

# CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

## 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.

In order to strengthen corporate governance practices, company had adopted a code of conduct for Board of Directors and senior management personnel of the Company, Policy on Board Diversity, Policy for determination of materiality, Policy on succession plan for appointment to the Board and Senior management, Whistle Blower Policy, Risk Management Policy, Policy on preservation of documents and Archival Policy, Policy for determining Material Subsidiary and BRR Policies etc. of the Company. These policies are available on the website of the Company. The Company's corporate governance philosophy has been further strengthened through the code of practices and procedures for fair disclosures of unpublished price sensitive information and code of conduct to regulate, monitor and report trading by insiders pursuant to SEBI (Prohibition of Insiders Trading) Regulations, 2015. The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

## 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. Apart from that the Board also discharges its responsibilities / duties as mentioned under the provisions of Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) and other applicable laws.

Role and responsibilities of Board of Directors is also extended towards strengthening of CSR activities and sustainability of the business. In addition to the above, Board is also responsible for the following:

- (i) To play an oversight role with an objective to ensure that companies have systems in place to effectively manage key risks, including the potential for reputational harm and legal liability associated with adverse social and environmental impacts.
- (ii) To establish and reinforce an overarching set of expectations with regard to the short- and long-term management of social and environmental risks.
- (iii) To make strategies on CSR and developing framework for its implantation.
- (iv) To ensure that the executive management has complied with the applicable statutory compliances related to CSR and other applicable laws.

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## 2.1 Composition:

The Composition of the Board as on March 31, 2020 is given herein below:

### Composition of Board of Directors as on March 31, 2020

Category	Name of Directors	No. of Directors	% of total number of Directors
Promoter - Non Executive Director/Executive Director	Mr. Sanjay Dalmia - Non Executive Chairman Mr. Anurag Dalmia - Non Executive Vice - Chairman Mr. Neelabh Dalmia - Executive Director (Textiles) Mrs. Vijaylaxmi Joshi Dr. Manoj Vaish	3	30.00%
Non - Executive - Independent Director	Justice Ravindra Singh Mr. Arun Kumar Jain Dr. Lavanya Rastogi	5	50.00%
Managing Director / Executive Director	Mr. R S Jalan - Managing Director Mr. Raman Chopra - CFO & Executive Director (Finance)	2	20.00%
	<b>Total no. of Directors</b>	<b>10</b>	<b>100%</b>

Note:

- During the year, the Board of Directors of the Company in their meeting held on January 23, 2020 had appointed Mr. Neelabh Dalmia as Whole Time Director designated as Executive Director (Textiles) of the Company for a period of 5 years with effect from February 1, 2020 subject to approval of shareholders

The Board of GHCL Limited is having an optimum combination of executive and non-executive directors and the Board consists of 10 Directors, 7 of whom are Non - Executive Directors including one woman independent director. 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 5 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, budget, 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, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Audit Committee, CSR Committee and Risk Management 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.

With an objective to ensure maximum presence of our Independent Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the

same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item on the agenda is permitted after obtaining permission of the Chairman of the meeting and with the concurrence of Independent Directors. During the financial year ended March 31, 2020, five Board Meetings were held on April 25, 2019, July 29, 2019, October 23, 2019, January 23, 2020 and March 16, 2020. The gap between any two Meetings is not more than 120 days, ensuring compliance with the requirement of Regulation 17 of the Listing Regulations and the Companies Act 2013. The attendance of Directors at the Board Meeting held during the financial year ended March 31, 2020 is given herein below:

SL. NO.	NAME	DATE OF BOARD MEETING & ATTENDANCE					AGM ATTENDANCE (MAY 30, 2019)
		APRIL 25, 2019	JULY 29, 2019	OCTOBER 23, 2019	JANUARY 23, 2020	MARCH 16, 2020	
1	Mr. Sanjay Dalmia	Yes	Yes	Yes	Yes	Yes	No
2	Mr. Anurag Dalmia	Yes	Yes	Yes	Yes	Yes	Yes
3	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes	Yes
4	Dr. Manoj Vaish	Yes	Yes	Yes	Yes	Yes	Yes
5	Justice Ravindra Singh	Yes	Yes	Yes	Yes	Yes	Yes
6	Mrs. Vijaylaxmi Joshi	Yes	Yes	Yes	Yes	Yes	Yes
7	Mr. Arun Kumar Jain	Yes	Yes	Yes	Yes	Yes	Yes
8	Shri K C Jani	Yes	Yes	N/A	N/A	N/A	Yes
9	Dr. Lavanya Rastogi	Yes	Yes	Yes	Yes	No	No
10	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes	Yes
11	Mr. Raman Chopra	Yes	Yes	Yes	Yes	Yes	Yes

Note:

- 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.
- During the year, tenure of directorship of Mr. K C Jani, independent director of the Company, was completed on September 17, 2019 and accordingly Mr. Jani ceased from the directorship of the company with effect from September 18, 2019.
- Mr. Anurag Dalmia and Mr. Raman Chopra, directors retiring by rotation and are eligible for re-appointment. Necessary information for the above directors as required under Regulation 36(3) of the Listing Regulations has been provided under the notice of the AGM.

