

## CORPORATE GOVERNANCE & FINANCIAL REPORT FOR THE FIFTEEN MONTHS PERIOD ENDED MARCH 31, 2007



### CORPORATE GOVERNANCE FOR THE FIFTEEN MONTHS PERIOD ENDED MARCH 31, 2007

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

#### 1. Company's Philosophy on Code 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 principle 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, 2007 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2007			
Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter - Non Executive Director	Mr. Sanjay Dalmia	3	23.08%
	Mr. Anurag Dalmia		
	Mr. Neelabh Dalima		
Promoter Nominee - Non Executive Director	Mr. Naresh Chandra	2	15.38%
	Mr. S H Ruparell (Mr Mahesh Kheria – Alternate Director)		
Non Executive - Independent Director	Dr. B C Jain	3	23.08%
	Mr. H H Faruqi		
	Mr. Jagdish Capoor		
Representing Lending Institutions	Mr. G A Tadas – Nominee IDBI	2	15.38%
	Mr. R W Khanna – Nominee EXIM Bank		
Executive Directors	Mr. P Sampath – Managing Director	3	23.08%
	Mr. R S Jalan – Managing Director		
	Mr. Tej Malhotra – Sr. Executive Director (Operations)		
	<b>TOTAL NO. OF DIRECTORS</b>	<b>13</b>	<b>100%</b>

The Board of GHCL Limited consists of 13 Directors, 10 of whom are Non Executive Directors. The Company has a Non Executive Director as Chairman and hence the requirement that at least one third of the Board shall comprise of Non Executive Independent Directors is complied with as the Company has 5 Non Executive Independent Directors. 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, 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, Investment /Project Committee, Share Transfer & Investors Grievance Committee, Remuneration Committee and Audit 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.

Dates of the Board Meeting are fixed in advance and agenda is circulated to the Directors at least seven days before the meeting. During the fifteen months period ended March 31, 2007, six Board Meetings were held on January 19, 2006, April 21, 2006, June 18,

2006, July 17, 2006, October 30, 2006 and January 29, 2007. The gap between any two Meetings has been less 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 fifteen months period ended March 31, 2007 is given herein below:

SL. NO.	NAME	DATE OF BOARD MEETING						AGM ATTENDANCE
		JANUARY 19, 2006	APRIL 21, 2006	JUNE 18, 2006	JULY 17, 2006	OCT 30, 2006	JANUARY 29, 2007	
1	Mr Sanjay Dalmia	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Mr Anurag Dalmia	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Dr. B C Jain	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Mr Jagdish Capoor	Yes	Yes	Yes	Yes	Yes	Yes	No
6	Mr H H Faruqi	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Mr G A Tadas – Nominee IDBI	Yes	Yes	No	Yes	Yes	Yes	No
8	Mr R W Khanna – Nominee EXIM Bank	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Mr Nareesh Chandra	No	Yes	Yes	No	Yes	Yes	No
10	Mr Mahesh Kheria (Alt. to Mr S H Ruparell)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
11	Mr P Sampath	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12	Mr R S Jalan	Yes	Yes	Yes	Yes	Yes	Yes	Yes
13	Mr Tej Malhotra	Yes	Yes	Yes	Yes	No	Yes	Yes

Note : 1. Mr. S Ruparell, Dr. B C Jain, Mr. H H Faruqi and Mr. Tej Malhotra are liable to retire by rotation and are eligible for the re-appointment. Information as required under Clause 49(VI) 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 (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, 2007 and the same is reproduced herein below:

SL. NO.	NAME	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
1	Mr. Sanjay Dalmia	1	-	-
2	Mr. Anurag Dalmia	1	-	-
3	Mr. Neelabh Dalmia	-	-	-
4	Dr. B C Jain	-	-	-
5	Mr. Jagdish Capoor	4	2	2
6	Mr. H H Faruqi	-	-	-
7	Mr. G A Tadas	-	-	-
8	Mr. R W Khanna	2	-	1
9	Mr. S H Ruparell Mr. Mahesh Kheria (Alt. to Mr. S H Ruparell)	NA	NA	NA
10	Mr. Nareesh Chandra	1	1	-
11	Mr. P Sampath	1	-	-
12	Mr. R S Jalan	-	-	-
13	Mr. Tej Malhotra	-	-	-

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.

