

CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014

(as required under clause 49 of the Listing Agreement entered into with the Stock Exchanges)

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

Your Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

The Governance for your Company means being true to own belief and constantly strengthening and increasing stakeholders' values and return on investment by adopting principles of transparency, accountability and adherence of committed value creation principles. We are firm in the

belief that Corporate Governance means commitment for achievement of value based growth and meeting the commitment within the predefined time frame without compromising with ethical standards, set paradigms, transparency in transactions and fixing of accountability.

2. BOARD OF DIRECTORS

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility. The Composition of the Board as on March 31, 2014 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2014			
Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter - Non Executive Director	Mr. Sanjay Dalmia	3	23.09%
	Mr. Anurag Dalmia		
	Mr. Neelabh Dalmia		
Promoter Nominee - Non Executive Director	Mr. S H Ruparell	1	7.69%
Non Executive - Independent Director	Dr. B C Jain	5	38.46%
	Mr. Surendra Singh		
	Mr. G. C. Srivastava		
	Mr. Mahesh Kumar Kheria		
Nominee Directors - Representing Lending Institutions	Mr. Ajoy Nath Jha – Nominee IDBI*	2	15.38%
	Mr. R M V Raman – Nominee EXIM Bank		
Managing Director / Executive Director	Mr. R S Jalan – Managing Director	2	15.38%
	Mr. Raman Chopra – CFO & Executive Director (Finance)		
	TOTAL NO. OF DIRECTORS	13	100%

Note:

* Subsequent to the year end, IDBI Bank Ltd. had nominated Mr. D C Jain in place of Mr. Ajoy Nath Jha as a Nominee Director of the Company and accordingly the Board of Directors had appointed Mr. D C Jain as a Nominee Director of the Company and also a member of the Audit Committee and Project Committee in place of Mr. Ajoy Nath Jha w.e.f. April 2, 2014.

The Board of GHCL Limited consists of 13 Directors, 11 of whom are Non Executive Directors. The Chairman of the Company is a Non Executive Director and promoter of the Company and hence the requirement that at least one – half of the Board shall consist of Independent Directors is complied with as the Company has 7 Independent Directors (including Nominee Directors). However, as per the revised Clause 49 of the Listing Agreement, effective from October 1, 2014, Nominee Director shall not be treated as an Independent Director, hence the Company shall structure the Board's composition in line with the requirement of revised Clause 49 of listing agreement. All of the Non Executive Directors have extensive business experience and are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule

of matters reserved for its decision. It approves the interim and preliminary financial statements, budget, the annual financial plan, significant contracts and capital investment along with strategic decisions like Restructuring of Business, Debt and Human Resources etc. Wherever appropriate, the Board delegates its authority to Committees of Directors like Banking & Operations Committee, Project Committee, Share Transfer & Investors' Grievances Committee, Remuneration Committee, Audit Committee and CSR Committee. Information is provided to the Board in advance of every meeting and the Chairman ensures that all Directors are properly briefed on the matters being discussed. The Board reviews compliance reports of applicable laws in the Board meetings and also deliberates the compliance of code of conduct for Board Members and Senior Management.

With an objective to ensure maximum presence of our Independent Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation of individual directors and consideration of their convenience.

The agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda is permitted. During the financial year ended March 31, 2014, four Board Meetings were held on May 24, 2013, July 23, 2013, October 25, 2013 and January 29, 2014. In

order to facilitate our Institutional Director to submit reports to their institutions, your company provides soft copy of all presentations made to the Board immediately after the Board Meeting / Committee meeting. The gap between any two Meetings is not more than four months, ensuring compliance with the requirement of Clause 49 of the Listing Agreement and the Companies Act 1956. The attendance of Directors at the Board Meeting held during the financial year ended March 31, 2014 is given herein below:

Sl. No.	Name	Date Of Board Meeting				AGM Attendance (September 26, 2013)
		May 24, 2013	July 23, 2013	October 25, 2013	January 29, 2014	
1	Mr. Sanjay Dalmia	Yes	Yes	Yes	Yes	No
2	Mr. Anurag Dalmia	Yes	Yes	Yes	Yes	Yes
3	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	No
4	Dr. B C Jain	No	Yes	Yes	Yes	Yes
5	Mr. Surendra Singh	Yes	Yes	Yes	Yes	No
6	Mr. G. C. Srivastava	Yes	Yes	Yes	Yes	No
7	Mr. S. H. Ruparell	No	No	No	No	No
8	Mr. Ajoy Nath Jha – Nominee IDBI Bank	Yes	Yes	Yes	Yes	No
9	Mr. R. M. V. Raman – Nominee EXIM Bank	Yes	Yes	Yes	Yes	No
10	Mr. Mahesh Kumar Kheria	Yes	Yes	Yes	Yes	No
11	Mr. Sanjiv Tyagi	Yes	Yes	Yes	Yes	No
12	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes
13	Mr. Raman Chopra	Yes	Yes	Yes	Yes	Yes

