

1/12

GHCL Limited

May 30, 2012

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. K K Mishra
The Managing Director
Ahmedabad Stock Exchange
Kamdhenu Complex, Opp. Sahajanand
College,
Ahmedabad - 380 015. (Fax: 079 26308877)

Mr. S Subramanian
DCS - CRD
The Bombay Stock Exchange 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 154th Board Meeting held on May 30, 2012

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. Re-appointment of Mr. R. S. Jalan, Managing Director of the Company for a period of 5 years w.e.f. June 7, 2012 subject to the approval of shareholders of the Company in ensuing Annual General Meeting.
2. Annual accounts of the Company for the financial year ended March 31, 2012 subject to the adoption of shareholders in ensuing Annual General Meeting.
3. Recommended Dividend Rs. 2.00 per share i.e. at the rate of 20% on the paid up capital of the Company, for the financial year ended March 31, 2012.
4. Notice for ensuing Annual General Meeting.
5. Audited financial results for the quarter / year ended March 31, 2012 (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.

You are requested to kindly take note of the same.

Thanking you

Yours faithfully,

For GHCL Limited

Bhuwleshwar Mishra
General Manager & Company Secretary

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GHCL Limited

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

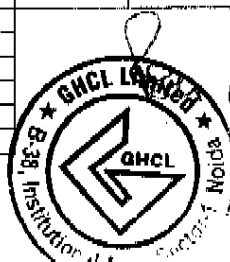
(Rs. In Lacs)

Statement of Audited Financial Results (Both Standalone and Consolidated) for the Quarter and Year ended on 31st March 2012

S. No. PART-I	Particulars	Standalone		Consolidated	
		Quarter Ended		Year Ended	
		31.03.2012	31.12.2011	31.03.2012	31.03.2011
		Audited	Unaudited		Audited
1	Income from operations				
	(a) Net Sales / Income from Operations (Net of excise duty)	54,882.94	47,646.33	44,326.27	1,88,788.11
	(b) Other Operating Income	7.56	110.15	379.77	885.04
	Total Income from Operations (Net)	54,890.50	47,756.48	44,706.04	1,89,673.15
2	Expenses:				
	a) Cost of Material consumed	20,773.33	18,824.98	17,103.30	77,074.82
	b) Purchase of Stock-in-trade	1,355.21	4,183.89	1,139.65	9,201.43
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	373.85	(1,274.80)	133.64	(2,435.42)
	d) Employees benefits expenses	2,505.81	2,561.95	2,747.73	9,982.52
	e) Power, Fuel and Water	6,866.02	6,659.87	5,997.28	25,835.94
	f) Depreciation and amortisation expenses	2,016.83	2,033.75	2,182.02	8,084.87
	g) Other Expenses	9,171.77	8,427.13	6,758.71	31,279.20
	Total Expenses	43,062.84	41,416.77	38,062.33	1,58,093.37
	Profit From Operations before Other Income, finance cost & Exceptional Items (1-2)	11,827.66	6,339.71	6,643.71	30,579.79
3	Other Income	382.38	120.50	172.14	962.66
	Profit from ordinary activities before finance cost, Exchange Impact & Exceptional Items (3+4)	12,210.07	6,460.21	6,815.85	31,542.44
5	Finance Cost				
	(a) Interest Cost and financial charges	3,790.81	3,859.46	2,737.74	14,576.31
	(b) Add: Exchange Loss equivalent to Interest Saving on forex instruments (refer point no 8 below and note no 4)	3,919.84	-	-	-
	Total Finance cost (a+b)	7,710.65	3,859.46	2,737.74	14,576.31
	Profit from ordinary activities before Exchange Impact & Exceptional Items (5-6)	4,499.41	2,600.75	4,078.11	16,966.13
8	Exchange Gain / (Loss)				
	(a) Exchange Gain / (Loss)- Gross	(4,005.68)	(1,767.29)	298.78	(5,101.12)
	(b) Less: Exchange Loss equivalent to Interest Saving on forex instruments transferred to finance cost (in point no 6(b) above)	3,919.84	-	-	-
	(c) Net Exchange Gain / (Loss) (a+b) (refer note no 4)	(85.83)	(1,767.29)	298.78	(5,101.12)
	Profit from ordinary activities after Finance cost but before Exceptional Items (7+8)	4,413.58	833.46	4,376.89	11,865.02
9	Gain / (Loss) on Exceptional Items				
	Profit from ordinary activities before tax (9+10)	4,413.58	833.46	4,376.89	11,865.02
12	Tax expenses	(305.75)	(198.35)	3,804.77	117.07
	Net Profit from ordinary activities for the period after tax (11-12)	4,107.83	635.11	572.12	11,747.95
14	Prior Period Income / (Expenses)	18.89	15.65	6.36	18.89
15	Excess/(Short) provision for Tax for earlier years	200.23	40.35	75.52	200.23
	Net Profit (13+14+15)	4,326.95	690.11	653.99	11,966.07
17	Minority Interest Profit / (Loss)	-	-	-	-
	Net Profit after Minority Interest (16-17)	4,326.95	690.11	653.99	11,966.07
	Paid Up Equity Share Capital (face value of Rs.10/- each)	10,001.93	10,001.93	10,001.93	10,001.93
	Reserve excluding Retention Reserve	-	-	25,576.10	25,586.33
	EPS - Before & after Extraordinary items (of Rs.10/-each) (not annualised)	-	-	-	-
	(a) Basic	4.33	0.69	0.65	11.96
	(b) Diluted	4.33	0.69	0.65	11.96

