



CORPORATE GOVERNANCE FOR THE NINE MONTH PERIOD ENDED DECEMBER 31, 2005

(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 December 31, 2005 is given herein below:

COMPOSITION OF BOARD OF DIRECTORS AS ON DECEMBER 31, 2005

Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter - Non Executive Director	Mr. Sanjay Dalmia	3	23.07%
	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	23.07%
	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 – Joint Managing Director	3	23.07%
	Mr. R S Jalan – Joint Managing Director		
	Mr. Tej Malhotra – Sr. Executive Director (Operations)		
	TOTAL NO. OF DIRECTORS	13	100%

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 Committee, Share

Transfer & Grievance Handling 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 regularly 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 nine month period ended December 31, 2005, six Board Meetings were held on April 20, 2005, June 23, 2005, July 20, 2005, September 01, 2005, October 15, 2005 and November 19, 2005. The gap between any two Meetings has been less than three month, ensuring compliance with the requirement of Clause 49 of the Listing Agreement and Companies Act 1956.

The attendance of Directors at the Board Meeting held during the nine month period ended December 31, 2005 are given herein below:

SL. NO.	NAME	DATE OF BOARD MEETING						AGM ATTENDANCE
		APRIL 20, 2005	JUNE 23, 2005	JULY 20, 2005	SEPT. 01, 2005	OCT 15, 2005	NOV 19, 2005	
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	NA	NA	Yes	Yes	Yes	Yes	Yes
4	Dr. B C Jain	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Mr Jagdish Capoor	NA	NA	No	Yes	Yes	Yes	Yes
6	Mr H H Faruqi	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Mr G A Tadas – Nominee IDBI	NA	NA	Yes	No	Yes	Yes	No
8	Mr B N Makhija– Nominee IDBI	No	NA	NA	NA	NA	NA	NA
9	Mr R W Khanna – Nominee EXIM Bank	NA	NA	Yes	Yes	Yes	No	Yes
10	Mr Naresh Chandra	Yes	No	No	Yes	Yes	Yes	Yes
11	Mr Mahesh Kheria (Alt. to Mr S H Ruparell)	Yes	Yes	Yes	Yes	Yes	Yes	Yes
12	Mr D Rajagopalan – Nominee GIIC	No	No	NA	NA	NA	NA	NA
13	Mr P K Pujari – Nominee GIIC	Yes	No	NA	NA	NA	NA	NA
14	Mr G C Murmu – Nominee GIIC	No	No	NA	NA	NA	NA	NA
15	Mr P Sampath	Yes	Yes	Yes	Yes	Yes	Yes	Yes
16	Mr R S Jalan	Yes	Yes	Yes	Yes	Yes	Yes	Yes
17	Mr Tej Malhotra	Yes	Yes	Yes	No	Yes	Yes	No
18	Mr N S Ramachandran ³	Yes	NA	NA	NA	NA	NA	NA
19	Mr S K Mukherjee ⁴	Yes	Yes	No	NA	NA	NA	NA

Note : 1. The word "NA" denotes that person was not a member of the Board of the Company at the date of the Board Meeting.

- Mr. Sanjay Dalmia, Mr. Anurag Dalmia and Mr. Naresh Chandra 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.
- Mr. N S Ramachandran retired on May 4, 2005
- Mr. S K Mukherjee passed away on August 03, 2005

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 December 31, 2005 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	5	3	1
6	Mr. H H Faruqi	-	-	-
7	Mr. G A Tadas	-	-	-
8	Mr. R W Khanna	2	-	-
9	Mr. S H Ruparell Mr. Mahesh Kheria (Alt. to Mr. S H Ruparell)	-	-	-
10	Mr. Naresh Chandra	1	-	-
11	Mr. P Sampath	1	-	-
12	Mr. R S Jalan	1	-	2
13	Mr. Tej Malhotra	-	-	-

Note: For the purpose of considering the limit of the number of committees, Private Limited Companies and Foreign Companies are excluded.

During the nine month period ended December 31, 2005, 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, in its meeting held on 20th July 2005 re-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 include 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 the appointment and removal of external auditor, 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;
 - 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, external and internal auditors, the 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 external auditors before the audit commences nature and scope of audit as well as have 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 nine month period ended December 31, 2005, the Audit Committee of the Board met five 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. H H Faruqi	Mr.P.K Pujari	Mr. Jagdish Capoor	Mr. G A Tadas
Category	Independent Director (Expertise in Finance & Accounting)	Independent Director (Expertise in Finance)	Independent Director - Nominee GIIC Ltd. (Expertise in Finance)	Independent Director - (Expertise in Finance)	Nominee IDBI Ltd (Expertise in Finance)
Date of the Meeting					
May 31, 05	Yes	Yes	Yes	NA	NA
June 22, 05	Yes	Yes	No	NA	NA
July 19, 05	Yes	Yes	NA	NA	NA
Oct. 15, 05	Yes	Yes	NA	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	Yes	NA	Yes	No

Note: Jt. Managing Directors, Head of Accounts & Finance, Statutory Auditors, and Cost Auditors were invitees to the Audit Committee Meetings. 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 an expert in Finance and Accounting and he was present in the 22nd Annual General Meeting held on September 2, 2005 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 nine month period ended December 31, 2005, the Remuneration Committee had met on June 22, 2005.

