

34th
ANNUAL
REPORT
2016-2017



GHCL Limited

Contents

Company Information	2
Chairman Statement	3
Notice	5
Board's Report	11
Business Responsibility Report	31
Management Discussion & Analysis	41
Corporate Governance Report	47
Secretarial Audit Report	66
Independent Auditors' Report	68
Balance Sheet	73
Statement of Profit & Loss	74
Cash Flow Statement	75
Standalone Statement of Changes in Equity	77
Notes	78
Independent Auditors' Report on Consolidated Financial Statements	126
Consolidated Balance Sheet	129
Consolidated Statement of Profit & Loss	130
Consolidated Cash Flow Statement	131
Consolidated Statement of Changes in Equity	133
Notes to Consolidated Accounts	134
E-service of documents through Email	184
Form No. SH-13-Nomination Form	185
Form No. SH-14-Cancellation or Variation of Nomination	187
Attendance Slip and Proxy Form	189
Route Map	191

Annual General Meeting – Thursday, June 29, 2017

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 Friday, June 23, 2017 to Thursday, June 29, 2017 (Both days inclusive)

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.

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
Lavanya Rastogi	Independent Director
G C Srivastava	Independent Director
Mahesh Kumar Kheria	Independent Director
K C Jani	Independent Director
Sanjiv Tyagi	Independent Director
Vijaylaxmi Joshi	Independent Director
R S Jalan	Managing Director
Raman Chopra	CFO & Executive Director (Finance)

SECRETARIES

Bhuwneshwar Mishra
General Manager & Company Secretary

Manoj Kumar Ishwar
Senior Manager (Secretarial)

Prabhakaran J. Mudaliar
Executive (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.ghcl.co.in

SUBSIDIARIES

1. Grace Home Fashions LLC
2. Dan River Properties LLC

COMPANY IDENTIFICATION NO.

CIN – L24100GJ1983PLC006513

STATUTORY AUDITORS

S.R. Batliboi & Co. LLP
Rahul Gautam Divan & Associates

WORKS

SODA ASH

Village: Sutrapada Near Veraval,
Distt.: Gir Somnath,
Gujarat – 362275

SALT REFINERIES

- (a) Port Albert Victor, Via Dungar,
Distt.: Amreli, Gujarat - 364555
- (b) 713/B, Deri Road,
Near Diamond Chowk
Krishnanagar, Bhavnagar
Gujarat - 364001
- (c) Ayyakaramulam, Kadinal Vayal,
Vedaranyam, Distt. Nagapattanam,
Tamil Nadu – 614707
- (d) Nemeli Road, Thiruporur, Distt.:
Kancheepuram, Tamilnadu – 603110

TEXTILES

- (a) Paravai, Samayanallur P.O.,
Distt.: Madurai, Tamil Nadu – 625402
- (b) Thiagesar Alai P.O, Manaparai,
Distt.: Trichy, Tamil Nadu – 621312
191 & 192, Mahala Falia, Village - Bhilad,
Distt.: Valsad, Vapi, Gujarat - 396191

ENERGY DIVISION

- (a) Muppandal, Village: Irukkandurai, Post:
Sankaneri, Taluk: Radhapuram,
Distt.: Tirunelveli, Tamil Nadu
- (b) Village: Chinnaputhur, Taluk: Dharapuram,
Distt.: Erode, Tamil Nadu

BANKERS / FINANCIAL INSTITUTIONS

State Bank of Travancore
(Since merged with SBI w.e.f. 01.04.17)
State Bank of Hyderabad
(Since merged with SBI w.e.f. 01.04.17)
IDBI Bank
State Bank of Mysore
(Since merged with SBI w.e.f. 01.04.17)
Export Import Bank of India
State Bank of Patiala
(Since merged with SBI w.e.f. 01.04.17)
Canara Bank
State Bank of Bikaner and Jaipur
(Since merged with SBI w.e.f. 01.04.17)
Oriental Bank of Commerce
State Bank of India
Andhra Bank
Dena Bank
Union Bank of India

SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-101, 247 Park, Vikhroli (West)
Mumbai - 400 083
Tel: 022-49186000/49186270
Fax: 022-49186060

CHAIRMAN'S STATEMENT

With global economic activity now picking up steam after a long-awaited cyclical recovery in investment, manufacturing and trade, the world growth is expected to rise from 3.1 percent in 2016 to over 3.5 percent in 2017 and 3.6% in 2018.