Note:

Mr. Anurag Dalmia and Mr. R S Jalan are Directors retiring by rotation and are eligible for re-appointment. Further, the Company is also placing proposals for appointment of five independent directors. Information as required under Clause 49(IV) of the Listing Agreement is annexed to the notice of the AGM.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 (I) (C) (ii)) across all the Companies in which he is a Director. The necessary disclosure regarding Directorship and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2014 and the same is reproduced herein below:

Sl. No.	Name of the Director	Director Identification Number (DIN)	No. of Directorship in other Public Companies	No. of committee positions held as Chairman in other Public Companies	No. of Committee positions held as Member in other Public Companies	No. of Equity Shares held by directors as on March 31, 2014
1	Mr. Sanjay Dalmia	00206992	-	-	-	-
2	Mr. Anurag Dalmia	00120710	-	-	-	-
3	Mr. Neelabh Dalmia	00121760	-	-	-	-
4	Dr. B C Jain	00319666	-	-	-	-
5	Mr. Surendra Singh	00003337	3	1	3	-
6	Mr. Ajoy Nath Jha	03567844	-	-	-	-
7	Mr. R M V Raman	01459620	-	-	-	-
8	Mr. S H Ruparell	00705817	-	-	-	-
9	Mr. Mahesh Kumar Kheria	00161680	-	-	-	-
10	Mr. G. C. Srivastava	02194331	1	-	-	-
11	Mr. Sanjiv Tyagi	00225812	3	-	-	-
12	Mr. R S Jalan	00121260	-	-	-	50,843(in his individual name) & 100 in HUF
13	Mr. Raman Chopra	00954190	1	-	-	-

Note:

For the purpose of considering the limit of the number of directorship and chairman/member of committees, Private Limited Companies and Foreign Companies are excluded which is in line with the requirement of relevant conditions of Corporate Governance.

During the financial year ended March 31, 2014, the Company has not entered into any material transactions with its Non Executive Directors except related party transactions which are reported in annual report. The Company has also received declaration from Independent Directors confirming their independence, accordingly requirement of Clause 49 are duly complied with.

The Audit Committee of the Board of the Company has reviewed the financial statements of its subsidiaries.

At present, Company do not have any operating subsidiary in India hence, provisions related to appointment of an Independent Director of the Company on the Board of the Indian Subsidiaries is not applicable to the Company.

3. COMMITTEES OF THE BOARD

(i) Audit Committee

The Board of Directors had constituted the Audit Committee with four non-executive directors including three Independent Directors having expertise in financial and accounting areas. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors.

Audit Committee of the Board has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with the Stock Exchanges.

Terms of Reference:

The scope of activities of the Audit Committee includes the following:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee and also approval for payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- c. Reviewing with management the annual financial statements before submission to the Board for approval, focusing primarily on;
 - Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of Section 217(2AA) of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in draft audit report.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - The going concern assumption.

- Compliance with accounting standards.
- Compliance with listing and other legal requirements concerning financial statements.
- Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

- d. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- f. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.
- g. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- h. Discussion with internal auditors any significant findings and follow up there on.
- i. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- j. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- k. Reviewing the company's financial and risk management policies.
- l. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
- m. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- n. Recommending to the Board, the appointment / re-appointment of the Cost Auditors.
- o. Any other activities as per the requirement of revised Clause 49 of the Listing Agreement and the Companies Act, 2013

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meeting held after the Audit Committee Meetings for deliberation and the full minutes of the same are placed before the following Board Meeting for record. The Chairman of the Audit Committee



apprises the Board on the recommendations made by the Committee. Further, at the beginning of the financial year, the Committee discuss the plan for the internal audit and statutory audit. Dates of the Audit Committee Meetings are fixed in advance and agenda along with explanatory notes are circulated at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

During the financial year ended March 31, 2014, the Audit Committee of the Board met four times and as per requirement of the Listing Agreement, the gap between any two meetings of the Audit Committee is not more than four months, ensuring compliance with the requirement of Clause 49 of the Listing Agreement and the Companies Act 1956. The adequate quorums were present at every Audit Committee Meeting. The Composition of Audit Committee and attendance of members at the meetings are given herein below:

