

Disclosures made by GHCL Limited to the grantee of the Employees Stock Options pursuant to the requirement of Regulations 16 (2) of the SEBI (Share Based Employees Benefit) Regulations, 2014 read with SEBI Circular dated June 16, 2015

Part A: Statement of Risks

All investments in shares, options or SARs are subject to risk as the value of shares may go down or go up. In addition, the options / SARs are subject to the following additional risks:

1.	Concentration:	The risk arising out of any fall in value of shares is aggravated if the employee's holding is concentrated in the shares of a single company.
2.	Leverage:	Any change in the value of the share can lead to a significantly larger change in the value of the options / SARs.
3.	Illiquidity:	The options / SARs cannot be transferred to anybody, and therefore the employees cannot mitigate their risks by selling the whole or part of their benefits before they are exercised.
4.	Vesting:	The options / SARs will lapse if the employment is terminated prior to vesting. Even after the options / SARs are vested, the unexercised options / SARs may be forfeited if the employee is terminated for gross misconduct.

Part B: Information about the Company

1.	Business of the Company:	<p>A description of the main objects and present business of the Company are as under:</p> <p>A. <i>THE MAIN OBJECTS OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE.</i></p> <ol style="list-style-type: none"> 1. <i>To carry on the business of manufacturing Soda Ash (Sodium Carbonate), Sodium Bicarbonate and Salt and to deal in the same.</i> 2. <i>To carry on the business and trade of manufacturing, producing, packing, refining, processing and developing all grades of Soda Ash (Sodium Carbonate), Salt (Sodium Chloride), sodium Bicarbonate, Calcium Chloride, Bromine and all compounds of Bromine of all grades, Iodine, Potassium Schoenite.</i> 3. <i>To carry on business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packaging, selling, transporting, distributing, importing, exporting and disposing.</i> <p>(a) <i>All types of chemicals, heavy chemicals including Soda Ash (Sodium Carbonate) of all grades, Sodium Bicarbonate of all grades, Sodium Chloride of all grades, Iodine, Bromine and all compounds of Bromine of all grades, Potassium Schoenite, Ammonia, Ammonium Chloride, Caustic Soda (Sodium Hydroxide) in all forms, Chlorine and its compounds of all grades both organic and inorganic, Hydrochloric Acid, Gypsum, Explosives, Calcium Chloride, Calcium Hydroxide, Hydrogen Sulfide, Carbon-Di-oxide, Limestone, Calcium Oxide, Coke,</i></p>
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		<p>Power, Steam, Oils, Greases.</p> <p>(b) All Organic and inorganic chemicals, synthetic chemicals derived from Salt, Sodium Carbonate, Ammonia, Limestone, Coke, Coal, elements, chemicals and compounds and products of any nature and kind whatsoever including by products, derivatives</p> <p><u>Main Objects adopted through Special Resolution:</u></p> <p>To Carry on the business of ginners, spinners, weavers, dyers, manufacturers, balers and pressers of all textiles including cotton, man-made and synthetic fibrous and filament materials and manufacture thereof, and the business of buyers, sellers, exporters, traders and dealers in kinds of textile materials mentioned above and transacting all manufacturing, curing, preparing, colouring, dyeing or bleaching, processing and purchasing and vending the raw materials and manufactured articles.</p> <p>(Note: For full details, please refer Memorandum of Association of the Company.)</p> <p><u>Present Business of the Company:</u></p> <p>GHCL Limited is a Listed Public Company having CIN: L24100GJ1983PLC006513 and registered office at GHCL House, Opp. Punjabi Hall, Navrangpura, Ahmedabad – 380009 (Gujarat). GHCL is listed with NSE & BSE.</p> <p>GHCL is having two business verticals - Inorganic Chemicals (Soda Ash & Consumer Product including Edible Salt) and Textiles (Yarn & Home Textile). Soda Ash facility is located in Gujarat and Textiles division is located in Gujarat and Tamil Nadu.</p>
2.	<p>Abridged financial information:</p>	<p>Annual Reports of the Company for the last 5 years are available at the website of the Company i.e. www.ghcl.co.in</p> <p>You may refer the documents and in case you need any clarification, please contact to the Company Secretary.</p>
3.	<p>Risk factors:</p>	<p><i>Management perception of the risk factors for the company (i.e., sensitivity to foreign exchange rate fluctuations, difficulty in availability of raw materials or in marketing of products, cost/time overrun etc.):</i></p> <p>The Company has adequate and proper system of internal controls commensurate with its size and business operations at all plants, divisions and the corporate office to ensure that its assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are reliably authorized, accurately recorded and reported quickly. The company has appointed outside internal audit agency to carry out concurrent internal audit at all its locations. The scope of its internal audit program is laid down by the Audit Committee of the Board of Directors. The Audit Committee meets periodically to discuss findings of the internal auditors</p>