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 MEETING HELD DURING THE YEAR 2005			
	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 & Accounting)	Non Executive - Independent Director (Expertise in Finance)
Date of the Meeting			
June 22, 2005	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	Yes	Yes

Remuneration Policy:

Payment of remuneration to the Managing / Whole Time Director is governed by the respective Agreements executed between them and the Company. These agreements were 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.

Details of remuneration, commission and sitting fee paid/ payable to the Directors of the Company for the nine month period ended December 31, 2005 are given below:



Non-Wholetime Directors		(in Rupees)	
Name	Sitting Fees	Commission	
Mr. Sanjay Dalmia	45000	8,75,000	
Mr. Anurag Dalmia	30000	8,75,000	
Mr. Neelabh Dalmia	25000	5,25,000	
Dr. B C Jain	65000	8,75,000	
Mr. Jagdish Capoor	20000	5,25,000	
Mr. H H Faruqi	65000	8,75,000	
Mr. G A Tadas & Mr. B N Makhija - Nominee IDBI**	25000	8,75,000	
Mr. R W Khanna- Nominee EXIM Bank**	15000	5,56,818	
Mr. Naresh Chandra	20000	8,75,000	
Mr. Mahesh Kheria (Alternate to Mr S H Ruparell)	30000	8,75,000	
Mr. D Rajagopalan, Mr. P K Pujari and Mr. G C Murmu - Nominee GIIC**	10,000	7,82,727	
Mr. S K Mukherjee*	10000	3,94,545	
TOTAL	360000	89,09,090	

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.

*Mr S K Mukherjee passed away on August 03, 2005.

**Commission and Sitting fee paid to institutions which they represent.

Whole Time Directors		(in Rupees)	
Name	Salary and other perquisites ^d	Commission	
Mr P Sampath	25,96,587	1,12,00,000	
Mr R S Jalan	25,96,587	1,12,00,000	
Mr Tej Malhotra	16,43,258	63,00,000	
Mr N S Ramachandran ^c	2,63,698	1,00,000	
Total	71,00,130	2,88,00,000	

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

(b) Presently the Company does not have a scheme of Stock Options either to Whole Time Directors or employees of the Company.

(c) Mr. N S Ramachandran retired on May 04, 2005.

(d) Includes Company's contribution to Provident Fund and Superannuation Fund.

(iii) Share Transfer and Grievance Handling Committee:

The Board, in its meeting of July 20, 2005, re-constituted the Share Transfer and Grievance Handling 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 fortnight to expedite all matters relating to Shareholders / Investors Grievances received during the previous fortnight. During the nine month period ended December 31, 2005, seventeen Meetings of the Committee were held.

The composition of Committee as on December 31, 2005 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 21 shareholders complaints from Stock Exchanges and SEBI that inter-alia include non-receipt of dividend, share transfer (including demat etc.) and 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 nine month period ended December 31, 2005:

S. No.	Type of Complaints	No. of Complaints received	No. of Complaints resolved	No. of Complaints pending
1	Non-receipt of dividend	319	319	0
2	Share transfer including Dmat request	235	235	0
3	Non receipt of Annual Report	52	52	0

The Share Transfer and Grievance Handling 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. Bhwneshwar Mishra, Jt. Company Secretary of the Company was present at all Meeting of the Committee as the Secretary of the Committee.

Mr. Bhwneshwar Mishra, Jt. 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, in its meeting of July 20, 2005, re-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 December 31, 2005 is as under:

Sl. No	Name	Status
1	Mr. P Sampath – Joint Managing Director	Member
2	Mr. R S Jalan – Joint 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
2004-2005	02.09. 2005	10.30 AM	The Institutions of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2003-2004	24-09-2004	10.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road Ahmedabad-380 006
2002-2003	26-09-2003	11.00 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road Ahmedabad-380 006

The last two Extra – Ordinary General Meeting were held as under:

Financial Year	Date	Time	Venue
2000-2001	08-12-2000	11.00 AM	Gajar Hall, Nariman Bhawan, Law College Road, Ahmedabad
1999 - 2000	03-12-1999	11.00 AM	Gajar Hall, Nariman Bhawan, Law College Road, Ahmedabad