PART-II SELECT INFORMATION FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2012

A PARTICULARS OF SHAREHOLDING		Quarter Ended 31.03.2012	
1	Public Shareholding		
	- Number of Shares	8,24,15,402	8,24,15,402
	- Percentage of Shareholding	82.40	82.96
2	Promoters and promoter group Shareholding		
	a) Pledged / Encumbered		
	- Number of Shares	87,25,800	87,25,800
	- Percentage of Shares	49.57	52.92
	(as a % of the total shareholding of promoter & promoter group)		
	- Percentage of Shares	8.72	9.02
	(as a % of the total share capital of the company)		
	b) Non - encumbered		
	- Number of Shares	88,78,084	88,78,084
	- Percentage of Shares	50.43	47.08
	(as a % of the total shareholding of promoter & promoter group)		
	- Percentage of Shares	8.88	8.02
	(as a % of the total share capital of the company)		
B INVESTOR COMPLAINTS		Quarter Ended 31.03.2012	
	Pending at the beginning of the quarter	NIL	
	Received during the quarter	61	
	Disposed of during the quarter	61	
	Remaining unresolved at the end of the quarter	NIL	



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GHCL Limited

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

(Rs. in Lacs)

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

S. No.	Particulars	Standalone			Consolidated		
		Quarter Ended		31.03.2011	Year Ended		31.03.2011
		31.03.2012	31.12.2011		31.03.2012	31.03.2011	
		Audited	Unaudited		Audited		
1	Segment Revenue						
1.a	Inorganic Chemicals	32,117.74	29,266.67	27,078.37	1,14,814.72	92,465.45	92,833.48
1.b	Home Textiles	22,772.78	18,499.81	17,610.66	74,856.44	57,053.10	64,561.10
1.c	Others / Un-allocated	-	-	17.01	-	154.76	1,409.90
	Total Revenue	54,890.53	47,766.48	44,706.04	1,89,671.16	1,49,663.31	1,58,804.48
2	Segment Results						
	Operating Profit before Finance cost & Tax						
2.a	Inorganic Chemicals	10,154.02	5,114.47	8,030.46	28,285.98	22,298.71	16,793.60
2.b	Home Textiles	2,284.38	(148.18)	1,496.58	3,254.74	5,396.62	5,433.44
2.c	Others / Un-allocated	48.09	10.85	(30.11)	56.07	(74.94)	(871.69)
	Total Segment Results	12,486.49	4,977.12	9,496.93	31,676.79	27,620.39	21,355.35
2.d	Finance Cost						
	(a) Interest Cost and financial charges	3,790.81	3,859.46	2,737.74	14,576.31	11,043.48	17,399.67
	(b) Exchange Loss equivalent to Interest Saving on forex Instruments	3,919.84	-	-	3,919.84	-	-
	Total Finance cost (a+b)	(7,710.65)	(3,859.46)	(2,737.74)	(18,496.15)	(11,043.48)	(15,167.03)
2.e	Un-allocated Income/ (Expenditure)	(362.25)	(284.21)	(382.30)	(1,215.62)	(1,087.40)	(1,282.41)
	Total Profit before Tax	4,413.59	833.45	6,376.89	11,865.02	15,489.50	4,905.91
3	Capital Employed						
3.a	Inorganic Chemicals	53,314.88	47,518.50	55,421.94	53,314.88	55,421.94	44,460.07
3.b	Home Textiles	33,798.84	36,679.10	38,230.24	33,798.84	38,230.24	20,717.53
3.c	Others/ un-allocated	3,726.99	24,987.13	17,853.62	3,726.99	17,853.62	8,258.99
	Total	90,842.71	109,184.73	111,505.80	90,842.71	1,11,505.80	73,436.59