During the fifteen months period ended March 31, 2007, the Company has not entered into any transaction with its Non Executive Directors, which establishes any pecuniary relationship with them. Thus the requirement of Clause 49, pertaining to independence of Non Executive Directors has been duly complied with.

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

The requirement of appointment of an Independent Director of GHCL Limited on the Board of Colwell and Salmon Communications (India) Limited is not mandatory as the turnover / net worth criteria as mentioned in the Listing Agreement is not applicable.

### 3. Committees of the Board

#### (i) Audit Committee

The Board of Directors had constituted the Audit Committee with four Independent Directors having expertise in financial and accounting areas. The Audit Committee is responsible for the enhancement and restoration of shareholder's confidence by promoting accountability and also to act as a catalyst for effective financial and auditing practices by playing the role of Board's oversight function.

Audit Committee of the Board has been constituted as per Section 292 A 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:

- 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.
- 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 for any other services.

- Reviewing with management the annual financial statements before submission to the Board, 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
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgement by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.

Compliance with stock exchange and 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.

- Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.

- 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.

- Discussion with internal auditors any significant findings and follow up there on.

- 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.

- 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.

- Reviewing the company's financial and risk management policies.

- 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.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meeting held after the Audit Committee 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 is circulated to the Directors at least seven days before the meeting.

During the fifteen months period ended March 31, 2007, the Audit Committee of the Board met eight times and as per requirement of the Listing Agreement, the gap between any two meetings of the Committee is less than four month. 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:

	Name of the Committee members			
	Dr. B C Jain - Chairman of the Committee	Mr. Jagdish Capoor	Mr. H H Faruqi	Mr. G A Tadas
Category	Independent Director (Expertise in Finance, Banking & Accounting)	Independent Director - (Expertise in Finance, Banking & Accounting)	Independent Director - (Expertise in Finance & Accounting)	Nominee Director - IDBI Ltd (Expertise in Finance & Accounting)
Date of the Meeting				
Jan. 18, 06	Yes	Yes	Yes	Yes
April 20, 06	Yes	No	Yes	Yes
May 22, 06	Yes	Yes	Yes	No
July 17, 06	Yes	Yes	Yes	Yes
Sept. 14, 06	Yes	No	Yes	Yes
Oct. 30, 06	Yes	Yes	Yes	Yes
Jan. 29, 07	Yes	Yes	Yes	No
March 30, 07	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	No	Yes	No

Note: Managing Directors, Chief Accounts Officer, Statutory Auditors, Cost Auditors, were invitees to the Audit Committee Meetings whenever required. 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 23rd Annual General Meeting held on June 19, 2006 to answer the queries of shareholders.

As required under Clause 49(III) (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) Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Remuneration Committee of the Company was constituted as early as 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 recommend 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 providing a package which is appropriate for the responsibilities involved.

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 is circulated to the Directors in advance.

During the fifteen months period ended March 31, 2007, the

Remuneration Committee met three times. 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 REMUNERATION COMMITTEE MEETINGS HELD DURING THE FIFTEEN MONTHS PERIOD ENDED MARCH 31, 2007**

Name of the Committee Members			
	Mr. Sanjay Dalmia - Chairman of the Committee	Dr. B.C Jain	Mr. H.H Faruqi
Category of Director	Non Executive Director (Industrialist)	Non Executive - Independent Director (Expertise in Finance Banking & Accounting)	Non Executive - Independent Director (Expertise in Finance & Accounting)
Date of the Meeting			
March 31, 2006	Yes	Yes	Yes
April 21, 2006	Yes	Yes	Yes
June 18, 2006	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	Yes	Yes

**Remuneration Policy:**

Payment of remuneration to the Managing / Whole Time Director(s) is 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.

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.