Stronger activity, expectations of robust global demand, reduced deflationary pressures, and optimistic financial markets are all upside developments that we are now witnessing in key economic zones. But at the same time, structural impediments to a stronger recovery and balance of risks that remains tilted towards the negatives is a challenge in the short to medium term. We surely need sound economic strategies and policy framework in both advanced economies as well as emerging and developing markets to tackle a number of common challenges in a global economy that is now increasingly becoming integrated.

In India, the doomsday scenario projected by most economic think tanks notwithstanding, the impact of demonetization on the Indian economy has been ephemeral. The demonetization exercise has ushered in several benefits. India has added 91 lakh more tax payers and there is marked shift to digital and online transactions. The resultant increase in tax collection should aid infrastructure spending, job creation, funding of welfare schemes, and directly as well as indirectly, in the equitable distribution of wealth. More importantly, there is a mindset change with an increasing aversion to corruption, which augurs well for the future of the Indian economy.

With demonetization truly behind us, it is time for the Indian economy to focus on the next big bang reform – the implementation of Goods and Service Tax. When viewed in conjunction with demonetization, the twin measures are fundamental for transparency and growth. Demonetization was a trigger and with GST coming later this year, this whole process of formalization of economy will get accelerated. Once introduced, GST will create one unified national market and cut down the current bottlenecks that lead to higher transaction costs and hurt efficiency.

With the renewed optimism in the economy and despite the short term disruption caused by demonetization, your company witnessed good demand for its products in the economy and that has translated into satisfactory financial performance. We also managed to maintain our profitability despite an increase in prices of raw materials. Importantly, we expect this buoyancy to continue in the coming quarters.

Revenues for the financial year ending 31st March 2017 have risen by 10% to Rs. 2,980 Crore as compared to Rs. 2,716 Crore for the financial year 2015-2016. EBITDA for the year grew by 14% to Rs. 724 Crore compared to Rs. 636 Crore. The net profit for the financial year 2016-2017 grew a robust 51% to Rs. 388 Crore from Rs. 257 Crore in the previous financial year.

Going forward, your company will continue to scout for growth opportunities as the domestic economy gains momentum and a more stable economic outlook boosts consumer confidence and leads to higher spending. We will continue to drive expansion in our key verticals.

The domestic Soda Ash demand witnessed a growth of 6% in FY 2016-17 compared to last year. All consuming segments including Detergents and Flat Glass, Chemicals & Silicates recorded a healthy rebound. The only exception was Container Glass segment that continues to be low key. Our market



estimate indicates that downstream demand growth is gradually improving and 2017 is expected to be better than 2016. India's GDP growth in real terms is slated to be better in the coming Financial Year with the positive impact of reforms and as a result, it is expected that downstream sectors like Detergents and Glass should do better than last year.

The Indian Soda Ash market constitutes of two varieties – Light grade (used in detergent industry) & Dense grade (used in Glass industry) with a share of 60% and 40%, respectively. The total installed capacity in India was 3.4 million tonne per annum. With an estimated production of about 2.8 million tonne per annum in 2016-17, the capacity utilization was around 83%. Going forward, we expect the overall industry capacity to expand by 0.25 lakh tonne in 2017-18 and another 1.25 lakh tonne in 2018-19.

Almost all the major Soda ash players are located in the state of Gujarat due to ready availability of main raw materials, namely limestone and salt. However, sourcing of these key raw materials is posing a major challenge for the industry as the Gujarat government is currently not allocating any fresh Lime Stone mines or Land Bank for Salt Works. At the global level, the new low-cost Turkish supply with a competitive cost base and low transport costs – relative to the US producers – will continue to influence the market, especially with their forthcoming 2.0 Million tonne per annum supply by 2017 end.

GHCL's soda ash business contributes about 60% of total Indian Standalone revenue. In India, the company has a significant advantage in maintaining firm control on cost of soda ash due to major captive source of some of the raw materials – Salt, Limestone & Lignite. GHCL shares highly successful client relationships and is the preferred supplier to all major soda ash

consumers and some its marquee clients include Hindustan Unilever Limited, Ghari Group, P&G, Patanjali Ayurved Limited, Gujarat Borosil Limited, Piramal Glass Limited and Phillips.

Going forward, your company is planning to double its capacity of Sodium Bicarbonate from the current level of 32,500 tonne per annum to 65,000 tonne per annum to take advantage of the growing market for this product. GHCL has been able to maintain its domestic market share through a combination of market development, pro-active Direct Customer Relationship management Satisfaction Initiatives and the speedy response to the changing dynamics of the market place.