None of the Directors is a Director in more than 10 Public Limited Companies or acts as an Independent Director in more than 7 Listed Companies. Further, 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 Regulation 26(1) of the Listing Regulations across all the listed Companies in which he/she 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, 2020 and the same is reproduced herein below:

Sl. No.	Name of the Director	Director Identification Number (DIN)	No. of Directorship in other Indian Public Limited 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	00206992	-	-	-
2	Mr. Anurag Dalmia	00120710	-	-	-
3	Mr. Neelabh Dalmia	00121760	-	-	-
4	Dr. Manoj Vaish	01744049	-	-	-
5	Justice Ravindra Singh	08344852	-	-	-
6	Mr. Arun Kumar Jain	07563704	2	-	2
7	Dr. Lavanya Rastogi	01744049	-	-	-

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Sl. No.	Name of the Director	Director Identification Number (DIN)	No. of Directorship in other Indian Public Limited Companies*	No. of committee positions held as Chairman in other Public Companies**	No. of Committee positions held as Member in other Public Companies**
8	Mrs. Vijaylaxmi Joshi	00032055	1	-	1
9	Mr. R S Jalan	00121260	-	-	-
10	Mr. Raman Chopra	00954190	1	-	-

Note: \*For the purpose of considering the limit of the number of directorship and chairman/member of committees, Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013 are excluded which is in line with the requirement of relevant conditions of Regulation 26 of the Listing Regulations. Director's shareholding is given in an annexure to the Board's report. Name of the listed companies (including the categories of directorship) in which any of the above directors is director, have been given under the Director's profile.

\*\*For the purpose of determination of limit of committees, only chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee have been considered

During the financial year ended March 31, 2020, the Company has not entered into any material transactions with its Non-Executive Directors except related party transactions which are reported in annual report. The Company has also received declaration from Independent Directors confirming their independence as well as confirmation that "he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence". Accordingly, requirement of Section 149(6) of the Companies Act, 2013 read with Regulation 16(1)(b) & 25(8) of the Listing Regulations are duly complied with.

The Audit Committee of the Board of the Company has reviewed the financial statements of its subsidiary.

At present, Company do not have any operating subsidiary in India hence, provisions related to appointment of an Independent Director of the Company on the Board of the Indian Subsidiaries is not applicable to the Company.

During the year, the Board of Directors accepted all the recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10(j) of schedule V of the SEBI Listing Regulations.

## 2.2 Independent Directors' Meeting

During the year under review, the Independent Directors met on January 23, 2020, inter alia, to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors & Committees as a whole;
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties effectively.

All the Independent Directors were present at the Meeting.

## 2.3 Familiarisation Programme for Independent Directors

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. At the time of appointment of a Director (including Independent Director), a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained the compliance required from him under the Companies Act, 2013, Listing Regulations and other applicable laws. The Chairman and the Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. On the request of the

individual director, site visits to various plant locations are organized by the company for the directors to enable them to understand the operations of the company. Further, on an ongoing basis as a part of Agenda of Board & Committee meetings, presentation are regularly made on various matters inter alia covering the Company's business and operations, industry and regulatory updates, forex strategy etc.

The details of familiarisation programmes for Independent Directors are available on the Company's website: [www.ghcl.co.in/investors/policies](http://www.ghcl.co.in/investors/policies) & code of conduct/familiarisation programme for Independent Directors.

## 2.4 Directors' Profile:

The brief profile of each Director of the Company is given below:

### Mr. Sanjay Dalmia:

Mr. Sanjay Dalmia (DOB - March 17, 1944) is Non-executive Chairman (Promoter) of the Company. He is a Non-executive Director of the Company since inception of the Company. Mr. Dalmia is an eminent Industrialist and is an Ex-member of Rajya Sabha (Upper house of Parliament). He has a vast knowledge and experience in field of entrepreneurship, leadership and business. He is Promoter of the Company and under his guidance, the Company has achieved a new heights in terms of excellent growth in business and profitability, return on the equity shares and serving the interests of all the stakeholders. Mr. Dalmia also guides the Board members for creating a balance between the economic, environmental and social objectives of the Company. Mr. Sanjay Dalmia is also a member of Nomination & Remuneration Committee of the Company.