Details of remuneration, commission and sitting fee paid/payable to the Directors of the Company for the fifteen months period ended March 31, 2007 are given below:

Non-Wholetime Directors (in Rupees)		
Name	Sitting Fees	Commission
Mr. Sanjay Dalmia	1,50,000	22,00,000
Mr. Anurag Dalmia	1,05,000	22,00,000
Mr. Neelabh Dalmia	1,05,000	22,00,000
Dr. B C Jain	2,95,000	22,00,000
Mr. Jagdish Capoor	2,10,000	22,00,000
Mr. H H Faruqi	2,95,000	22,00,000
Mr. G A Tadas – Nominee IDBI*	1,90,000	22,00,000
Mr. R W Khanna – Nominee EXIM Bank*	1,05,000	22,00,000
Mr. Naresh Chandra	80,000	22,00,000
Mr. Mahesh Kheria (Alternate to Mr S H Ruparell)	1,05,000	22,00,000
<b>TOTAL</b>	<b>16,40,000</b>	<b>2,20,00,000</b>

Note: Commission payable to all or any one of the Non Whole Time Director 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 institutions which they represent.

**Whole Time Directors (in Rupees)**

Name	Salary and other perquisites*	Commission
Mr P Sampath, Managing Director	53,17,487	2,30,00,000
Mr R S Jalan, Managing Director	53,17,487	2,30,00,000
Mr Tej Malhotra, Sr. Executive Director	31,05,501	1,30,00,000
<b>Total</b>	<b>1,37,40,475</b>	<b>5,90,00,000</b>

- 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 month prior notice in writing to the other party.
- Presently the Company has a scheme of Stock Options for its employees including Whole Time Directors of the Company.
- Includes Company's contribution to Provident Fund and Superannuation Fund.

**(iii) Share Transfer and Grievance Handling Committee:**

The Board had constituted the Share Transfer & Investors Grievance 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 meet at least once in a week to expedite all matters relating to Shareholders / Investors Grievances received and pending during the previous week. During the fifteen months period ended March 31, 2007, sixty two Meetings of the Committee were held.

The composition of Committee as on March 31, 2007 is as under:

S. No	Name	Status
1	Mr. Anurag Dalmia	Chairman
2	Mr. Neelabh Dalmia	Member
3	Mr. P Sampath	Member
4	Mr. R S Jalan	Member
5	Mr. Mahesh Kheria	Member

The Company addresses all complaints and grievances expeditiously and replies are sent/issues resolved usually within fifteen days, unless there is a dispute or other legal constraints. The Company received 38 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 to and the Company has furnished necessary documents / information to the shareholders.

**Status of total complaints received during the fifteen months period ended March 31, 2007:**

Sl. No.	Type of Complaints	Total No. of Complaints received during period from January 1, 2006 to March 31, 2007	Total No. of Complaints resolved during period from January 1, 2006 to March 31, 2007	No. of Complaints pending as on March 31, 2007
1	Non-receipt of dividend	436	436	0
2	Share transfer including Demat request	230	230	0
3	Non receipt of Annual Report	53	53	0
	<b>Total</b>	<b>719</b>	<b>719</b>	<b>0</b>

The Share Transfer and Investors Grievance Committee reviews 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, Company Secretary of the Company was present at all Meeting of the Committee as the Secretary of the Committee.

Mr. Bhuneshwar Mishra, Company Secretary is the Compliance Officer of the Company alongwith Mr. Pramod Mehendale, Intime Spectrum Registry Limited (Share Transfer Registrar 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 Committee as on March 31, 2007 is as under:

Sl. No	Name	Status
1	Mr. P Sampath – Managing Director	Member
2	Mr. R S Jalan – Managing Director	Member
3	Mr. Tej Malhotra – Sr. Executive Director (Operations)	Member

**4. General Body Meeting:**

a) The last three Annual General Meetings 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
2005 (9 months)	June 19, 2006	10.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2004-2005	Sept. 2, 2005	10.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2003-2004	Sept. 24, 2004	10.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006

The last three Extraordinary General Meetings were held as under:

Financial Year	Date	Time	Venue
2006-2007	August 4, 2006	10.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2000-2001	Dec. 8, 2000	11.00 AM	Gajar Hall, Nariman, Bhawan, Law College, Road, Ahmadabad
1999-2000	Dec. 3, 1999	11.00 AM	Gajar Hall, Nariman, Bhawan, Law College, Road, Ahmadabad

**(b) Special Resolutions:**

**Annual General Meeting**

The following special resolutions were passed in previous Three Annual General Meetings.

