



**CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2009**

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

**1. Company's Philosophy on Code of Corporate Governance**

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

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

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

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

**2. Board of Directors**

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility. The Composition of the Board as on March 31, 2009 is given herein below:

<b>COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2009</b>			
<b>Category</b>	<b>Name of Directors</b>	<b>No. of Directors</b>	<b>% of total number of Directors</b>
Promoter - Non Executive Director	Mr. Sanjay Dalmia	3	18.75%
	Mr. Anurag Dalmia		
	Mr. Neelabh Dalmia		
Promoter Nominee - Non Executive Director	Mr. S H Ruparell <sup>1</sup>	1	6.25%
Non Executive - Independent Director	Dr. B C Jain	6	37.50%
	Mr. H H Faruqi <sup>2</sup>		
	Mr. Jagdish Capoor <sup>3</sup>		
	Mr. Naresh Chandra <sup>4</sup>		
	Mr. G. C. Srivastava		
Representing Lending Institutions	Mr. P. K. Laheri <sup>5</sup>	2	12.50%
	Mr. K. C. Jani – Nominee IDBI <sup>6</sup> Mr. R W Khanna – Nominee EXIM Bank		
Non Executive – Non-independent Director	Mr. Pramod Jain <sup>7</sup>	1	6.25%
Executive Directors	Mr. R S Jalan – Managing Director	3	18.75%
	Mr. Tej Malhotra – Sr. Executive Director (Operations)		
	Mr. Raman Chopra – Executive Director (Finance)		
	<b>TOTAL NO. OF DIRECTORS</b>	<b>16</b>	<b>100%</b>

**Notes:**

- Mr. Mahesh Kheria was Alternate Director to Mr. S. H. Ruparell at March 31, 2009. Mr. Kheria has since been appointed as an Additional Director in the Company effective June 25, 2009. The Board has appointed Mr. Vijay Kumar as an Alternate Director to Mr. S. H. Ruparell w.e.f July 18, 2009.
- Mr. H. H. Faruqi expired on June 19, 2009.
- Mr. Jagdish Capoor resigned w.e.f. April 22, 2009.
- Pursuant to the approval given by the Board of Directors through circular resolution dated March 23, 2009, Mr. Naresh Chandra was re-categorized as an Independent Director as he satisfies the conditions of Clause 49 relating to Independent Director.
- Mr. P.K. Laheri resigned w.e.f June 25, 2009.
- IDBI Bank Limited had nominated Mr. K.C. Jani in place of Mr. G. A. Tadas as a Nominee Director of the Company w.e.f February 21, 2009.
- The Board had appointed Mr. Pramod Jain as an Additional Director w.e.f January 30, 2009 and subsequent to the year end, he had resigned w.e.f. April 30, 2009.

The Board of GHCL Limited consists of 16 Directors, 13 of whom are Non Executive Directors. The Chairman of the Company is a Non Executive Director and promoter of the Company and hence the requirement that at least one – half

of the Board shall consist of Independent Directors is complied with as the Company has 8 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, Audit Committee and Subsidiary Monitoring 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 the agenda is circulated to the Directors at least seven days before the meeting. During the financial year ended March 31, 2009, five Board Meetings were held on May 10, 2008, June 28, 2008, July 29, 2008, October 31, 2008 and January 30, 2009. 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 financial year ended March 31, 2009 is given herein below:

SL. NO.	NAME	DATE OF BOARD MEETING					AGM ATTENDANCE (SEPTEMBER 12, 2008)
		MAY 10, 2008	JUNE 28, 2008	JULY 29, 2008	OCTOBER 31, 2008	JANUARY 30, 2009	
1	Mr Sanjay Dalmia	Yes	Yes	Yes	Yes	Yes	Yes
2	Mr Anurag Dalmia	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes	Yes
4	Dr. B C Jain	Yes	Yes	Yes	Yes	Yes	Yes
5	Mr Jagdish Capoor	Yes	No	Yes	No	Yes	No
6	Mr H H Faruqi	Yes	Yes	Yes	Yes	Yes	No
7	Mr G A Tadas -- Nominee IDBI	Yes	Yes	Yes	No	Yes	No
8	Mr K C Jani -- Nominee IDBI	N/A	N/A	N/A	N/A	N/A	N/A
9	Mr R W Khanna – Nominee EXIM Bank	Yes	Yes	Yes	Yes	Yes	No
10	Mr Naresh Chandra	No	No	No	Yes	No	No
11	Mr Mahesh Kheria (Alt. to Mr S H Ruparell)	Yes	Yes	Yes	Yes	Yes	No
12	Mr. G. C. Srivastava	No	Yes	Yes	Yes	Yes	No
13.	Mr. P. K. Laheri	No	Yes	Yes	No	Yes	No
14	Mr R S Jalan	Yes	Yes	Yes	Yes	Yes	Yes
15	Mr Tej Malhotra	Yes	No	Yes	Yes	Yes	Yes
16	Mr Raman Chopra	Yes	Yes	Yes	Yes	Yes	Yes