(b) Special Resolutions:

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

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

Year 2002-03

- Appointment of Statutory Auditors
- Delisting of shares.
- Change of Name of the Company

- (c) No Special Resolution was passed in year 2004-05 through postal ballot and hence the provisions relating to postal ballot were not applicable.
- (d) All Special Resolutions moved at the above AGMs 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 transaction 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.ghcl.co.in

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

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 /HALFYEARLY RESULTS AND RELATED MATTERS					
Sl. No.	Particulars		Quarter - I	Quarter - II	Nine month ended December 31, 2005
1	English Newspapers in which quarterly results were published	Business Standard The Hindu Business Line	July 21, 2005 -	October 17, 2005 October 17, 2005	January 20, 2006 -
2	Vernacular Newspapers in which quarterly results were published	Jai Hind (Gujarati) Jansatta (Gujarat)	July 21, 2005 -	October 17, 2005 -	- January 20, 2006
3	Website Address of the Company on which financial results are posted		www.ghcl.co.in		
4	Website Address of the Stock Exchange(s) on which financial results are posted		Quarter - I	Quarter - II	Quarter - III
	Name of Stock Exchange (s)	Website Address (es)	Date of Filing of Results		
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	July 20, 2005	October 15, 2005	January 19, 2006
	Stock Exchange, Mumbai (BSE)	www.bseindia.com	July 20, 2005	October 15, 2005	January 19, 2006

During the nine month period ended December 31, 2005, the Company has made the following presentations to Analysts and the same has been communicated to the Stock Exchanges.

- December 07, 2005 – Acquisition of Soda Ash business in Romania
- December 26, 2005 – Signing of definitive agreement for acquisition of business in United States of America.

The press release given to media are also posted on the website of the company www.ghclindia.com

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:

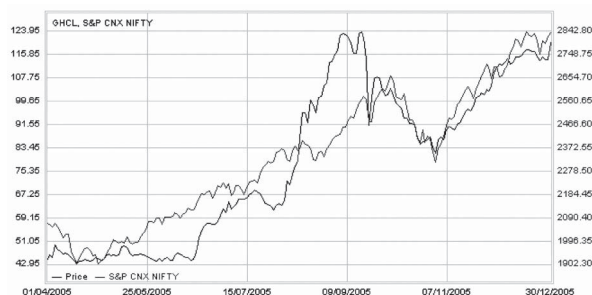
Sl. No.	Particulars	Details		
1	Annual General Meeting	Monday, June 19, 2006	10.30 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380 006
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending March 31, 2006)	3rd / 4th week of April 2006		
	Financial Reporting for - Quarter - II (ending June 30, 2006)	3rd / 4th week of July 2006		
	Financial Reporting for - Quarter - III (ending September 30, 2006)	3rd / 4th week of October 2006		
	Financial Reporting for - Quarter - IV (ending December 31, 2006)	3rd / 4th week of January 2007		
3	Date of Book Closure	Monday June 12, 2006 to Monday June 19, 2006 (both days inclusive)		
4	Dividend Payment	Final Dividend @24% (i.e. Rs. 2.40 per share) will be paid on or after Friday, June 23, 2006, 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 December 31, 2005		
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 55555454, Fax: 022 55555353		
9	Outstanding GDRs/ADRs/Warrants or any convertible instruments:			
	<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, which will be fixed in September 2006 based on price mechanism plus a premium of 10%. Such conversion option is exercisable between September 2006 and March 2011.</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 warrants holders are entitled to substitute one equity share of Rs. 10/ each at a price of Rs. 65.10 each, in accordance with SEBI (DIP) guidelines, at any time within eighteen month from the date of allotment of warrants i.e. September 17, 2005 against which 10% of the issue price has been received by the Company.</p>			
10	Address for Correspondence			
	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a fortnightly 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. 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 Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 55555454, Fax: 022 55555353			
	For General Correspondance: GHCL Limited, "GHCL House" Opp. Punjabi Hall, Near Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-30918905, Fax: 079-26423623			
11	Dematerialization of Shares and Liquidity: 92.88% of the outstanding shares have been dematerialized as on December 31, 2005. 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 the Notice to the ensuing Annual General Meeting.			