Category	Name of the Audit Committee members			
	Dr. B C Jain - Chairman of the Committee	Mr. Ajoy Nath Jha*	Mr. G C Srivastava	Mr. Neelabh Dalmia
	Independent Director (Expertise in Finance, Banking & Accounting)	Nominee Director- IDBI Bank Ltd(Corporate finance, risk management & personal banking)	Independent Director (Expertise in Tax & Accounting)	Non-executive Director (Expertise in Finance & Industry)
Date of the Meeting				
May 23, 2013	No	Yes	Yes	Yes
July 23, 2013	Yes	Yes	Yes	Yes
October 25, 2013	Yes	Yes	Yes	Yes
January 29, 2014	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	No	No	No

* Subsequent to the year end, IDBI Bank Ltd. had nominated Mr. D C Jain in place of Mr. Ajoy Nath Jha as a Nominee Director of the Company and accordingly the Board of Directors had appointed Mr. D C Jain as a Nominee Director of the Company and also a member of the Audit Committee and Project Committee in place of Mr. Ajoy Nath Jha w.e.f. April 2, 2014. Thereafter, the Board of Directors have reconstituted the Audit Committee in their meeting held on May 28, 2014 and accordingly adequate intimation was given to the Stock Exchanges in this regard.

Note:

Managing Director, Executive Director (Finance), Statutory Auditors and concerned employees for Internal Audit/ accounts were invitees to the Audit Committee Meetings whenever required. Mr. Bhuwneshwar Mishra, Secretary of the Company is the Secretary of the Committee.

The Company has complied with the requirements of Clause 49 II (A) as regards composition of the Audit Committee. Dr. B C Jain, Chairman of the Audit Committee is a qualified Chartered Accountant and an expert in Finance, Banking and Accounting. He was present in the 30th Annual General Meeting held on September 26, 2013 to answer the queries of shareholders.

As required under Clause 49(II) (E) of the Listing Agreement, the Audit Committee had reviewed the following information:

- Management Discussion and Analysis of financial condition and results of operations.
- Statement of significant related party transactions submitted by management.
- Management letter(s)/letters of Internal control, weaknesses issued by the Statutory Auditors.
- Internal Auditor’s Reports relating to internal control weaknesses.
- Appointment, removal and terms of remuneration of the internal auditors.

(ii) Nomination and Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Remuneration Committee of the Company was constituted as early as in 1995. The Remuneration Committee sets the overall policy on remuneration and the other terms of employment of Executive Directors of the Company as well as the sitting fee and commission to the Non Executive Directors within the overall ceiling fixed by members of the Company and recommends the same for the approval of the Board. The Committee recommends remuneration package of Executive Directors to the Board by reference to individual performance, experience and market conditions with a view to provide a remuneration package which is appropriate for the responsibilities involved. The Committee also has ultimate control over the GHCL Employees Stock Option Trust and regulates its affairs through appointed Trustees. The Remuneration Committee monitors the affairs of the GHCL Employees Stock Option Trust and directs the Trustees for discharge of their duties from time to time. In line with circulars issued by SEBI on January 17, 2013, May

13, 2013 and November 29, 2013, GHCL Employees Stock Option Scheme will cease to be in existence by June 30, 2014. Accordingly, GHCL Employees Stock Option Trust has sold its entire holding except the shares, which are part of litigation and the same may be sold by Trust depending upon the outcome of the litigation. Hence, the Trust will continue for the limited purpose of litigation.

The executive summary of the Remuneration Committee Meeting is placed before the immediate next Board Meeting held after the Remuneration Committee, for deliberation and the full minutes of the same are placed before the following Board Meeting for record. Dates of the Remuneration Committee Meeting are fixed in advance and agenda and explanatory notes are circulated to the Directors at least seven days before the meeting.

During the financial year ended March 31, 2014, the Remuneration Committee met only once on May 24, 2013. The Remuneration Committee of the Board comprises of Non-Executive Directors and the details of meeting attended by the Directors are as follows:

COMPOSITION AND ATTENDANCE OF MEMBERS AT THE NOMINATION AND REMUNERATION COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2014

Name of the Nomination and Remuneration Committee Members				
	Mr. Sanjay Dalmia - Chairman of the Committee	Dr. B C Jain	Mr. Sanjiv Tyagi	Mr. Surendra Singh
Category of Director	Non Executive Director (Industrialist)	Non Executive - Independent Director (Expertise in Finance Banking & Accounting)	Non Executive - Independent Director (Expertise in Management)	Non Executive - Independent Director (Ex-IAS & Expert in Corporate Governance, Industrial Policy and General Administration)
Date of the Meeting				
May 24, 2013	Yes	No	Yes	Yes
Whether attended Last AGM (Yes/ No)	No	Yes	No	No

