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**EXTRACTS OF THE RESOLUTIONS PASSED AT THE 32<sup>ND</sup> ANNUAL GENERAL MEETING OF GHCL LIMITED HELD ON JULY 23, 2015 AT INSTITUTION OF ENGINEERS (INDIA), GUJARAT STATE CENTRE, BHAIKAKA BHAVAN, LAW COLLEGE ROAD, AHMEDABAD-380 006**

**Item No.8: (Special Resolution)**

**Approval of Employees Stock Option Scheme 2015 & Issue of Securities**

**“RESOLVED THAT** pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Share Capital and Debentures) Rules, 2014 including any statutory modification(s) or re-enactment of the Act, for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including any modifications thereof or supplements thereto (“the Regulations”) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee), consent of the members of the Company be and is hereby accorded to the Board to introduce and implement the “GHCL Limited Employees’ Stock Option Scheme - 2015” (hereinafter referred to as “GHCL ESOS 2015”) the salient features of which are detailed in the Explanatory Statement to this

Notice and to create, offer, issue and allot at any time to or for the benefit of employees who are in the permanent employment of the Company whether working in India or out of India, including Directors of the Company whether Whole-time Directors or not, but excluding Promoter, Promoter Group, and Independent Directors, and to such other persons as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and regulations prevailing from time to time (all such persons are hereinafter collectively referred to as “Employees”) under the GHCL ESOS 2015, such number of equity shares of the Company and/ or equity linked instruments [including Options/Warrants (“Options”)] or any other instruments or securities of the Company which could give rise to the issue of equity shares (hereinafter collectively referred to as “Securities”) but not exceeding 50,00,000 (Fifty Lakhs Only) Equity Shares of ₹ 10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time), in one or more tranches, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with the Scheme, the provisions of the law or regulations issued by the relevant authority, as may be prevailing at that time.

**FURTHER RESOLVED THAT** the Securities may be issued and allotted by the Board directly to such Employee(s).

**FURTHER RESOLVED THAT** the Scheme may also envisage provisions for providing financial assistance to the Eligible Employees to enable them to acquire, purchase or subscribe to the said Securities of the Company in accordance with the provisions of the Act/Regulations.

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**FURTHER RESOLVED THAT** the new equity shares to be issued and allotted in the manner aforesaid shall rank *pari passu* in all respects with the then existing equity shares of the Company.

**FURTHER RESOLVED THAT** for the purpose of creating, offering, issuing, allotting, and listing of the Securities and/or for the purpose of complying with any Guidelines or Regulations that may be issued from time to time by any appropriate authority, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in GHCL ESOS 2015 from time to time or to suspend, withdraw or revive GHCL ESOS 2015 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company.

**FURTHER RESOLVED THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committees, with power to sub-delegate to any Executives/Officers of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard.”

**Item No.9: (Special Resolution)**

**Approval of extending benefits of Employees Stock Option Scheme – 2015 to the employees of subsidiary/associate company(ies)**

“**RESOLVED THAT** pursuant to the provisions of Sections 42, 62 and all other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment of the Act (the “Act”), for the time being in force and the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, including any modifications thereof or supplements thereto (“the Regulations”) and in accordance with the provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, consents, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the “the Board” which term shall be deemed to include the Nomination and Remuneration Committee), consent of the members of the Company be and is hereby accorded to the Board to extend the benefits of GHCL ESOS 2015 proposed in Resolution Number 8 in this Notice to the Employees, whether working in India or out of India and Directors whether Whole-time Directors or not, of the subsidiary /associate company(ies)of the Company unless they are prohibited from participating in the GHCL ESOS 2015 under any law or regulations for the time being in force, on such terms and conditions as may be decided by the Board.

