other Matters

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

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


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

Place : New Delhi
Date : 28th May, 2014



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


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