Note: In accordance with the compliance of the provisions of the Companies Act, 2013 and listing agreement, the Board of Directors in their meeting held on May 28, 2014, have changed the name of Committee as "Nomination and Remuneration Committee" and also reconstituted the same and accordingly adequate intimation was given to the Stock Exchanges in this regard

Remuneration Policy:

Payment of remuneration to the Managing Director and Whole Time Director(s) are governed by the Uniform Remuneration Package approved by the Board and the Shareholders. Their Remuneration structure comprises salary / commission linked to profits, perquisites and allowances, contribution to Provident Fund and Superannuation Fund and premium on Gratuity Policy etc.

The Non - Executive Directors do not draw any remuneration from the Company other than the sitting fee and such commission as may be determined by the Board from time to time within the overall approval given by the shareholders and pursuant to the relevant provisions of the Companies Act, 1956. The commission payable to the Non - Executive Directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which is within the limit of 1% of net profit for the year, calculated as per the provisions of the Companies Act, 1956. The actual amount of commission payable to each Non Executive Director is decided by the Board, upon recommendation of the Remuneration Committee, on the following criteria:-

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

Details of remuneration, commission and sitting fee paid/payable to the Directors of the Company for the financial year ended March 31, 2014 are given below:

Non-Whole time Directors (in Rupees)		
Name	Sitting Fees	Commission
Mr. Sanjay Dalmia	1,00,000	12,72,462
Mr. Anurag Dalmia	80,000	12,18,462
Mr. Neelabh Dalmia	1,80,000	16,32,462
Dr. B. C. Jain	1,20,000	11,83,842
Mr. Surendra Singh	1,00,000	12,72,462
Mr. S. H. Ruparell	—	—
Mr. G. C. Srivastava	1,60,000	15,78,462
Mr. Ajoy Nath Jha – Nominee IDBI*	1,60,000	15,78,462
Mr. R. M. V. Raman – Nominee EXIM Bank*	80,000	12,18,462
Mr. Mahesh Kumar Kheria	80,000	12,18,462
Mr. Sanjiv Tyagi	1,20,000	13,26,462
TOTAL	11,80,000	1,35,00,000

Note:

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

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

Managing Director / Whole Time Directors		(in Rupees)
Name	Salary and other perquisites	Commission
Mr. R S Jalan, Managing Director	2,08,51,952	1,94,00,000
Mr. , CFO & Executive Director (Finance)	1,19,52,328	1,14,00,000
Total	3,28,04,280	3,08,00,000

(a) The agreement with the Whole Time Directors is for a period of five years. Either party to the agreement is entitled to terminate the agreement by giving six calendar months prior notice in writing to the other party.

(b) Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund, LTA paid and premium on Gratuity Policy.

(iii) Stakeholders Relationship Committee :

The Board had constituted the Share Transfer & Investors' Grievances Committee. The committee expedite the process of redressal of complaints like non-transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. The committee regularly viewed the complaints filed online at SEBI Complaints Redressal System (SCORES) and action taken report (ATR) thereon. The Committee meet once in a week to expedite all matters relating to Shareholders / Investors Grievances received and pending during the previous week.

The composition of Committee as on March 31, 2014 is as under:

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

Note: In accordance with the compliance of the provisions of the Companies Act, 2013 and listing agreement, the Board of Directors in their meeting held on May 28, 2014, have changed the name of Committee as "Stakeholders Relationship Committee" and accordingly adequate intimation was given to the Stock Exchanges in this regard.



The Company consider its shareholders as 'owners' and take all effective steps to resolve their complaints as soon as possible. All complaints are resolved within 15 days except those which are of legal nature. The Company received 16 shareholders complaints from Stock Exchanges and SEBI that inter-alia include non-receipt of dividend, share transfer (including Demat etc.) and non receipt of annual report. The Complaints were duly attended and the Company has furnished necessary documents / information to the shareholders.