**Year 2005 (9 months)**

- Payment of Commission to Non Executive Directors
- Approval of Employees Stock Options Scheme (ESOS)
- Increase in the Foreign Institutional Investors (FIIs) investment limit

**Year 2004-05**

- Alteration of Articles of Association
- Issue of securities in foreign markets / international offer
- Issue of warrants convertible into equity shares on preferential basis
- Payment of Sitting Fees and Commission to Non Executive Directors

**Year 2003-04**

- Appointment of Statutory Auditors

**Extraordinary General Meeting**

The following special resolutions were passed in the Extraordinary General Meeting held on August 4, 2006:

- Issue of warrants convertible into equity shares on preferential basis to the Promoter's company
- (c) No Special Resolution was passed in the last year through postal ballot and hence the provisions relating to postal ballot were not applicable.
- (d) All Special Resolutions moved at the above AGMs and EGM were unanimously passed by a show of hands by the shareholders present at the meeting and no resolutions were put to vote by postal ballot.

**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. Transactions with related parties are disclosed in the notes to the accounts in this Annual Report.

**Disclosure of accounting treatment in preparation of financial statements**

GHCL Limited has followed the guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) in the preparation of its financial statements.

**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.

**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 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](http://www.ghclindia.com)

Pursuant to the requirement of Clause 51 of Listing Agreement, Company has also posted its quarterly and half yearly results through Electronic Data Information Filing and Retrieval (EDIFAR) on the website [www.sebi.edifar.nic.in](http://www.sebi.edifar.nic.in)

**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.

**6. Means of communications:**

PUBLICATION OF UNAUDITED QUARTERLY /HALFYEARELY RESULTS AND RELATED MATTERS							
Sl. No.	Particulars		Quarter - I	Quarter - II	Quarter - III	Quarter - IV	Financial Year (15 Months) ended March 31, 2007
1	English Newspapers in which quarterly results were published	Business Standard	April 22, 2006	July 18, 2006	-	January 30, 2007	-
		The Economic Times	April 24, 2006	July 18, 2006	November 1, 2006	January 31, 2007	May 3, 2007
		The Hindu-Business Line	April 22, 2006	-	-	January 30, 2007	-
		The Indian Express	-	-	-	-	May 1, 2007
2	Vernacular Newspapers in which quarterly results were published	Jai Hind (Gujarati)	April 22, 2006	July 18, 2006	November 1, 2006	January 30, 2007	May 2, 2007
3	Website Address of the Company on which financial results are posted	<a href="http://www.ghcl.co.in">www.ghcl.co.in</a>					
4	Website Address of the Stock Exchange(s) on which financial results are posted.		Quarter - I	Quarter - II	Quarter - III	Quarter - IV	Financial Year (15 Months) ended March 31, 2007
	<b>Name of Stock Exchange (s)</b>	<b>Website Address (es)</b>	<b>Date of Filing of Results</b>				
	National Stock Exchange of India Limited (NSE)	<a href="http://www.nseindia.com">www.nseindia.com</a>	April 21, 2006	July 17, 2006	October 30, 2006	January 29, 2007	April 30, 2007
	The Bombay Stock Exchange Ltd. (BSE)	<a href="http://www.bseindia.com">www.bseindia.com</a>	April 21, 2006	July 17, 2006	October 30, 2006	January 29, 2007	April 30, 2007

During the fifteen months period ended March 31, 2007, the Company has made the following press release and the same has been communicated to the Stock Exchanges.

- July 17, 2006 : Financial Release for the quarter ended June 30, 2006
- August 21, 2006 : Engagement of consultant for business restructuring
- February 12, 2007 : Acquisition of Best Manufacturing Group

**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.

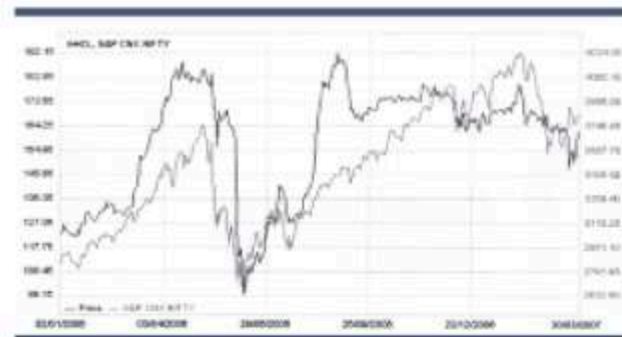
**8. General shareholder's Information:**