GHCL Limited has integrated textile manufacturing facilities with an installed spinning capacity of around 1.76 lakh spindles and 3320 Rotors (Open End), manufacturing 100% cotton, polyester cotton & other blended yarns, 162 Air Jet looms, 36 million meter of wide width processing capacity, 12 million meter of weaving capacity and 30 million meter of cut & sew facility for manufacturing world class quality merchandise.

We have state of-art plant at Vapi, Gujarat that integrates weaving, processing and cut & sew facilities. The Home Textiles division is investing to increase weaving capacity by 18% and processing capacity by 25%, which will be operational in 3rd quarter of financial year 2017-18. GHCL's spinning units in Tamil Nadu are considered to be one of the most efficient and modern yarn manufacturing facilities in India. Such excellent product development capabilities has put GHCL on the forefront of major global markets like North America, Australia, Middle East, UK and Europe. GHCL has also started to focus on domestic market and is now working with major organized retail stores and brands for domestic market.

Overall in the textile business of the company has posted satisfactory performance this year, which is despite the demonetisation impact. The home textiles business operations have done reasonably well mainly due to strong customer relations, product portfolio, consistent supply of quality products and strengthening organisational structure. This has led to an increase in capacity utilisation to 93% as compared to 85% last year.

I am glad to inform that there is significant improvement in the margins over last year. This has been made possible due to higher capacity utilisation and our relentless customer focus. This has enabled us to successfully strengthen our export markets and resulted in securing large replenishment orders from big global retailers and importers. Some of our valued customers in USA, Europe & Australia include Bed Bath & Beyond, Target, HBC Canada, Sears Canada, K-Mart, Revman

International, TJX Group, QVC, House of Fraser, The White Company, Miles Home Fashions, Myer, and Pillow Talk. The market sentiment in USA looks better and the company is focusing on that market for large volume programs. We strongly believe that our focus on customer realignment along with innovative products & designs and enhanced product basket with tie ups with private labels will provide further impetus to both top line and margins. Going forward, we expect an increase in demand for yarn as well as prices. However, upward fluctuation

in cotton price and strengthening of Indian Rupee are becoming a big concern.

India's competitive edge in USA market over Pakistan and China is likely to remain unchanged. With growing urbanisation and improving organised retail in India, the Indian textile industry should gain momentum with growth in domestic market as well. Technological advancement along with favourable Government policies should act as a catalyst in textile sector growth.

The FMCG segment is the 4th largest sector in the Indian economy, with food products being the leading segment, constituting 43% of the FMCG market. Going forward, GHCL's consumer products business will be focusing on research & development and innovation as means of growth, with major focus in the "Health and Wellness" platform. The new edible salt plant at Thiruporur became operational in March'17 with a capacity of approximately one lakh tonne per annum. This will be a big boost for sales and can address almost 75% of our southern market requirement directly.

The brand "i-FLO" has established a good brand image in the southern states of India, Maharashtra and Goa. The product portfolio of variants of salt, honey and spices has been well received. As a part of our expansion plan, we launched i-FLO spices (in sachets) and i-FLO Spices Combo in the market. The coming years will witness pan India expansion with more elaborate product portfolio.

GHCL has been committed to development of weaker sections of the society for over two decades now. Your company, through "GHCL Foundation Trust" has upgraded

its CSR activities to cover a larger section of the society and provide support to the downtrodden, needy and marginalized citizens. As part of initiatives under Corporate Social Responsibility, the Company has undertaken projects in the areas of Sanitation, Coastal Area Development, Education, Agro Based Livelihood, Health, Rain Water Harvesting, Woman Empowerment, and Animal Husbandry.

Your company believes that Indian economy is now at the cusp of a transformational change with a series of reforms, strong capital flow, ease of doing business and more spending power creating multiple opportunities. The recovery that we witnessed in 2016-17 is expected to further strengthen in 2017-18 and even beyond. The forecast of a normal monsoon in 2017 will only add to the overall buoyancy. GHCL is fully prepared to take advantage of the expected uptick in demand for our various products.

I would like to take this opportunity to once again thank all our stakeholders – our employees, our investors, governments of states where we operate, the central government and as they say last but not the least, all our valued customers.