Status of total complaints received (including 16 complaints received from Stock Exchanges / SEBI) during the financial year ended March 31, 2014:

Sl. No.	Type of Complaints	No. of Complaints pending as on March 31, 2013	Total No. of Complaints received during the financial year ended March 31, 2014	Total No. of Complaints resolved during the financial year ended March 31, 2014	No. of Complaints pending as on March 31, 2014
1	Non-receipt of dividend	3	134	137	0
2	Share transfer including Dmat request	1	20	21	0
3	Non receipt of Annual Report	0	14	14	0
	Total	4	168	172	0

We don't have any compliant pending before any court, however, if there are any which are not known to company at this stage, will be resolved as soon as possible and adequate representation will be made before the court / forum where it is pending.

The Share Transfer and Investors' Grievance Committee reviews the summary of the complaints received and appropriate action is taken promptly. No requests for share transfer or payment of dividend are pending except those that are disputed or sub-judice.

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

(iv) Banking and Operations Committee

The Board had constituted the Banking and Operations Committee to expedite the day to day functioning and exercise of delegated powers of the Board. This Committee meets as per the requirement of business, to expedite all matters relating to operations and granting authority for various functional requirements such as issue of Power of Attorney, arranging / negotiating of term loans, working capital loan, short term loan, dealings with Central / State Governments including their agents and various statutory /

judicial / regulatory / local / commercial / excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company in line with the delegated authority of Board of Directors from time to time.

The composition of the Banking and Operations Committee as on March 31, 2014 is as under:

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

(v) Project Committee

This Committee was constituted to review and recommend proposals relating to new projects, expansion, modernization, diversification, acquisitions, various kind of compromise, arrangement or amalgamation, restructuring of business of the Company and/or its subsidiaries.

The composition of the Project Committee as on March 31, 2014 is as under:

Sl. No.	Name	Status
1	Mr. Sanjay Dalmia – Chairman	Chairman
2	Mr. Anurag Dalmia – Director	Member
3	Mr. Neelabh Dalmia – Director	Member
4	Mr. Ajoy Nath Jha – Nominee Director (IDBI Bank)	Member
5	Mr. R M V Raman – Nominee Director (EXIM Bank)	Member

(vi) Corporate Social Responsibility (CSR) Committee

During the previous year, the Board of Directors had voluntarily constituted the Corporate Social Responsibility (CSR) Committee in their meeting held on January 28, 2013 and accordingly intimation was given to the Stock Exchanges in this regard. This Committee was constituted to strengthen and monitor CSR policy of the Company. Further, CSR Committee of the Board meets the criteria prescribed by Section 135 of the Companies Act, 2013, which states that every CSR Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an Independent Director.

During the financial year ended March 31, 2014, the CSR Committee met only once on July 27, 2013. The CSR Committee of the Board comprises of following three Directors and the details of meeting attended by the Directors are as follows:



COMPOSITION AND ATTENDANCE OF MEMBERS AT THE CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE MEETING HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2014

Category of Director	Name of the CSR Committee Members		
		Mr. Sanjiv Tyagi - Chairman of the Committee	Mr. Neelabh Dalmia
	Non Executive - Independent Director (Expertise in Management)	Non-executive Director (Expertise in Finance & Industry)	Managing Director (Specialization in Operations, Finance, Marketing & HR)
Date of the Meeting			
July 27, 2013	Yes	Yes	Yes

4. GENERAL BODY MEETING:

a) Annual General Meetings

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

Financial Year	Date	Time	Venue
2012-13	September 26, 2013	9:30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2011-12	September 20, 2012	9:30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2010-11	September 2, 2011	9.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006

(b) Special Resolutions:

The information regarding Special Resolution passed in the previous three Annual General Meetings are as follows:

AGM	Date of AGM	Information regarding Special Resolutions
30 th AGM	September 26, 2013	No Special Resolution
29 th AGM	September 20, 2012	No Special Resolution
28 th AGM	September 2, 2011	Approval for payment of Commission to Non Whole Time Directors

(c) Extraordinary General Meeting (EGM)

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2013-14, 2012-13 and 2011-12.

(d) Postal Ballot

No Special Resolution was passed in the last year through postal ballot and no Special Resolution is proposed to be conducted through postal ballot. Hence, the provisions relating to postal ballot are not required to be complied with.

(e) Normally, all Special Resolutions moved at the above AGMs / EGMs were unanimously passed by a show of hands by the shareholders present at the meeting.

5. DISCLOSURES:

Disclosure on materially significant related party transactions

No transactions of a material nature have been entered into by the Company with its promoters, Directors, or the management or relatives etc. that may have potential conflict of interest of the Company. However, the management furnishes the details of related party transactions on quarterly basis before the Audit Committee / Board of Directors meetings, which are in conformity with the accounting standards. The particulars of transactions between the Company and the related parties for the year ended March 31, 2014, are disclosed in the notes to the accounts in this Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

Disclosure of accounting treatment in preparation of financial statements

GHCL Limited has followed the Accounting Standards issued by the Institute of Chartered Accountants of India and notified in the Companies (Accounting Standards) Rules 2006, in the preparation of its financial statements.

