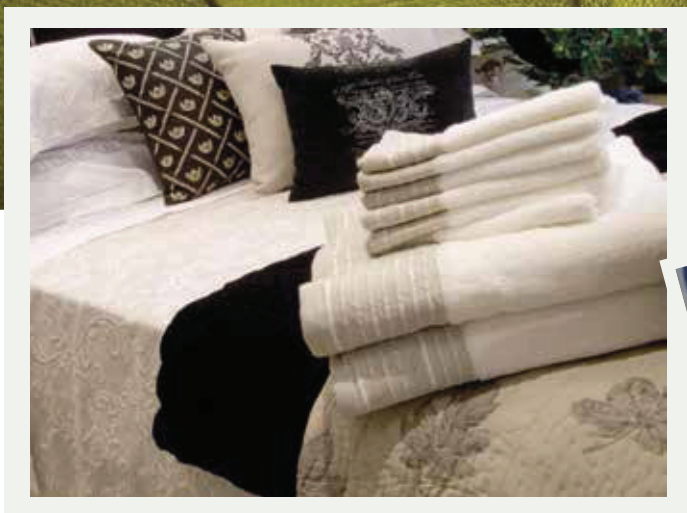


31ST ANNUAL REPORT 2013-2014



GHCL Limited

Contents

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

Annual General Meeting – Thursday, August 21, 2014

Time – 9:30 A.M.

Venue – The Institution of Engineers (India), Gujarat State Centre,
Bhaikaka Bhavan, Law College Road,
Ahmedabad - 380 006 (Opp. Gajjar Hall)

Book Closure Date - From Monday, August 11, 2014 to Thursday, August 21, 2014

Important Communication to Members

Ministry of Corporate Affairs had announced "green initiatives in the Corporate Governance" and permitted companies to service notices / documents including Annual Report to the members of the company on their email addresses. All those Shareholders who have not yet registered their email ids or holding shares in physical form are requested to register their email ids with NSDL/CDSL and/or our RTA at ghclgogreen@linkintime.co.in along with your No. of shares and Folio No. / Client Id and DP Id.

COMPANY INFORMATION

BOARD OF DIRECTORS

Sanjay Dalmia	Non-Executive Chairman
Anurag Dalmia	Non-Executive Director
Neelabh Dalmia	Non-Executive Director
Dr. B C Jain	Independent Director
D C Jain	Nominee Director (IDBI Bank)
R M V Raman	Nominee Director (Exim Bank)
Surendra Singh	Independent Director
G C Srivastava	Independent Director
Mahesh Kheria	Independent Director
Sanjiv Tyagi	Independent Director
S H Ruparell	Non-Executive Director
R S Jalan	Managing Director
Raman Chopra	CFO & Executive Director (Finance)

SECRETARIES

Bhuwneshwar Mishra
General Manager & Company Secretary

Manoj Kumar Ishwar
Manager (Secretarial)

REGISTERED OFFICE

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

CORPORATE OFFICE

"GHCL House"
B-38, Institutional Area,
Sector - 1
Noida - 201 301 (UP)
Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in
Website: www.ghclindia.com

MAJOR SUBSIDIARIES

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

COMPANY IDENTIFICATION NO.

CIN – L24100GJ1983PLC006513

STATUTORY AUDITORS

Jayantilal Thakkar & Co.
Rahul Gautam Divan & Associates

SECRETARIAL AUDITORS

Dr K R Chandratre
Practicing Company Secretary

WORKS

SODA ASH

Village - Sutrapada,
Near Veraval,
Distt. Gir Somnath - 362 275
Gujarat

SALT REFINERIES

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

TEXTILES

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

ENERGY DIVISION

- (a) Muppandal, 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.
Canara Bank
State Bank of Bikaner and Jaipur
State Bank of Patiala
Export Import Bank of India
State Bank of India
State Bank of Mysore
State Bank of Hyderabad
Union Bank of India
Bank of Maharashtra
Dena Bank
Tamilnad Merchantile Bank Ltd.
Andhra Bank
Jammu and Kashmir Bank Ltd.

SHARE TRANSFER AGENTS

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

CHAIRMAN'S STATEMENT

Dear Shareholders,

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

Sanjay Dalmia
Chairman

GHCL Limited

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

NOTICE

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

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

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

Item no. 2: Declaration of dividend

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

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

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

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

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

Item no. 5: Re-Appointment of Statutory Auditors

To re-appoint M/s Jayantilal Thakkar & Co., Chartered Accountants (Firm Reg. No. 104133W) and M/s Rahul Gautam Divan & Associates, Chartered Accountants (Firm Reg. No. 120294W) as Joint Statutory Auditors of the Company, to hold office from the conclusion of 31st Annual General Meeting to the conclusion of the 32nd Annual General Meeting and to authorize Board of Directors to fix their remuneration