- Note :
1. The word N/A denotes that person was not a member of the Board of the Company at the date of the relevant Board Meeting.
  2. Mr. Anurag Dalmia, Mr. Naresh Chandra and Mr. R S Jalan are Directors retiring by rotation and are eligible for re-appointment. Information as required under Clause 49(VI) of the Listing Agreement is annexed to the notice of the AGM.
  3. Mr. Pramod Jain has not attended any meeting.

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, 2009 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	2	-	-
2	Mr. Anurag Dalmia	2	-	-
3	Mr. Neelabh Dalmia	-	-	-
4	Dr. B C Jain	-	-	-
5	Mr. Jagdish Capoor	5	2	3
6	Mr. H H Faruqi	-	-	-
7	Mr. K C Jani	-	-	-

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
8	Mr. R W Khanna	2	-	-
9	Mr. S H Ruparell Mr. Mahesh Kheria (Alt. to Mr. S H Ruparell)	N/A	N/A	N/A
10	Mr. Naresh Chandra	1	1	-
11	Mr. G. C. Srivastava	-	-	-
12	Mr. P. K. Laheri	2	-	2
13	Mr. Pramod Jain	-	-	-
14	Mr. R S Jalan	-	-	-
15	Mr. Tej Malhotra	-	-	-
16	Mr. Raman Chopra	5	-	-

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 financial year ended March 31, 2009, 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 the Company has reviewed the financial statements of its subsidiaries.

The requirement of appointment of an Independent Director of the Company on the Board of the Indian Subsidiaries 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 assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors.

Audit Committee of the Board has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the Listing Agreement with the Stock Exchanges. Subsequent to the year end and due to change in the constitution of the Board of Directors of the Company, the Board have reconstituted the Audit Committee in their meeting held on July 18, 2009 and accordingly adequate intimation was given to the Stock Exchanges.

**Terms of Reference:**

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

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fee and also approval for payment for any other services.
- c. 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.

- d. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.
- e. 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.
- f. Discussion with internal auditors any significant findings and follow up there on.
- g. 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.
- h. 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.
- i. Reviewing the company's financial and risk management policies.
- j. 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 at least seven days before the meeting.

During the financial year ended March 31, 2009, the Audit Committee of the Board met six 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 / Mr. K C Jani*
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				
May 10, 2008	Yes	Yes	Yes	Yes
June 28, 2008	Yes	No	Yes	Yes
July 29, 2008	Yes	Yes	Yes	Yes
October 31, 2008	Yes	No	Yes	No
January 30, 2009	Yes	Yes	Yes	Yes
March 18, 2009	Yes	No	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	No	No	No

Note : Managing Director, Executive Director (Finance), VP (Accounts), Statutory Auditors and concerned employees for Internal Audit were invitees to the Audit Committee Meetings whenever required. Secretary of the Company is the Secretary of the Committee.

\*IDBI Bank Ltd. has nominated/ appointed Mr. K. C. Jani in place of Mr. G. A. Tadas w.e.f. February 21, 2009.

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 25th Annual General Meeting held on September 12, 2008 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 in 1995. Subsequent to the year end and due to change in the constitution of the Board of Directors of the Company, the Board have reconstituted the Remuneration Committee in their meeting held on July 18, 2009 and accordingly adequate intimation was given to the Stock Exchanges in this regard.

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 remuneration package which is appropriate for the responsibilities involved. The Committee also has ultimate control over the GHCL Employees Stock Option Trust and regulates its affairs through appointed Trustees. The Remuneration Committee monitors the affairs of the GHCL Employees Stock Option Trust and directs the Trustees for discharge of their duties from time to time.

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 at least seven days before the meeting.