		<p>along with the remedial actions that have been recorded or have been taken by the management to plug weakness of the system. Risk Management and internal audit functions complement each other at GHCL. The company strives to adopt a de-risking strategy in its operations while making growth investments. This involves setting up and monitoring risk on a regular basis.</p> <p>In addition to the above, the Company had voluntarily constituted a Risk Management Committee in line with the requirement of Regulation 21 of the Listing Regulations. The Company applies Risk Management in a well-defined, integrated framework, which promotes awareness of risks and an understanding of the Company's risk tolerances. The Risk Management Committee monitors the internal control system, designed to identify, assess, monitor and manage risks, associated with the Company. The Company is having well defined Risk Management Policy and Risk Management Framework. Risk Management Policy of the Company has been posted on the website of the Company.</p>
4.	Continuing disclosure requirement:	The option or SAR grantee shall be provided copies of all documents that are sent to the members of the company. This shall include the annual accounts of the company as well as notices of meetings and the accompanying explanatory statements.

Part C: Salient Features of the GHCL Employees Stock Option Scheme 2015 – Series -1

1.	Exercise Price:	Rs. 100 per share
2.	Date of Grant:	May 19, 2016
3.	Vesting Period	<p>Graded vesting in two years in equal installments effective after 1 year from the date of grant.</p> <p>For example, if an employee gets 10,000 options, then he can exercise 5000 options any time on or after May 19, 2017 and remaining 5000 options any time on or after May 19, 2018.</p>
4.	Exercise period	<p>The exercise period may commence from the date of vesting and will continue not later than 5 years from the date of vesting.</p> <p>For example, if 10,000 options are granted then:</p> <ol style="list-style-type: none"> i. For First 5000 options – from May 19, 2017 to May 18, 2022; ii. For remaining 5000 options: from May 19, 2018 to May 18, 2023;
5.	Closing date & acceptance of the grant of option	<p>The closing date shall be not less than 7 days and not more than 60 days from the offer date.</p> <p>Any Grantee who fails to return the duly accepted and signed acceptance letter on or before the closing date shall, unless the Committee determines otherwise, be deemed to have rejected the offer and any acceptance received after the closing date shall not</p>



		<p>be valid.</p> <p>Hence, you are advised to send your acceptance as soon as possible.</p>
6.	Non-transferability of Options	The Options granted to a Grantee under the terms of this Scheme shall not be transferable to any person and it shall not be sold, assigned, pledged, hypothecated, mortgaged or otherwise transferred or alienated in any manner, other than by execution of a will or through succession in favour of legal heirs in case of death of the Grantee. The Options granted to a Grantee under this Scheme may be exercised during the life of the Grantee, only by the Grantee.
7.	Payment of Exercise Price	Upon Exercise of the Options, the exercise price in respect of the Shares to be issued against the Options shall be payable by the Grantee to the Company in full. Such a payment shall be made by Demand Draft/ Cheque/ NEFT/RTGS.
8.	Termination of employment	Please refer Clause 17 of the Scheme.
9.	Other Terms & Conditions	Please refer to the Scheme attached and in case you need any further explanation, please contact to the Company Secretary.



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