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Bhuwneshwar Mishra
General Manager &
Company Secretary

NOTES

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

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

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the notice is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, August 11, 2014 to Thursday, August 21, 2014 (both days inclusive).
5. The dividend as recommended by the Board of Directors will be paid to those members whose names appear on the Company's Register of Members on August 11, 2014. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership furnished by National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) for this purpose.
6. The relevant details of directors seeking reappointment under Items No. 3 to 4, as required under Clause 49 of the Listing Agreements entered into with the Stock Exchanges is given herein below.
 - a. Mr. Anurag Dalmia (DOB - May 11, 1956) is a Director of the Company. Mr. Dalmia is a member of the Project Committee of the Company. Mr. Dalmia is an eminent

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

- b. Mr. R S Jalan (DOB - October 10, 1957) is Managing Director of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Corporate Finance and Textiles. Mr. R S Jalan has around 29 years of Industrial experience. Mr. Jalan is a Director on the Board of Sumedha Investments Pvt. Ltd., Sachin Holdings Pvt. Ltd and India Hostels Pvt. Ltd. He is a member of Share Transfer & Investors' Grievances Committee, Banking & Operations Committee and CSR Committee of the Company. He is neither a member of 10 Committees nor the Chairman of more than 5 Committees. Mr. Jalan holds 50,843 equity shares of the Company in his individual name and 100 equity shares in HUF.
7. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts and to the Share Transfer Registrar of the Company in respect of their physical share folios, if any.
8. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such members for deletion or / change in such bank details. Further instruction, if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend paid on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depositories Participants.
9. **The Company will send the correspondence and documents including Annual Report etc. in electronic form, to the e-mail address of the members, instead of sending documents in physical form. Members, who have not registered their e-mail addresses so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register their e-mail ids at ghclgogreen@linktime.co.in**
10. Members are requested to send their queries, if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.
11. **Voting through electronic means:**
 - (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, Clause 35B of the Listing Agreement and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL).

- (b) A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014.
- (c) During the e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date August 11, 2014, may cast their vote electronically. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.
- (d) **The e-voting period commences at 9:30 a.m. on Friday, August 15, 2014 and ends at 5:30 p.m. on Sunday, August 17, 2014. The e-voting module shall be disabled by CDSL for voting thereafter.**
- (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (f) **Instructions for members for e-voting are as under:**
 - i) Log on to the e-voting website www.evotingindia.com
 - i) Click on "Shareholders" tab.
 - iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
 - iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - v) Next enter the Image Verification as displayed and Click on Login.
 - vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - vii) If you are a first time user follow the steps given below:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In case of members receiving the physical copy:

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

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

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

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

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

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

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

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

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

14. Persons attending the Annual General Meeting are requested to bring their copies of Annual Reports as the practice of distribution of copies of the report at the meeting has been discontinued.
15. Dividend for the financial year 2006-07 (15 months), which remains unpaid or unclaimed, is due for transfer to the Investor Education and Protection Fund of the Central Government (IEPF) in the month of July 2014 pursuant to provisions of Section 205A of the Companies Act, 1956. Members who have not en-cashed their dividend warrant(s) for the financial year ended March 31, 2007 or any subsequent financial year(s), are requested to lodge their claims with Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) (LIPL). Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie in respect thereof.
16. **Electronic Clearing Service (ECS) Facility:** With respect to payment of dividend, the Company provides the facility of ECS to all shareholders, holding shares in electronic and physical forms.
17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in Securities Market. Members holding shares in physical form should submit their PAN details to the Company or Registrar and Transfer Agent i.e. Link Intime India Pvt. Limited.
18. **Nomination Facility:** Members holding shares in physical form may obtain the nomination form from the Company's Registrar and Share Transfer Agent. Copy of the nomination form has also been attached in the Annual Report. Members holding shares in electronic form may obtain the nomination form from their respective Depository Participants.

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

Item no. 6

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

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

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

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

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

Item no. 7

Mr. Surendra Singh (DOB – July 21, 1937) is a Non-Executive Independent Director of the Company. He is a Director of the Company since November 23, 2010. Mr. Singh is a retired IAS officer and has held very senior position in the Central and State Governments such as Cabinet Secretary to the Government of India, Special Secretary to the Prime Minister of India, Executive Director – World Bank etc. His area of specialization is Corporate Governance, Industrial Policy and General Administration. Mr. Singh is the member of Nomination and Remuneration Committee of the Company. Mr. Singh is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is on the Board of NIIT Limited, NIIT Technologies Limited, NIIT Smartserve Limited and JP Morgan Mutual Fund India Private Limited. He is also a partner in M/s S & C Partners. He does not hold any shares in the Company.

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

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

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

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

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

Item no. 8

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

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

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

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

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

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

Item no. 9

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

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

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

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