During the financial year ended March 31, 2009, the Remuneration Committee met twice. 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 FINANCIAL YEAR ENDED MARCH 31, 2009			
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			
May 10, 2008	Yes	Yes	Yes
June 28, 2008	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	Yes	No

**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 Fund and premium on Gratuity Policy.

The Non - Executive Directors do not draw any remuneration from the Company other than the sitting fee and such commission as may be determined by the Board from time to time within the overall approval given by the shareholders and pursuant to the relevant provisions of the Companies Act, 1956.

Details of remuneration, commission and sitting fee paid/payable to the Directors of the Company for the financial year ended March 31, 2009 are given below:

Name	Non-Whole time Directors (in Rupees)	
	Sitting Fees	Commission
Mr. Sanjay Dalmia	1,40,000	11,11,460
Mr. Anurag Dalmia	1,00,000	11,11,460
Mr. Neelabh Dalmia	1,00,000	11,11,460
Dr. B C Jain	2,60,000	11,11,460
Mr. Jagdish Capoor	1,20,000	11,11,460
Mr. H H Faruqi	2,60,000	11,11,460
Mr. G A Tadas / Mr. K. C. Jani – Nominee IDBI*	1,80,000	11,11,460
Mr. R W Khanna – Nominee EXIM Bank*	1,00,000	11,11,460
Mr. Naresh Chandra	20,000	11,11,460
Mr. Mahesh Kheria (Alternate to Mr. S. H. Ruparell)	1,00,000	11,11,460
Mr. G. C. Srivastava	80,000	9,92,700
Mr. P. K. Laheri	60,000	9,92,700
<b>TOTAL</b>	<b>15,20,000</b>	<b>1,31,00,000</b>

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

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

Whole Time Directors		(in Rupees)	
Name	Salary and other perquisites	Commission	
Mr. R S Jalan, Managing Director	1,48,40,065	1,70,00,000	
Mr. Tej Malhotra, Sr. Executive Director (Operations)	91,05,080	–	
Mr. Raman Chopra, Executive Director (Finance)	76,25,621	1,00,00,000	
<b>Total</b>	<b>3,15,70,766</b>	<b>2,70,00,000</b>	

- (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 has an Employee Stock Option Scheme for its employees including Whole Time Directors of the Company.
- (c) Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund and premium on Gratuity Policy.

### (iii) Share Transfer and Investors Grievance Committee:

The Board had constituted the Share Transfer & Investors Grievance Committee. Subsequent to the year end, the Board have reconstituted the Share Transfer & Investors Grievance Committee in their meeting held on July 18, 2009 and proper intimation was given to the Stock Exchanges in this regard. 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.

The composition of Committee as on March 31, 2009 is as under:

Sl. No.	Name of Directors	Status
1	Mr. Anurag Dalmia	Chairman
2	Mr. Neelabh Dalmia	Member
3	Mr. H H Faruqi	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 10 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 financial year ended March 31, 2009:

Sl. No.	Type of Complaints	Total No. of Complaints received during the financial year ended March 31, 2009	Total No. of Complaints resolved during the financial year ended March 31, 2009	No. of Complaints pending as on March 31, 2009
1	Non-receipt of dividend	224	224	0
2	Share transfer including Dmat request	80	80	0
3	Non receipt of Annual Report	28	28	0
	<b>Total</b>	<b>332</b>	<b>332</b>	<b>0</b>

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

Mr. Bhuvneshwar Mishra, General Manager & Company Secretary of the Company was present at all Meetings of the Committee as the Secretary of the Committee.

Mr. Bhuvneshwar Mishra, General Manager & Company Secretary is the Compliance Officer of the Company.

### (iv) Banking and Operations Committee

The Board had constituted the Banking and Operations Committee to expedite the day to day functioning and exercise of delegated powers of the Board. This Committee meets as per the requirement of business, to expedite all matters relating to operations and granting authority for various functional requirements such as issue of Power of Attorney, arranging/ negotiating of term loans, working capital loan, short term loan, dealings with Central/ State Governments including their agents and various statutory/ judicial/ regulatory/ local/ commercial/ excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company in line with the delegated authority of Board of Directors from time to time.

The composition of the Committee as on March 31, 2009 is as under:

Sl. No.	Name	Status
1	Mr. Neelabh Dalmia – Director	Member
2	Mr. R S Jalan – Managing Director	Member
3	Mr. Tej Malhotra – Sr. Executive Director (Operations)	Member
4	Mr. Raman Chopra – Executive Director (Finance)	Member

### (v) Project Committee

This Committee was constituted to review and recommend proposals relating to new projects, expansion, modernization, diversification, acquisitions, various kind of compromise, arrangement or amalgamation, restructuring of business of the Company and/or its subsidiaries. Subsequent to the year end and due to change in the constitution of the Board of Directors of the Company, the Board have reconstituted the Project Committee in their meeting held on July 18, 2009 and accordingly adequate intimation was given to the Stock Exchanges in this regard.