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

Particulars		Standalone (₹ In lakhs)		Consolidated (₹ In lakhs)	
		Year Ended			
		31.03.2012	31.03.2011	31.03.2012	31.03.2011
		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		88,155.20	91,946.80	38,199.84	44,538.99
(c) Money received against share warrants		-	-	-	-
Sub-Total- Shareholders' funds		96,157.13	1,01,948.83	48,201.57	54,538.92
2 Share application money pending allotment		-	-	-	-
3 Minority Interest		-	-	-	-
4 Non-Current Liabilities					
(a) Long-term borrowings		70,438.01	87,352.33	1,08,985.48	1,27,619.37
(b) Deferred Tax Liabilities (Net)		16,634.31	17,119.45	16,634.31	17,119.45
(c) Other Long term liabilities		210.19	195.13	210.19	230.05
(d) Long-term Provisions		70.28	-	70.29	-
Sub-Total- Non-Current Liabilities		87,350.80	1,04,666.91	1,25,900.25	1,44,978.87
5 Current Liabilities					
(a) Short-term borrowings		48,171.28	44,723.02	82,120.68	55,883.16
(b) Trade payables		22,981.28	22,959.78	35,806.69	30,670.24
(c) Other Liabilities		19,487.94	15,090.14	21,344.74	16,227.99
(d) Short-term Provisions		3,480.44	3,697.30	3,480.44	3,697.30
Sub-Total-Current Liabilities		94,100.94	86,470.25	1,22,552.42	1,06,478.69
TOTAL EQUITY AND LIABILITIES		2,77,808.87	2,93,085.88	2,96,554.23	3,08,986.07
B ASSETS					
1 Non -Current assets					
(a) Fixed Assets		1,88,746.91	1,95,456.74	2,10,204.17	2,18,850.24
(b) Goodwill on consolidation		-	-	506.28	79.32
(c) Non-current Investments		2,493.92	2,503.40	540.20	548.28
(d) Deferred Tax Assets (Net)		-	-	-	-
(e) Long term loans and advances		1,301.82	1,000.54	1,302.88	1,911.45
(f) Other non-current assets		938.63	327.58	938.63	327.58
Sub-total-Non -Current assets		1,93,481.29	1,99,288.26	2,13,500.23	2,21,716.88
2 Current assets					
(a) Current Investments		379.53	-	386.48	0.78
(b) Inventories		32,452.73	38,319.18	35,553.34	40,065.20
(c) Trade receivables		18,949.25	18,801.74	22,161.00	19,309.14
(d) Cash and cash equivalents		3,011.28	3,144.13	3,513.03	3,457.49
(e) Short-term loans and advances		28,949.71	33,532.38	21,153.08	21,426.51
(f) Other Current assets		385.10	-	385.10	-
Sub-total Current assets		84,127.58	93,797.42	83,154.00	84,279.21
Total		2,77,808.87	2,93,085.88	2,96,554.23	3,08,986.08



for [Signature]

[Signature]



Notes:

1. The above results have been reviewed by the Audit Committee on 29 May 2012 and were approved by the Board of Directors at its meeting held on 30 May 2012.
2. The Board of Directors at their meeting held on 30 May 2012, has recommended a dividend @ Rs 2/ 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 2012, subject to the approval of the shareholders at the ensuing Annual General Meeting.
3. In the Textile Business of the Company, the Made-Ups(Home Textiles) Business has been growing significantly quarter on quarter and has done exceedingly well both in terms of volume growth and profitability as compared to corresponding period of last year. However, the yarn business has underperformed substantially which is largely due to unprecedented volatility in both cotton and yarn prices which has affected the spinning industry all over the country. This has adversely affected the overall profitability of textile business.
4. 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. 5101.12 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. 3919.84 lakh. Therefore, out of total exchange loss of Rs. 5101.12 lakh, a sum of Rs. 3919.84 has been recognized under finance cost as "Exchange Loss equivalent to Interest Saving on forex instruments transferred to finance cost" and balance Rs. 1181.27 Lakh has been shown as Foreign Exchange Loss.
5. 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 2012:-
- a) The company has provided for diminution / impairment of Rs.10330.51 Lacs (previous year Rs. 2654.45 Lacs) in the value of investments in and loans & advances to and receivables from subsidiaries and has been charged to Business Development Reserve as per Scheme. Further additional depreciation arising out of revaluation amounting to Rs. 1936.31 Lacs (Previous year Rs. 1,936.95 Lacs) has been charged to the Business Development Reserve. Also an amount of Rs. 2958.90 lakhs (previous year Rs. 151.62 lakh gain and ignored) being mark to market impact on derivatives has been charged to Business Development Reserve. Any further impairment in outstanding balance of loans & advances from subsidiaries amounting to Rs.1,419 Lakhs and outstanding guarantees of Rs. 20,352 Lakhs shall be accounted for in subsequent year (s) upon reasonable certainty and the same shall be adjusted against Business Development Reserve until such reserve exists. This point is in response to the Auditors' observations in their Annual audit report for the year ended 31 March 2012.
- b) The company has provided a sum of Rs. 9989.95 Lacs (Previous year Rs.18,475.11 Lacs) pertaining to loss on Investment/ receivables from subsidiaries and the same has been written off and adjusted against General Reserve.
6. The Company's ESOS plan is administered by ESOS Trust which purchased shares of the company from the market to grant stock options to eligible employees. The market value, as on 31st March 2012, of the shares held by the ESOS Trust is lower than the cost of purchases of these shares by Rs. 5,692 lacs. The fall in value of the underlying shares is on account of market volatility.
7. During the quarter, the company has voluntarily wound up non-operating subsidiaries " Fabicnt Textile Ltd and Rosebys International Ltd" in India under Easy exit scheme 2011.
8. 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.
9. Financial results of Rosebys Interiors India Limited and its subsidiaries have been included in the consolidated financial statements. Those results were not consolidated in the previous year's audited consolidated financial statements since previously control was intended to be temporary. However, in view of a change in intention, the consolidated financial statements for the year ended 31 March 2011 have been restated to include the results of Rosebys Interiors India Limited and its subsidiaries.
- 10.The previous year's/corresponding periods' figures have been regrouped / reclassified to be in conformity with the Revised Schedule VI of the Companies Act, 1956.

New Delhi
30 May 2012



R. S. Jalan
Managing Director

For GHCL Limited

Raman Chopra
Executive Director (Finance)



JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

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

REF. NO.

AUDITORS' REPORT

TO THE MEMBERS OF
GHCL LIMITED

1. We have audited the attached Balance Sheet of GHCL Limited as at 31st March, 2012 and also the Statement of Profit and Loss annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003 as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that :
 - a) *no provision has been made in respect of outstanding Guarantees aggregating to Rs. 20,352 lakhs furnished on behalf of a subsidiary (considered as contingent liabilities in notes to accounts) since it cannot be quantified as on date.*
 - b) Without qualifying our opinion, we draw your attention to:
 - i) Note 2.28 in respect of the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 approved by Honourable High Court of Gujarat vide its Order dated 30th November, 2009 and the accounting treatment adopted by the Company in respect of the Business Development Reserve.
 - ii) Note 2.55 in respect of the Employee Stock Option Scheme of the Company, wherein the potential diminution in the value of the assets of the Scheme are disclosed.
 - c) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit.



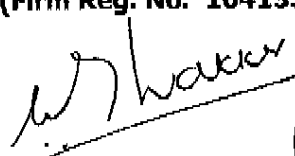
JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

Continuation Sheet No. _____

Date _____ 1/12

- d) In our opinion, proper books of accounts, as required by law have been kept by the Company so far as appears from our examination of such books;
- e) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- f) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- g) On the basis of the written representations received from the Directors as at 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- h) *Subject to our comments in paragraph 4(a) above*, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
- 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.

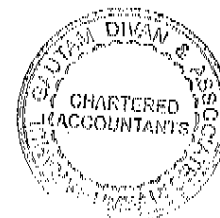
For and on behalf of
JAYANTILAL THAKKAR & CO
Chartered Accountants
(Firm Reg. No. 104133W)


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



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


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



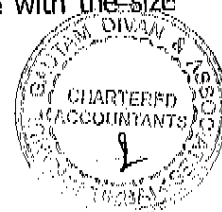
Place : New Delhi
Date : 30th May, 2012

JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 3 of the Auditors' Report of even date to the Members of GHCL Limited on the accounts for the year ended 31st March, 2012.)

- (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. _____

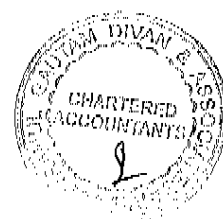
(viii) We have broadly reviewed the books of accounts maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government, the maintenance of cost records have been prescribed under Section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prima 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, 2012 outstanding for a period of more than six months from the date they become payable.