In line with the clarification issued by Ministry of Corporate Affairs vide its General Circular 08/2014 dated April 4, 2014, financial statements (including the documents required to be attached thereto), auditor's report and Board's report of the Company in respect of financial year ended at March 31, 2014 has been prepared as per the relevant provisions / Schedules / rules of the Companies Act, 1956.

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

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

(i) During the financial year 2008-09, SEBI had passed an interim, ex-parte order dated April 20, 2009, which was subsequently revoked by Dr. K M Abraham, Hon'ble Whole time Member of SEBI, vide his order dated March 14, 2011. Further, after completion of the investigation in the matter, SEBI had referred the matter for adjudication



and accordingly an Adjudication Officer (AO) was appointed to conduct the adjudication proceedings. After considering the representations, the AO has passed his orders on October 25, 2013 and imposed a penalty of Rupees fifty lakhs against Company, Rupees twenty five lakhs against the Chairman and Rupees ten lakhs against the Company Secretary. The Company and its officials were not in agreement with AO's order, hence aforesaid orders were challenged before Hon'ble Securities Appellate Tribunal (SAT) and the matters are pending before SAT.

- (ii) In other matter, Securities Exchange Board of India (SEBI) vide its Show Cause Notice No. EAD-7/PB/CS/28204/2010 dated November 30, 2010 ("the Notice") had inter alia alleged that GHCL has violated the provisions of Clause 35 of the Listing Agreement and other regulations by not disclosing shares held by promoters which were subject matter of Arbitration process with Indiabulls as an "encumbered shares". Similar notices had also been served to promoters entities. The Company had filed its representation and written submissions to the SEBI and stated that the Company had sufficiently disclosed the facts from time to time as per requirement of law. However, due to ambiguity in the provisions of Takeover Regulations and Clause 35 of Listing Agreement, SEBI has interpreted the term "pledge or otherwise encumbered" different than the view of the Company. Based on the representations, SEBI could not establish the alleged violations against Promoters entities in its order dated March 31, 2011. However, AO had passed his order on August 6, 2013 and imposed a penalty of Rupees one crore and twenty five lakhs against Company. The Company was not in agreement with AO's order, hence aforesaid order was challenged before Hon'ble Securities Appellate Tribunal (SAT) and the matters are pending before SAT.

lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations.

Code of Conduct:

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

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

Pursuant to the requirement of Clause 54 of the Listing Agreement, the Company maintains a functional website of the Company and website address of the Company is www.ghclindia.com. Website of the Company provides the basic information about the Company e.g. details of its business, financial information, shareholding pattern etc. and the Company is regularly updating the Information provided on its website.

Risk Management:

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

The Company has complied with the above requirement.

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

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

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

Code for prevention of insider trading practices

In compliance with the SEBI regulation on prevention of Insider Trading, the Company has placed a comprehensive code of conduct for its management and its staff. The Code

6. MEANS OF COMMUNICATIONS

PUBLICATION OF UNAUDITED QUARTERLY / HALFYEARLY RESULTS AND RELATED MATTERS							
Sl. No.	Particulars		Quarter - I	Quarter - II	Quarter - III	Quarter - IV	Financial Year ended March 31, 2014 (Audited)
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 24, 2013	October 26, 2013	January 30, 2014	May 30, 2014	May 30, 2014
		The Hindu - Business Line	July 24, 2013	October 26, 2013	January 30, 2014	May 30, 2014	May 30, 2014
2	Vernacular Newspapers in which quarterly results were published / to be published	The Economic Times – Gujarati	July 24, 2013	---	January 30, 2014	May 30, 2014	May 30, 2014
		Jai Hind – Gujarati	---	October 26, 2013	---	---	---
3	Website Address of the Company on which financial results are posted	www.ghclindia.com					

4	Website Address of the Stock Exchange(s) on which financial results are posted.		Quarter - I	Quarter - II	Quarter - III	Quarter - IV	Financial Year ended March 31, 2013 (Audited)
	Name of Stock Exchange(s)	Website Address(es)	Date of Filing of Results				
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	July 23, 2013	October 25, 2013	January 29, 2014	May 29, 2014	May 29, 2014
	BSE Limited (BSE)	www.bseindia.com	July 23, 2013	October 25, 2013	January 29, 2014	May 29, 2014	May 29, 2014
5	SEBI SCORES	SEBI has commenced processing of investor complaints in a centralized web based complaints redress system 'SCORES'. This enables the investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. This would also enable the market intermediaries and listed companies to receive the complaints from investors against them, redress such complaints and report redressal. All the activities starting from lodging of a complaint till its disposal by SEBI would be carried online in an automated environment and the status of every complaint can be viewed online at any time. An investor, who is not familiar with SCORES or does not have access to SCORES, can lodge complaints in physical form.					