The composition of the Committee as on March 31, 2009 is as under:

Sl. No.	Name	Status
1	Mr. Sanjay Dalmia – Chairman	Chairman
2	Mr. Neelabh Dalmia – Director	Member
3	Mr. P K Laheri – Director	Member
4	Mr. R W Khanna – Nominee Director (EXIM Bank)	Member
5	Mr. K C Jani – Nominee Director (IDBI Bank)	Member



**(vi) Subsidiary Monitoring Committee**

The Board had constituted the Subsidiary Monitoring Committee in their meeting held on January 30, 2009. The Committee was constituted to review and monitor the financial performance, revenue and capex budget of the Subsidiaries besides other activities. Subsequent to the year end and due to change in the constitution of Board of Directors of the Company, the Board have reconstituted the Subsidiary Monitoring Committee in their meeting held on July 18, 2009 and accordingly adequate intimation was given to the Stock Exchanges in this regard.

The composition of the Committee as on March 31, 2009 is as under:

Sl. No.	Name	Status
1	Dr. B. C. Jain	Chairman
2	Mr. G C Srivastava	Member
3	Mr. P K Laheri	Member
4	Mr. Neelabh Dalmia	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
2007-08	September 12, 2008	10.00 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2006-07 (15 months)	July 30, 2007	10.15 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
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

**The last three Extraordinary General Meetings were held as under:**

Financial Year	Date	Time	Venue
2007-2008	March 19, 2008	10.00 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
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	December 8, 2000	11.00 AM	Gajar Hall, Nariman Bhawan, Law College Road, Ahmedabad

**(b) Special Resolutions:**

**Annual General Meeting**

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

Year 2007-08:

- Amendment in Articles of Association

Year 2006-07 (15 months):

No special resolution was passed at the 24th Annual General Meeting held on July 30, 2007.

Year 2005 (9 months):

- Payment of Commission to Non Executive Directors
- Approval of Employees Stock Options Scheme (ESOS)
- Increase of Foreign Institutional Investors (FIIs) investment limit upto 49%

**Extraordinary General Meeting (EGM)**

The following special resolutions were passed in the Extraordinary General Meeting held during the three financial years.

Year 2008-09:

No EGM was held during the financial year 2008-09.

Year 2007-08 :

The following special resolutions were passed in the Extraordinary General Meeting held on March 19, 2008:

- Approval of Employees Stock Options Scheme (ESOS).
- Approval of Employees Stock Options to employees of subsidiary companies.

Year 2006-07 (15 months):

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

- Issue of warrants convertible into equity shares on preferential basis to a Promoter 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) Normally, all Special Resolutions moved at the above AGMs and EGMs were unanimously passed by a show of hands by the shareholders present at the meeting except at the 25th AGM held on September 12, 2008 for the financial year 2007-08, where all the resolutions were approved by shareholders by vote through 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 Accounting Standards issued by the Institute of Chartered Accountants of India and notified in the Companies (Accounting Standards) Rules 2006, in the preparation of its financial statements.

**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. However, subsequent to year end, SEBI had passed ad interim, ex-parte order dated April 20, 2009 regarding disclosure made by the company on shareholding pattern. SEBI directed GHCL Limited, its promoter entities, Chairman, Managing Director and Company Secretary not to buy, sell or deal in the securities market until further orders. SEBI also directed the Company to file the correct shareholding details with the Stock Exchanges and the Company had filed

the same. Aggrieved from SEBI order, the Company had filed its objection to the SEBI on April 27, 2009. Further, SEBI vide its order dated July 7, 2009 had vacated its earlier order dated April 20, 2009 in respect of 33 promoter entities. The remaining matter is still pending before the SEBI.