(b) The disputed statutory dues aggregating to Rs.1343.08 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	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	2002-2003, 2008-2009 & 2009-2010	887.89
			Commissioner (Appeals)	2008-2009, 2009-2010 & 2010-2011	189.61
3	Urban Land Tax Act	Urban Land Tax	High Court Chennai	1981-2009	32.79
			High Court Chennai	2010-2012	43.34
4	Bombay Tenancy & Agricultural Land Tax Act, 1948	Non-Agriculture conversion Premium for Land	High Court Ahmedabad	2005-2006	171.17
5	The Employee's State Insurance Act, 1948	Contribution Demand	ESI Court, Madurai	Various Years	6.01
			Supreme Court	1985-1986	1.31
6.	The Employees' Provident Fund Act & Miscellaneous Provisions Act, 1952	Damages & Interest	The Employees' Provident Fund Appellate Tribunal, New Delhi	2007-2008 & 2008-2009	4.38

(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.



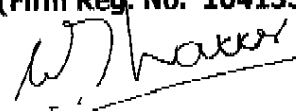
JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

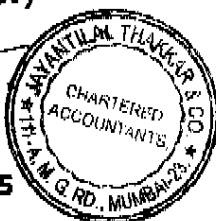
Continuation Sheet No. _____

Date _____

- (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, 2012 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, 2012.

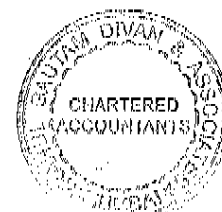
For and on behalf of
JAYANTILAL THAKKAR & CO
Chartered Accountants
(Firm Reg. No. 104133W)


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



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


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



Place : New Delhi
Date : 30th May , 2012

JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

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

REF. NO.

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To The Board Of Directors
GHCL LIMITED

1. We have audited the attached Consolidated Balance Sheet of GHCL LIMITED ("the Company") and its subsidiaries as at 31st March, 2012 and the Consolidated Statement of Profit and Loss annexed thereto and the Consolidated Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. a) The financial statements of three subsidiary companies, whose financial statements have been audited by at least one of us, reflect total liabilities (net) of Rs. 5,828 lakhs as at 31st March, 2012 and total revenues of Rs. 39 lakhs for the year ended on that date.
b) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total liabilities (net) of Rs. 1,151 lakhs as at 31st March 2012 and total revenues of Rs. 84 lakhs for the year ended on that date. Other auditors, whose reports have 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 these subsidiaries, 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 Rs. 50,549 lakhs as at 31st March, 2012 and total revenue of Rs. 7,752 lakhs for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been certified by the management.
4. Without qualifying our opinion, we draw your attention to:
 - i) Note 2.28 in respect of the Scheme of Arrangement u/s 391 to 394 of the Companies Act, 1956 approved by Honourable High Court of Gujarat vide its Order dated 30th November, 2009 and the accounting treatment adopted by the Company in respect of the Business development Reserve.



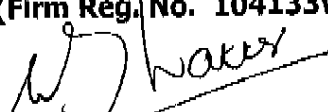
JAYANTILAL THAKKAR & CO.
CHARTERED ACCOUNTANTS

Continuation Sheet No. 2

Date _____

- ii) Note 2.40 in respect of the Employee Stock Option Scheme of the Company, wherein the potential diminution in the value of the assets of the Scheme are disclosed.
5. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements as notified under the Companies (Accounting Standards) Rules 2006, and on the basis of the separate audited financial statements of the Company and the audited/verified financial statements of its subsidiaries.
6. Further to our comments in para 4 above, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit/verification reports on individual financial statements of the Company and its subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
- (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Company and its subsidiaries as at 31st March, 2012;
 - (b) In case of the Consolidated Statement of Profit and Loss of the consolidated results of operations of the Company and its subsidiaries for the year ended on that date; and
 - (c) in the case Consolidated Cash Flow Statement, of the consolidated cash flows of the Company and its subsidiaries for the year ended on that date.

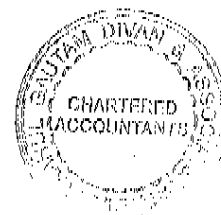
For and on behalf of
JAYANTILAL THAKKAR & CO
Chartered Accountants
(Firm Reg. No. 104133W)


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



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


(RAHUL DIVAN)
Partner
Membership No: 100733



Place : New Delhi
Date : 30th May, 2012