**FURTHER RESOLVED THAT** for the purpose of creating, offering, issuing, allotting and listing of the Securities, the Board be and is hereby authorized on behalf of the Company to make any modifications, changes, variations, alterations or revisions in the GHCL ESOS 2015 from time to time or to suspend, withdraw or revive GHCL ESOS





2015 from time to time, provided such variations, modifications, alterations or revisions are not detrimental to the interests of the Employees.

**FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to determine terms and conditions of issue of the Securities and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring to secure any further consent or approval of the Shareholders of the Company."

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

**Item no. 8 and 9**

Employees Stock Option is useful tool to attract retain and motivate the best available talent and to reward them for performance. This also provides an opportunity to employees to participate in the growth of the company, besides creating long term wealth in their hands.

The Employee Stock Option Scheme (GHCL ESOS 2015) proposed to be introduced is aimed at retaining best talent in the Company. At this stage of Company, it is looking forward to increase the business volume both in Soda Ash and Textiles division. Soda Ash division may witness further improvement in capacity utilization due to increase in demand both from glass and detergent segments of economy. Textiles division is also expected to generate better volumes and future outlook appears positive.

GHCL ESOS 2015 is drawn in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations'), issued by SEBI and other applicable laws. The Scheme has been in-principle recommended by the Nomination and Remuneration Committee at its meeting held on May 22, 2015 and approved by the Board of Directors at their Meeting held on the same day.

The Scheme will be operated and administered under the superintendence of the Company's Nomination and Remuneration Committee, which is a Committee of the Board of Directors, the majority of whose Members are Independent Directors. The Nomination and Remuneration Committee will formulate the detailed terms and conditions of the Scheme including:

1. Number of options to be granted to individual Employee, and in aggregate;
2. Terms on which the options will vest;
3. The conditions under which options vested in Employees may lapse in case of termination of Employees for misconduct;
4. The exercise period within which an Employee should exercise the options, and lapsing of options on failure to exercise the options within the exercise period;
5. The specified time period within which the Employee shall exercise the vested options in the event of termination or resignation of the Employee;
6. Mechanism for direct allotment of shares;
7. The right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
8. The procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of rights issues, bonus issues and other corporate actions;
9. The grant, vesting and exercise of options in case of Employees who are on long leave; and
10. Any other related or incidental matters.

According to Regulation 6(1) of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 no scheme shall be offered to employees of a company unless the shareholders of the company approve it by passing a special resolution in the





general meeting, accordingly, Item Number 8 & 9 to this Notice is proposed as Special Resolution.

The salient features of the GHCL ESOS 2015 and the disclosures required under Rule 12(2) of The Companies (Share Capital and Debentures) Rules, 2014 are as under:

**1. The total number of options to be granted**

The total number of options that may, in the aggregate, be issued would be such number of options which shall entitle the option holders to acquire in one or more tranches upto 50,00,000 equity shares of the Company of the face value of ₹ 10 each (or such other adjusted figure for any bonus, stock splits or consolidations or other re-organization of the capital structure of the Company as may be applicable from time to time). Each such Options confers a right upon the Employee to apply for 1 (one) equity shares of ₹ 10/- each of the Company, in accordance with the terms and conditions of such issue.

**2. Identification of classes of employees entitled to participate in the Scheme**

All permanent employees of the Company working in India or out of India and Directors (whether Managing/Whole time Director or not) and its subsidiary / associate company(ies,) (present or future) (excluding promoters and employees belong to Promoter Companies) and further excluding Independent Directors as may be decided by the Nomination and Remuneration Committee.

The class of Employees eligible for participating in the Scheme shall be determined on the basis of the grade, number of years' service, performance, role assigned to the employee and such other parameters as may be decided by the Nomination and Remuneration Committee in its sole discretion from time to time.

The options granted to an Employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.

**3. Appraisal Process for determining the eligibility of Employees to the Scheme**

The appraisal process for determining the eligibility of the Employee will be specified by the Nomination and Remuneration Committee and will be based on criteria such as the grade of Employee, length of service, performance record, CTC, expected potential contribution by the Employee and/or by any such criteria that may be determined by the Nomination and Remuneration Committee in its sole discretion.