Thank you

Sanjay Dalmia

GHCL Limited

(CIN: L24100GJ1983PLC006513)

Registered Office: GHCL House, Opp. Punjabi Hall,
Navrangpura, Ahmedabad – 380009 (Gujarat)

Email: ghclinfo@ghcl.co.in, secretarial@ghcl.co.in

Website: www.ghcl.co.in

Phone: 079- 39324100, Fax: 079-26423623

NOTICE

NOTICE is hereby given that 34th Annual General Meeting of the members of GHCL Limited (CIN: L24100GJ1983PLC006513) 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, June 29, 2017 at 9.30 AM to transact the following businesses:

ORDINARY BUSINESS:**Item no. 1: Adoption of audited financial statements (including consolidated financial statements) of the Company for the financial year ended March 31, 2017**

“RESOLVED THAT audited Financial Statements and audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2017 along with Directors’ Report, Independent Auditors’ Report thereon be and are hereby received, considered, approved and adopted.”

Item no. 2: Confirmation of Interim Dividend and Declaration of Final Dividend for the financial year ended March 31, 2017

“RESOLVED THAT total dividend of Rs. 5.00 per equity share (i.e. 50% on the paid-up equity share capital) of the Company for the financial year ended on 31st March 2017, including Final Dividend of Rs. 3.50 per equity share as recommended by the Board and Interim Dividend of Rs. 1.50 per equity share as approved by the Board and already paid in February 2017, be and is hereby approved.”

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

“RESOLVED THAT Mr. Neelabh Dalmia (DIN 00121760), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

Item no. 4: Re-appointment of Mr. Raman Chopra

“RESOLVED THAT Mr. Raman Chopra (DIN 00954190 who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

Item no. 5: Ratification for the appointment of M/s S. R. Batliboi & Co. LLP, Chartered Accountants as Statutory 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 in line with the resolution passed by the shareholders in their 33rd Annual General Meeting (AGM) held for the financial year 2015-16 appointing M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 30100CE/E300005) for a period of five years and pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies their appointment as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 35th Annual General Meeting to be held for the financial year 2017-18, on a remuneration to be fixed by the Board of directors plus out of pocket expenses as may be incurred by them for the performance of their duties in connection with the audit of the company for the financial year ending March 31, 2018.”

SPECIAL BUSINESS:**Item No. 6. Re-Appointment of Mr. Ravi Shanker Jalan as Managing 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 196, 197 & 203 of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Schedule V of the Act, Mr. Ravi Shanker Jalan (DIN: 00121260) be and is hereby re-appointed as Managing Director of the Company, for a period of 5 years with effect from June 7, 2017, liable to retire by rotation, on such terms and conditions including remuneration as stated in the Explanatory Statement annexed to the Notice convening this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as the Board may think fit.”

RESOLVED FURTHER that the Board of Directors of the Company 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 Mrs. Vijaylaxmi Joshi (Ex-IAS) as an 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, 152, and any other applicable provisions of the Companies Act, 2013 (“Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and Schedule IV to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Vijaylaxmi Joshi (DIN: 00032055), who were appointed as an Additional Director of the Company in the category of Independent Director pursuant to the provisions of Section 149 and 161 of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director of the Company, to hold office till April 19, 2022.”

“RESOLVED FURTHER that the Board of Directors of the Company 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.”

Registered Office:
GHCL HOUSE
Opp. Punjabi Hall
Navrangpura,
Ahmedabad - 380009

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

Sd/-
Bhuwneshwar Mishra
General Manager &
Company Secretary
Membership No.: FCS 5330

Dated: May 20, 2017

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 PROXY FORM IS ENCLOSED WITH THIS NOTICE.**

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 Resolutions or Power of attorney 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 Friday, June 23, 2017 to Thursday, June 29, 2017 (both days inclusive).
5. The final dividend as recommended by the Board of Directors will be paid to the members on or before 30th day from the date of declaration:
 - **For equity shares held in physical form** - those shareholders whose names will appear in the Register of Members on the close of the day on Thursday, June 22, 2017.
 - **For equity shares held in dematerialised form** - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on close of day on Thursday, June 22, 2017.
6. The relevant details of directors seeking re-appointment under Items No. 3 & 4, as required under Regulation 36(3) of the Listing Regulations, the Companies Act, 2013 and applicable Secretarial Standards are given herein below.
 - a. Mr. Neelabh Dalmia (DOB – August 16, 1983) is a Non-executive Director (Promoter) of the Company. He is Bachelor of Science in Business from Indiana University, Kelley School of Business, Bloomington, Indiana with majors in Finance and Entrepreneurship. He had also completed Masters of Business Administration (MBA) from Kelley School of Business, Indiana University, USA. He is having expertise in the field of finance, marketing and textile industry. He is a member of Stakeholders Relationship Committee, CSR Committee, Risk Management Committee, Compliance Committee, Business Strategy & Planning Committee and Banking and Operations Committee of the Company. Mr. Dalmia is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. Except Mr. Sanjay Dalmia and Mr. Anurag Dalmia, he is not related to any other director or key managerial personal of the Company. He does not hold any shares in the Company.