Sl. No.	Particulars	Details		
1	Annual General Meeting	Monday, July 30, 2007	10:15 AM	The Institution of Engineers (India), Gujarat State Centre, Bhalkaka Bhavan, Law College Road, Ahmedabad - 380 006
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2007)	3rd / 4th week of July 2007		
	Financial Reporting for - Quarter - II (ending September 30, 2007)	3rd / 4th week of October 2007		
	Financial Reporting for - Quarter - III (ending December 31, 2007)	3rd / 4th week of January 2008		
	Financial Reporting for - Quarter - IV (ending March 31, 2008)	3rd / 4th week of April 2008		
3	Date of Book Closure	Monday, July 23, 2007 to Monday, July 30, 2007 (both days inclusive)		
4	Dividend Payment	Final Dividend @ 27% (i.e. Rs. 2.70 per share) will be paid on or after Friday, August 3, 2007, 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
		The Stock Exchange, Mumbai, Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	500171	INE 539 A01019
		National Stock Exchange of India Limited, "Exchange Plaza", Bandra -Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019
		The Stock Exchange, Ahmedabad, KamDhenu Complex, Opp. Sahajan and College, Ahmedabad - 380 015	20850	INE 539 A01019
6	Listing Exchange of Foreign Currency Convertible Bonds	Singapore Stock Exchange	-	XS0229495782
7	Listing fees:	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year period ended March 31, 2007		
8	Details of Registrar and Share Transfer Agent	Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : <a href="mailto:isrl@intimespectrum.com">isrl@intimespectrum.com</a> )		
9	<b>Outstanding GDRs/ADRs/Warrants or any convertible instruments:</b>	<p>1. The Company had issued an aggregate of US\$ 80.5 million Foreign Currency Convertible Bonds (FCCBs) at a coupon rate of 1%. The subscribers have an option to convert bonds into shares at a price based on price mechanism determined in the offering documents. Presently bond can be converted at a price of Rs. 197.271 per share. Such conversion option is exercisable between September 2006 to March 2011. However, no notice of conversion is received to the Company.</p> <p>2. The Company had issued 45,00,000 warrants convertible into equity shares on preferential basis to the promoters of the Company. The warrant holders are entitled to substitute one equity shares of Rs. 10/- each at a price of Rs. 147.94 each, in accordance with SEBI (DIP) guidelines, at any time within eighteen months from the date of allotment of warrants i.e. October 23, 2006 against which 10% of the issue price has been received by the Company.</p>		
10	<b>Address for Correspondence</b>	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 are 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 please write to <b>Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : <a href="mailto:isrl@intimespectrum.com">isrl@intimespectrum.com</a>)</b>		
11	For General Correspondance:	<b>GHCL Limited, "GHCL House" Opp. Punjabi Hall, Near Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-30918905, Fax: 079-26423623 (Email : <a href="mailto:secretarial@ghcl.co.in">secretarial@ghcl.co.in</a>)</b>		
	<b>Dematerialization of Shares and Liquidity:</b>	89.80% of the outstanding shares are in dematerialized form as on March 31, 2007. 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.		
12	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.			

MONTHWISE STOCK MARKET DATA (BSE & NSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE PERIOD OF FIFTEEN MONTHS ENDED MARCH 31, 2007

Months of the financial year 2007	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
	High	Low		High	Low	
January 06	135.40	119.00	7673761	135.50	120.15	23322135
February 06	137.90	121.00	3862207	137.65	126.15	8775827
March 06	174.00	129.00	8898997	169.05	127.50	20472704
April 06	193.00	156.00	2735077	192.70	152.00	8681941
May 06	190.20	135.00	1385403	191.70	145.00	4894189
June 06	169.00	90.00	7147371	169.00	90.95	22494761
July 06	145.60	120.55	3699800	145.00	123.20	13152646
August 06	193.70	129.50	11708345	194.00	130.20	23858937
September 06	190.00	159.50	7575680	196.90	161.00	12489207
October 06	180.00	169.55	4369913	180.00	165.60	6053239
November 06	185.00	173.00	5720013	194.30	172.50	10192374
December 06	180.50	155.60	12395632	180.00	155.65	15500888
January 07	174.00	161.55	7627135	174.75	161.00	12318634
February 07	184.00	161.00	4391075	182.90	155.65	11626635
March 07	170.80	145.25	9469897	171.20	145.55	17954433

Performance in comparison to broad based indices such as NSE



Shareholders Referencer

Unclaimed Dividend

Pursuant to Section 205 A of the Companies Act, 1956 unclaimed dividend for the financial years 1998-99 and 1999-2000 have been/will be transferred to the Investors Education and Protection Fund established by the Central Government (IEPF) pursuant to Section 205 C 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 1998-99 and 1999-2000.