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT FORM PART OF THIS ANNUAL REPORT

The complete reports on Management Discussion and Analysis report are placed in the separate section of the Annual Report.

8. GENERAL SHAREHOLDER'S INFORMATION:

Sl. No.	Particulars	Details		
1	Annual General Meeting	Thursday, August 21, 2014	9.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380006
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2014)	By 2 nd week of August 2014		
	Financial Reporting for - Quarter - II (ending September 30, 2014)	By 2 nd week of November 2014		
	Financial Reporting for - Quarter - III (ending December 31, 2014)	By 2 nd week of February 2015		
	Financial Reporting for - Quarter - IV (ending March 31, 2015)	By 4 th week of May 2015		
3	Date of Book Closure	Monday, August 11, 2014 to Thursday, August 21, 2014 (both days inclusive)		
4	Dividend Payment Date	Dividend of ₹ 2.00 per share (i.e.20%) will be paid on or after Monday, August 25, 2014, if approved by the members in the ensuing Annual General Meeting		
5	Listing on Stock Exchanges	Name & Address of Stock Exchanges	Stock Code	ISIN WITH NSDL & CDSL
		BSE Limited, (BSE) Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	500171	INE 539 A01019
		National Stock Exchange of India Limited, (NSE) "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019
		*Ahmedabad Stock Exchange Limited, (ASE) Ahmedabad, Kamdhenu Complex, Opp. Sahajanand College, Ahmedabad - 380 015	20850	INE 539 A01019
	*Since there is no trading facility available on ASE, hence the management of the Company has decided to delist voluntarily from ASE, which is in process.			
6	Listing fees	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2014		
7	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : mt.helpdesk@linkintime.co.in)		
8	Outstanding GDRs / ADRs / Warrants or any convertible instruments:			
	Not applicable			



Sl. No.	Particulars	Details
9	Address for Correspondence	
	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The share transfer in physical form is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : rnt.helpdesk@linkintime.co.in)	
	For General Correspondence: GHCL Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-39324100, Fax: 079-26423623 (Email : secretarial@ghcl.co.in)	
10	Dematerialization of Shares and Liquidity: 95.78% of the Company's total equity shares representing 9,58,01,966 shares were held in dematerialized form as on March 31, 2014. The trading in the Company's shares is permitted only in dematerialized form with effect from October 28, 2000 as per notification issued by SEBI.	
11	As required under Clause 49 (IV) (G) of Listing Agreement, particulars of Directors seeking appointment/ re appointment are given in Notice to the ensuing Annual General Meeting.	

Corporate Benefits to Shareholders

Dividend declared for last 10 years		
Financial Year	Dividend	Dividend (₹ per Share)
2003-04	15.00%	1.50
2004-05	20.00%	2.00
2005-06	24.00%	2.40
2006-07	27.00%	2.70
2007-08	24.00%	2.40
2008-09	20.00%	2.00
2009-10	20.00%	2.00
2010-11	20.00%	2.00
2011-12	20.00%	2.00
2012-13	20.00%	2.00

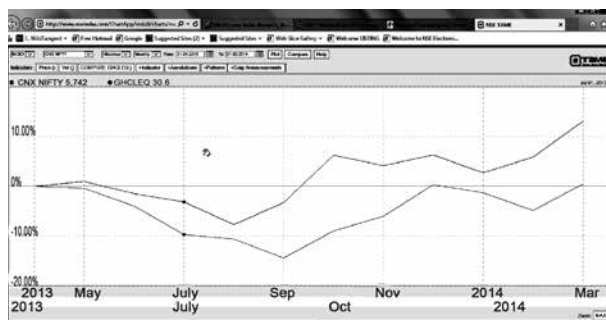
Equity share of paid up value of ₹ 10 per share

MONTHWISE STOCK MARKET DATA (BSE & NSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE FINANCIAL YEAR ENDED MARCH 31, 2014