MONTHWISE STOCK MARKET DATA (BSE & NSE) RELATING TO EQUITY SHARES OF THE COMPANY FOR THE PERIOD OF NINE MONTH ENDED DECEMBER 31, 2005

Months of the 2005	BSE MUMBAI			NSE MUMBAI		
	Share Price (Rs.)		Traded Quantity	Share Price (Rs.)		Traded Quantity
	High	Low		High	Low	
April	51.30	42.60	9859927	51.30	42.50	23225431
May	51.15	43.50	8010669	59.00	43.50	18349969
June	59.75	43.50	39654789	59.60	42.75	155919291
July	72.25	57.60	18550218	73.25	57.65	43144084
August	114.90	60.65	32616828	114.40	60.00	112164082
September	127.30	89.00	19125266	127.30	87.00	56694361
October	108.00	78.60	6583346	107.50	78.50	20237121
November	109.35	85.60	7005308	109.30	85.55	21579234
December	121.75	105.50	8409165	121.00	105.80	28129079

Performance in comparison to broad based indices such as NSE



DISTRIBUTION OF SHAREHOLDING AS ON 31ST DECEMBER 2005

No. of Shares held of Rs. 10 each between	No. of shareholders	% of total share holders	No. of shares	% of total shares	
From	To				
1	2500	47160	73.28%	5483722	5.77%
2501	5000	10110	15.71%	4119801	4.33%
5001	10000	4020	6.25%	3484922	3.66%
10001	20000	1553	2.41%	2515718	2.65%
20001	30000	482	0.75%	1246408	1.31%
30001	40000	201	0.31%	744135	0.78%
40001	50000	226	0.35%	1103808	1.16%
50001	100000	270	0.42%	2056252	2.16%
100001	Above	337	0.52%	74333645	78.17%
		64359	100.00%	95088411	100.00%

Shareholders Referencer

Unclaimed Dividend

Pursuant to Section 205 A of the Companies Act, 1956 unclaimed dividend for the financial years 1997-98 has been 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 1997-98.

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
1998-99	08-09-1999	October 2006
1999-00*	20-09-2000	May 2007
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

*Interim dividend

SHAREHOLDING PATTERN AS ON 31ST DECEMBER 2005

Category	No of shares held	% of shareholding
A Promoters Holding		
1 Promoters		
Indian Promoters	38490084	40.48%
Foreign Promoters	3507900	3.69%
2 Persons Acting in Concert		
- Directors & relatives	75050	0.08%
Sub-Total	42073034	44.25%
B Non-Promoters Holding		
3 Institutional Investors		
a Mutual Funds and UTI	150560	0.16%
b Banks, Financial Institutions, Insurance Companies, central / State Govt. Institutions / Non Government Institutions)	4861308	5.11%
c FIIs	1769126	1.86%
Sub-Total	6780994	7.13%



4 Others		
a Private Corporate Bodies	21382081	22.49%
Indian public	21075412	22.16%
NRIs / OCBs	2675251	2.81%
Any other - Clearing Members	1101639	1.16%
Sub-Total	46234383	48.62%
Grand Total	95088411	100.00%

Plant Locations:

Soda Ash Plant	Village: Sutrapada Near Veraval, Dist. Junagarh – 362 265 Gujarat
Salt Works & Refinery	(a) Ayyakaramulam, Kadinalvayal - 614 707. Distt Nagapattinam, Tamilnadu (b) Nemeli Road Thiruporur - 603 110 Tamilnadu
Textile Division	(a) Samayanallur P.O, Madurai-625 402. (b) Thaikesar Alai P.O, Manapara-621 312 (c) 15-17, Mohid Tower Daman Road, ChalaVapi - 396 191, Valsad District, Gujarat
ITES Division	C – 39 Sector – 58, NOIDA
Energy Division	(a) Muppandal, Irukkandurai Village Sankaneri Post Radhapuram Taluk, Tirunelveli District Tamilnadu (b) Chinnaputhur village, Dharapuram Taluk, Erode District, Tamil Nadu

DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management have affirmed compliance with the Code of Conduct.

For GHCL LIMITED

P Sampath
Jt. Managing Director

R S Jalan
Jt. 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 year ended December 31, 2005 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 according 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 they are aware and the steps they have taken indicated to the auditors and the Audit committee.
- (i) significant changes in internal control over financial reporting during the year,
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statement and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management of an employees having a significant role in the company's internal control system over financial reporting.

For GHCL LIMITED

P Sampath
Jt. Managing Director
Dated : 21st April, 2006

R S Jalan
Jt. 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 December, 2005, 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.

On the basis of confirmation received from the Company's Registrar and Share Transfer Agents and as per the records maintained by the Company which are presented to the Shareholders'/Investors' Grievance Committee, we state that as at 31st December, 2005, no investor grievances were pending against the Company for a period exceeding 30 days.

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	For and on behalf of
JAYANTILAL THAKKAR & CO.	RAHUL GAUTAM DIVAN & ASSOCIATES
Chartered Accountants	Chartered Accountants
(C. V. THAKKER)	(RAHUL DIVAN)
Partner	Partner
Membership No: 6205	Membership No: 100733
Place : New Delhi	
Date : 21st April, 2006	