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 the 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
2000-01	21-09-2001	September 2008
2001-02	24-09-2002	September 2009
2002-03	26-09-2003	September 2010
2003-04	24-09-2004	September 2011
2004-05	02-09-2005	September 2012
2005 (9 months)	19-06-2006	June 2013

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2007

No. of Shares held of Rs. 10 each between	No. of shareholders	% of total share holding	No. of shares	% of total shares
From 1 To 2500	38256	76.76%	4281876	4.30%
2501 to 5000	7206	14.46%	2916636	2.93%
5001 to 10000	2587	5.19%	2247566	2.26%
10001 to 20000	943	1.89%	1521481	1.53%
20001 to 30000	243	0.49%	626373	0.63%
30001 to 40000	122	0.24%	448611	0.45%
40001 to 50000	124	0.25%	598130	0.60%
50001 to 100000	109	0.22%	810816	0.81%
100001 Above	247	0.50%	86136922	86.49%
<b>Total</b>	<b>49837</b>	<b>100.00%</b>	<b>99588411</b>	<b>100.00%</b>

SHAREHOLDING PATTERN AS ON 31ST MARCH 2007

Category	No of shares held	% of shareholding
<b>A Promoters Holding</b>		
1 Promoters		
Indian Promoters	40925190	41.09%
Foreign Promoters	5507900	5.53%
2 Others		
Trust	152000	0.15%
Directors & relatives	30050	0.03%
<b>Sub-Total</b>	<b>46615140</b>	<b>46.81%</b>
<b>B Non-Promoters Holding</b>		
3 Institutional Investors		
Mutual Funds and UTI	1675191	1.68%
Banks, Financial Institutions & Insurance Companies	6031561	6.06%
FIs	2100770	2.11%
Foreign Mutual Fund	283670	0.28%
<b>Sub-Total</b>	<b>10091192</b>	<b>10.13%</b>
4 Non-Institutional Investors		
Bodies Corporate	24492793	24.59%
Indian public	15045849	15.11%
NRIs & Foreign Companies	1771200	1.78%
Others	1572237	1.58%
<b>Sub-Total</b>	<b>42882079</b>	<b>43.06%</b>
<b>Grand Total</b>	<b>99588411</b>	<b>100.00%</b>

Plant Locations:

<b>Soda Ash Plant</b>	Village: Sutrapada Near Veraval, Dist. Junagadh - 362 275, Gujarat
<b>Salt Works &amp; Refinery</b>	(a) Ayyakaramulam, Kadinalvayal - 614 707, Distt Nagapattinam, Tamilnadu (b) Nemeli Road Thiruporur-603 110, Tamilnadu
<b>Textile Division</b>	(a) Samayanallur P.O, Madurai-625 402. (b) Thaikesar Alai P.O, Manaparai-621 312 (c) S. No.191, 192, Mahala Falia, Village Bhilad, Distt. Valsad, Gujarat-396105, India
<b>ITES Division</b>	C - 39 Sector - 58, NOIDA
<b>Energy Division</b>	(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 have affirmed compliance with the Code of Conduct.

For GHCL Limited

P Sampath  
Managing Director

R S Jalan  
Managing Director

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 period ended March 31, 2007 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 period;
  - (ii) significant changes in accounting policies during the period 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

P Sampath  
Managing Director  
Date : June 16, 2007

R S Jalan  
Managing Director

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 period ended on 31st March, 2007, 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  
(C. V. THAKKER)  
Partner  
Membership No: 6205  
Place : New Delhi  
Date : June 16, 2007

For and on behalf of  
RAHUL GAUTAM DIVAN & ASSOCIATES  
Chartered Accountants  
(RAHUL DIVAN)  
Partner  
Membership No: 100733