**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 / HALFYEARLY RESULTS AND RELATED MATTERS								
Sl. No.	Particulars		Quarter - I	Quarter - II	Quarter - III	Quarter - IV	Financial Year ended March 31, 2009 (Un-audited)	
1	English Newspapers in which quarterly results were published	Business Standard (English)	July 30, 2008	November 1, 2008	January 31, 2009	May 2, 2009	May 2, 2009	
2	Vernacular Newspapers in which quarterly results were published	Gujarati	July 30, 2008 (Jai Hind)	November 2, 2008 (Jai Hind)	January 31, 2009 (Financial Express)	May 2, 2009 (Loksatta)	May 2, 2009 (Loksatta)	
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 ended March 31, 2009 (Un-audited)	
	<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>	July 29, 2008	October 31, 2008	January 30, 2009	April 30, 2009	April 30, 2009	
	The Bombay Stock Exchange Ltd. (BSE)	<a href="http://www.bseindia.com">www.bseindia.com</a>	July 29, 2008	October 31, 2008	January 30, 2009	April 30, 2009	April 30, 2009	

During the financial year ended March 31, 2009, the Company has made the following press release and the same has been communicated to the Stock Exchanges.

April 21, 2008 : GHCL to Restructures the US Operations

June 6, 2008 : Business Update : Price Increase in Soda Ash

**7. Management Discussion and Analysis Report form part of this Annual Report**

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

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

Sl. No.	Particulars	Details		
1	Annual General Meeting	Thursday, December 31, 2009	10.00 AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad - 380006
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2009)	3rd / 4th week of July 2009		
	Financial Reporting for - Quarter - II (ending September 30, 2009)	3rd / 4th week of October 2009		
	Financial Reporting for - Quarter - III (ending December 31, 2009)	3rd / 4th week of January 2010		
	Financial Reporting for - Quarter - IV (ending March 31, 2010)	3rd / 4th week of April 2010		
3	Date of Book Closure	Thursday, December 24, 2009 to Thursday, December 31, 2009 (both days inclusive)		
4	Dividend Payment	Final Dividend Rs. 2.00 per share (20%) will be paid on or after Monday, January 4, 2010, 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. Sahajanand 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 ended March 31, 2009		
8	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : mumbai@linktime.co.in)		
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. 147.9533 per share equivalent to USD 3.2278 is exercisable between September 2006 to March 2011. At the beginning of Financial year 2008-09, the outstanding FCCBs were USD 79.00 million. During the Financial year 2008-09, the Company had repurchased (bought back) FCCBs aggregating to face value of USD 11.00 million at a discount and extinguished the same in line with the approval received from Reserve Bank of India. After said buy back, the outstanding FCCBs were USD 68.00 million at the close of Financial Year 2008-09 i.e. March 31, 2009. Subsequent to the year end, buy back process of FCCBs is still going on pursuant to said approval of the Reserve Bank of India.</p> <p>2. The Company had issued 45,00,000 warrants convertible into equity shares on preferential basis to M/s Oval Investment Private Limited, a promoter company. During the Financial Year 2008-09, the amount deposited by promoter company of Rs. 7,15,73,000/- against said warrants has been forfeited, pursuant to the provisions of Clause 13.1.2.3 of SEBI (Disclosures &amp; Investor Protection) Guidelines 2000 and the Company has informed to the Stock Exchanges in this regard.</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 is registered within 15 days from the date of receipt, provided the documents are complete in all respects. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non receipt of dividend or annual report or any other query relating to shares be addressed to <b>Link Intime India Private Limited (Formerly Intime Spectrum Registry Limited), C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078. Phone: 022 25963838, Fax: 022 25946969 (Email : mumbai@linktime.co.in)</b>			
	For General Correspondence: <b>GHCL Limited, "GHCL House" Opp. Punjabi Hall, Near Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-30918905, Fax: 079-26423623</b>			
11	<b>Dematerialization of Shares and Liquidity:</b> 92.68% of the Company's total equity shares representing 9,26,99,428 shares were held in dematerialized form as on March 31, 2009. 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 FINANCIAL YEAR ENDED MARCH 31, 2009**

MARKET PRICE DATA						
Month of the financial year 2008-09	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
	High	Low		High	Low	
April 08	104.90	80.90	10256158	104.95	81.20	16653975
May 08	95.30	68.50	7415598	95.50	68.90	14694772
June 08	79.65	44.30	52079543	80.05	44.15	76945275
July 08	74.00	60.90	12660205	74.00	61.55	17176553
August 08	92.40	65.40	29936977	95.00	65.05	43485283
September 08	88.50	50.20	8519826	88.50	50.10	12030081
October 08	58.40	28.35	6114945	58.40	28.40	8292060
November 08	37.50	23.45	2111813	37.20	23.10	3323057
December 08	32.30	21.00	6002907	32.30	20.55	9057936
January 09	36.10	26.05	4394930	36.10	25.00	5812950
February 09	33.65	26.60	3779297	35.85	26.85	5498806
March 09	28.75	24.50	2829105	28.90	24.35	4580877

Performance in comparison to broad based indices such as NSE



(Formerly Intime Spectrum Registry Limited) confirming non – encashment / non - receipt of dividend warrant (s). Once the unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof.