Month of the financial year 2013-14	MARKET PRICE DATA					
	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
High	Low	High		Low		
April 2013	36.45	33.75	340614	36.70	33.75	1606087
May 2013	35.40	33.10	352163	35.20	33.05	737211
June 2013	34.45	32.00	222035	38.40	32.00	678523
July 2013	33.25	30.30	259894	33.95	30.25	502157
August 2013	31.45	29.05	331946	31.50	29.00	585976
September 2013	34.00	29.05	363310	33.90	28.95	1258955
October 2013	31.85	29.00	203971	31.25	28.90	487773
November 2013	33.50	30.25	403451	33.45	30.00	1171743
December 2013	35.25	31.80	496703	35.15	31.80	1336812
January 2014	36.95	33.00	498410	36.80	32.40	1090071
February 2014	35.80	31.55	226604	38.00	32.00	603210
March 2014	34.70	32.05	1572096	34.50	26.50	2122138



Performance in comparison to broad based indices such as NSE



SHAREHOLDERS REFERENCER

Unclaimed Dividend

Pursuant to Section 205A of the Companies Act, 1956 unclaimed dividend for the financial year 2005-06 (9 months) have been transferred to the Investors Education and Protection Fund established by the Central Government (IEPF) pursuant to Section 205C of the Companies Act, 1956 and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial year 2005-2006.

The dividend for the following years remaining unclaimed for seven years will be transferred by the Company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant (s) or have not received the same are requested to seek issue of duplicate warrant (s) by writing to Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited) confirming non – encashment / non - receipt of dividend warrant (s). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial Year	Date of AGM	Due for Transfer to IEPF
2006-07 (15 months)	30-07-2007	July 2014
2007-08	12-09-2008	September 2015
2008-09	31-12-2009	December 2016
2009-10	09-09-2010	September 2017
2010-11	02-09-2011	September 2018
2011-12	20-09-2012	September 2019
2012-13	26-09-2013	September 2020

DISTRIBUTION OF SHAREHOLDING AS ON 31 st MARCH 2014					
No. of Shares held of ₹ 10 each between		No. of share-holders	% of total share-holders	No. of shares	% of total shares
From	To				
1	500	55876	85.68%	9223907	9.22%
501	1000	4961	7.61%	4207777	4.21%
1001	2000	2198	3.37%	3443895	3.44%
2001	3000	706	1.08%	1836144	1.84%
3001	4000	304	0.46%	1101329	1.10%
4001	5000	293	0.45%	1402004	1.40%
5001	10000	442	0.68%	3238307	3.24%
10001	Above	437	0.67%	75565923	75.55%
		65217	100.00%	100019286	100.00%

SHAREHOLDING PATTERN AS ON 31ST MARCH 2014

Category	No. of shares held	% of share-holding
A Promoters & Promoters Group Holding		
1 Promoters		
Indian Promoters	11933984	11.93%
Foreign Promoters	5507900	5.51%
2 Others		
Trust	152000	0.15%
Sub-Total	17593884	17.59%
B Non-promoters Holding		
3 Institutional Investors		
Mutual Funds and UTI	16913	0.02%
Banks, Financial Institutions & Insurance Companies	6279033	6.28%
FIs	7313183	7.31%
Foreign Mutual Fund	0	0.00%
Sub-Total	13609129	13.61%
4 Non-institutional Investors		
Bodies Corporate	31817704	31.81%
Indian public (Individuals & HUF)	34771965	34.77%
NRIs, OCBs & Foreign Companies	1915339	1.91%
Directors & relatives	56943	0.06%
Others	254322	0.25%
Sub-Total	68816273	68.80%
Grand Total	100019286	100.00%

PLANT LOCATIONS:

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

**DECLARATION**

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the financial year ended March 31, 2014.

For GHCL LIMITED

Sd/-
R S Jalan
Managing Director
Date: May 28, 2014

Sd/-
Raman Chopra
CFO & Executive Director (Finance)

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

We the undersigned certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2014 and that to the best of our knowledge and belief :
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee-
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For GHCL LIMITED

Sd/-
R S Jalan
Managing Director
Date: May 28, 2014

Sd/-
Raman Chopra
CFO & Executive Director (Finance)

AUDITORS' CERTIFICATE

To the Members of
GHCL LIMITED

We have examined the compliance of conditions of corporate governance by GHCL Limited ('the Company'), for the financial year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and, to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of

JAYANTILAL THAKKAR & CO
Chartered Accountants
(Firm Reg. No. 104133W)

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

Place : New Delhi
Date : 28th May, 2014

For and on behalf of

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

(RAHUL DIVAN)
Partner
Membership No: 100733