- b. Mr. Raman Chopra (DOB – November 25, 1965) is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having 28 years of experience in the area of corporate finance, restructuring, strategy and general management. He is a member of Compliance Committee, Stakeholders Relationship Committee, Banking & Operations Committee, Business Strategy & Planning Committee and Risk Management Committee of the Company. Mr. Chopra is neither a member of more than 10 Committee nor a Chairman of more than 5 Committees. The details of number of Meetings of the Board attended during the year and other Directorships, Membership/ Chairmanship of Committees of other Boards are available in Corporate Governance report of company annexed to Annual Report. He is not related to any other Director/ KMP of the Company. He does not hold any shares in the Company. However, his wife is holding 18,000 equity shares and his son is holding 7000 equity shares of the Company.

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 Registrar and Share Transfer Agent 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, at the registered e-mail address of the members. 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 id by sending request letter to our Registrar and Share Transfer Agent (M/s Link Intime India Pvt. Ltd., Unit: GHCL Ltd.)**

Members whose e-mail id is not registered with the Company are being sent physical copies of the correspondence and documents including Annual Report etc., at their registered address through permitted mode.

The Annual Report along with Notice of AGM for financial year 2016-17 will also be available on the Company's website www.ghcl.co.in.

10. Members are requested to send their queries, if any, at least seven (7) 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 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 34th 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 and Regulation 44 of the Listing Regulation.
- (c) During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. June 22, 2017, 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. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.
- (d) The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, June 24, 2017 and ends at 5:00 p.m. (IST) on Wednesday, June 28, 2017. 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) The facility for voting, either through electronic voting system or polling paper, as may be decided by Chairman of the meeting, shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

(g) Instructions for members for remote e-voting are as under:

Log on to the e-voting website www.evotingindia.com
Click on "Shareholders" tab.

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.

(i) Next enter the Image Verification as displayed and Click on Login.

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.

If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 Client ID / 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 Client id/Folio number in the dividend Bank details field as mentioned in instruction (iv).

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

(iii) 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.

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

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

(vi) 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.

- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) 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.
- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xi) 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.
- (xii) Shareholders can also cast their vote using **CDSL's mobile app m-Voting** available for all mobile users. The m-Voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xiii) Note for Non – Individual Shareholders and Custodians

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian 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 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 or you may also contact CDSL on Toll Free 1800-200-5533 (10.00 am to 6.15 pm Monday – Friday and 10.00 am to 2.00 pm on Saturday).

- (h) 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).
- (i) Mr. Manoj R. Hurkat, Practicing Company Secretary holding Certificate of Practice No. 2574 has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to

appoint one or more scrutinizers in addition to and/or in place of Mr. Hurkat.

- (j) The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- (k) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.ghcl.co.in and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

12. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, Certificate from the Auditors of the Company under SEBI (Share Based Employee Benefits) Regulations, 2014 and all documents referred to in the Notice and Explanatory Statement are 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 and will also be available for inspection at the venue of the Meeting.

13. Members attending the Meeting are requested to complete the enclosed Attendance slip and deliver the same at the entrance of the meeting hall. Members are also advised to carry latest valid photo ID proof in original for verification, if required.

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.

Dividend for the financial year 2009-10, 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 September 2017. Members who have not en-cashed their dividend warrant(s) for the financial year ended March 31, 2010 or any subsequent financial year(s), are requested to lodge their claims with Registrar and Share Transfer Agent, M/s Link Intime India Private Limited. Shareholders may visit the Company's website www.ghcl.co.in for tracking details of any unpaid or unclaimed amounts, pending transfer to IEPF. Members are advised that once the unclaimed dividend is transferred to IEPF no claims shall lie against the Company in respect thereof.

15. **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.
16. 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.