Financial Year	Date of AGM	Due for Transfer to IEPF
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
2006-07 (15 months)	30-07-2007	July 2014
2007-08	12-09-2008	September 2015

**Shareholders Referencer**

**Unclaimed Dividend**

Pursuant to Section 205 A of the Companies Act, 1956 unclaimed dividend for the financial years 2000-2001 and 2001-02 have 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 years 2000-2001 and 2001-2002.

The dividend for the following years remaining unclaimed for seven years will be transferred by the Company to IEPF according to the schedule given below. Shareholders who have not so far encashed their dividend warrant (s) or have not received the same are requested to seek issue of duplicate warrant (s) by writing to Link Intime India Private Limited

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH 2009**

No. of Shares held of Rs. 10 each between	No. of shareholders	% of total shareholders	No. of shares	% of total shares	
From	To				
1	2500	73.46%	5713124	5.71%	
2501	5000	14.85%	4251822	4.25%	
5001	10000	6.51%	3926144	3.93%	
10001	20000	2.68%	2975072	2.97%	
20001	30000	0.81%	1492366	1.49%	
30001	40000	0.35%	897521	0.90%	
40001	50000	0.36%	1209870	1.21%	
50001	100000	0.40%	2078028	2.08%	
100001	Above	0.58%	77475339	77.46%	
		<b>70900</b>	<b>100.00%</b>	<b>100019286</b>	<b>100.00%</b>



**SHAREHOLDING PATTERN AS ON 31ST MARCH 2009**

Category	No. of shares held	% of shareholding
<b>A Promoters Holding</b>		
<b>1 Promoters</b>		
Indian Promoters	12499969	12.50%
Foreign Promoters	5507900	5.51%
<b>2 Others</b>		
Trust	152000	0.15%
<b>Sub-Total</b>	<b>18159869</b>	<b>18.16%</b>
<b>B Non-promoters Holding</b>		
<b>3 Institutional Investors</b>		
Mutual Funds and UTI	121913	0.12%
Banks, Financial Institutions & Insurance Companies	6835907	6.84%
FIs	1000500	1.00%
Foreign Mutual Fund	204940	0.20%
<b>Sub-Total</b>	<b>8163260</b>	<b>8.16%</b>
<b>4 Non-institutional Investors</b>		
Bodies Corporate	42181148	42.17%
Indian public	26451255	26.45%
NRIs & Foreign Companies	1927868	1.93%
Directors & relatives	30050	0.03%
Others	3105836	3.11%
<b>Sub-Total</b>	<b>73696157</b>	<b>73.68%</b>
<b>Grand Total</b>	<b>100019286</b>	<b>100.00%</b>

**Plant Locations:**

<b>Soda Ash Plant</b>	Village: Sutrapada Near Veraval, Dist. Junagarh – 362 275 Gujarat
<b>Salt Works &amp; Refinery</b>	(a) Ayyakaramulam, Kadinalvayal - 614 707 Distt Nagapattinam, Tamilnadu (b) Nemeli Road, Thirupurur - 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, Vapi - 396191, Valsad District, Gujarat, India
<b>ITES Division</b>	A – 17 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 Personnel have affirmed to the compliance with the Code of Conduct for the financial year ended March 31, 2009.

**For GHCL LIMITED**

Sd/ R S Jalan Managing Director  
Sd/ Raman Chopra Executive Director (Finance)

**CERTIFICATE UNDER CLAUSE 49(V)**

The Board of Directors  
GHCL Ltd.

We the undersigned certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2009 and that to the best of my knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee-
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For GHCL LIMITED**

Sd/ R S Jalan Managing Director  
Date: December 1, 2009  
Sd/ Raman Chopra Executive Director (Finance)

**AUDITORS' CERTIFICATE**

To the Members of  
GHCL LIMITED

We have examined the compliance of conditions of corporate governance by GHCL Limited ('the Company'), for the year ended on 31st March, 2009, 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. ASSOCIATES Chartered Accountants (C. V. THAKKER) Partner Membership No: 6205	For and on behalf of RAHUL GAUTAM DIVAN & ASSOCIATES Chartered Accountants (RAHUL DIVAN) Partner Membership No: 100733
--	--

Place : New Delhi  
Date : December 1, 2009