**4. Requirements of vesting and period of vesting**

Vesting of options may commence after a period of not less than one year from the date of grant. The vesting may occur in one or more tranches, subject to terms and conditions of vesting, as may be stipulated by the Nomination and Remuneration Committee in its sole discretion.

**5. Maximum period within which the options shall vested**

The maximum vesting period may extend up to five years from date of grant of options, unless otherwise decided by the Nomination and Remuneration Committee.

**6. Exercise price or pricing formula**

Exercise Price means the price at which the Employee is entitled to acquire the equity shares pursuant to the options granted and vested in him/her under the Scheme.

The Exercise price per option may be decided by the Nomination and Remuneration Committee at the time of Grant. In determining the Exercise Price, the Committee shall take into consideration relevant factors prevalent at the time of the Grant which, among other things,



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would include the trend in the market price of the Company's Equity Shares quoted on Stock Exchange. The exercise price may also be face value of shares.

**7. Exercise period and process of exercise and under certain circumstances in which option may lapse**

The exercise period may commence from the date of vesting and will expire not later than 5 years from the date of vesting, or such other period as may be decided by the Nomination and Remuneration Committee from time to time.

The options will lapse if not exercised within the specified exercise period or as may be specified by the Nomination and Remuneration Committee. The options may also lapse under certain circumstances like termination of employee under misconduct, resignation, etc., even before the expiry of the specified exercise period.

**8. Time period within which the employee shall exercise the vested option in the event of termination of employment or resignation of employee:**

The Nomination and Remuneration Committee shall determine the time period within which the vested unexercised option in the event of termination of employment or resignation of employee shall be exercised.

**9. Maximum number of options to be issued per Employee and in aggregate**

The maximum number of options to be granted to any eligible employees shall not exceed 2,00,000 equity shares of ₹10 each per annum. The aggregate of all such grants shall not exceed 50,00,000 shares. This aggregate quantity works out to 5% of the paid up capital of the Company as on 31<sup>st</sup> March 2015.

**10. Disclosure and accounting policies**

The Company shall conform to the accounting policies specified by Securities and Exchange Board of India as per the SEBI Regulations, amended from time to time.

**11. Method of Valuation**

The Company follows the intrinsic value method for computing the compensation cost, if any, for the options granted. The difference between the employee compensation cost so calculated and employee compensation cost that would have been recognized if the Company had used fair value method and its impact on the profits and earnings per share would be disclosed in the Directors' Report. The fair value would be determined using the Black – Scholes model.

**12. Condition under which Option may lapse**

The option will lapse if not exercised within the specified exercise period. The options may also lapse under certain circumstances even before the expiry of the specified exercise period i.e. in the event of termination of employment or resignation of employee.

**13. Other terms**

The Board, based on the recommendations of the Nomination and Remuneration Committee, shall have the absolute authority to vary, modify or alter the terms of the Scheme in accordance with the Regulations and Guidelines as prescribed by the Securities and Exchange Board of India or Regulations that may be issued by any appropriate authority, from time to time, unless such variations, modifications or alterations is detrimental to the interest of the Employees.

The Securities may be allotted directly to the Employees and Employees may be provided with financial assistance to enable them to subscribe to the Securities.

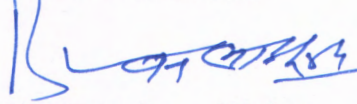


A handwritten signature in blue ink, appearing to be 'S. J. Verma'.

Your Directors recommend the resolutions as set out under Item Numbers 8 and 9 to this Notice for your approval by way of Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolutions, except to the extent of Equity Shares they may be offered to them under GHCL ESOS 2015.

**For GHCL Limited**



**Bhuneshwar Mishra**  
**General Manager & Company Secretary**

Membership No.: F5330

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