### Mr. Anurag Dalmia:

Mr. Anurag Dalmia (DOB - May 11, 1956) is a Non-executive Director (Promoter) of the Company. Mr. Dalmia is an eminent Industrialist and is also representing PHD Chambers of Commerce and Industry. In the past, Mr. Anurag Dalmia had also represented Confederation of Indian Textile Industry. Mr. Dalmia is a chairperson of the CSR Committee of the Company.

### Mr. Neelabh Dalmia:

Mr. Neelabh Dalmia (DOB - August 16, 1983) was a Non-Executive Director (Promoter) of the Company and since

February 1, 2020 he has been appointed as a Whole Time Director designated as Executive Director (Textiles) of GHCL Limited. He holds a Master of Business Administration (MBA) and a Bachelors of Science in Business Administration majoring in Finance & Entrepreneurship from the Kelley School of Business at Indiana University, USA. He has been leading and strategically guiding the company's overall growth sustainably.

His experience includes setting up green-field projects from planning, investment to implementation and in mergers & acquisitions. He is today steering the group towards strategic investments in the business that will align with the company's long-term growth plans and create various opportunities for diversification and expansion. He has been a major contributor to initiate the company's move towards investing in captive green wind power in its portfolio and is looking further to enhance its green energy portfolio.

Mr. Neelabh Dalmia is a member of Stakeholders Relationship Committee, CSR Committee, Risk Management Committee and Banking and Operations Committee of the Company.

A passionate wildlife photographer, he spends his spare time traveling to India's forests with unique animal and bird habitats. His concern for the environment and the increasing inequity in Indian society led him to mentor and initiate GHCL's extensive corporate social responsibility (CSR) programmes. He thinks this will create immense value in the long run for the company via smoother functioning through local partnerships and generate tremendous economic and social value for the country.

Mr. Neelabh Dalmia is a Co-Chairman of the International Affairs Committee for ASEAN East Asia & Oceania of the PHD Chamber of Commerce and Industry (PHDCCI). PHDCCI is a leading Industry Chamber of India ever since its inception in 1905 and has been an active participant in the India growth Story through its Advocacy Role for the Policy Makers and Regulators of the Country.

### Dr. Lavanya Rastogi

Dr. Lavanya Rastogi (DOB - March 8, 1981) is a Non-Executive Independent Director of the Company. He is a Director of the Company since November 24, 2014. A distinguished alumnus of Harvard Business School, Lavanya is a thought leader in the field of entrepreneurship, leadership and global economy. Currently he is CEO of LV Futures Group - a diversified group

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with investments in areas of IT, Digital Media, Sports, Real Estate, Education & Health Care, headquartered in USA. In 2009, Academy for Global Business Advancement (AGBA) awarded him the "Distinguished Young Entrepreneur Award". He has been an active face in many trade association and industry chambers including NASSCOM, North Carolina Technology Association (NCTA), FICCI, Austin Technology Council (ATC), Entrepreneurs' Organization (EO), India American Chamber of Commerce (IACCGH), World Affairs Council of Houston, etc.

## Mrs. Vijaylaxmi Joshi

Mrs. Vijaylaxmi Joshi (DOB - August 1, 1958) is a Non-Executive Independent Director of the Company. She is a Director of the Company since April 20, 2017. Mrs. Vijaylaxmi Joshi is a 1980 batch IAS officer of the Gujarat cadre and she had served in various posts in the State and in the Centre including Joint and Additional Secretary in the Commerce Ministry; Secretary in the Ministry of Panchayati Raj. She had also been appointed as Officer on Special Duty in the Ministry of Drinking Water and Sanitation. Lastly, she was head of the Swachh Bharat Abhiyan, the Clean India programme. Under State level, she had also been deputed as Managing Director of Government Company such as Gujarat Mineral Development Corporation Ltd. At present, Mrs. Joshi is a Director on the Board and also a member of the Audit Committee of Adani Enterprises Limited. She is a chairperson of the Nomination & Remuneration Committee and also a member of the Audit Committee and CSR Committee. She does not hold any shares in the Company.

## Mr. Arun Kumar Jain:

Mr Arun Kumar Jain, Ex-IRS (DOB - January 4, 1956) and M. Sc., LL.B is a Non-Executive Independent Director of the Company since April 1, 2019. Mr. Jain is a retired Indian Revenue Service (IRS) and he had served in various posts under Department of Revenue including Chairman of Central Board of Direct Taxes. He is having a vast knowledge and experience in the field of taxation. Mr Arun Kumar Jain is a Chairman of the Stakeholders Relationship Committee and also a member of the Audit Committee and the Risk Management Committee of the Company. Mr. Jain is also the Ombudsperson to administer and effectively implement the "Whistle Blower Policy" of the Company.

At present, Mr. Jain is a Director on the Board of West End Housing Finance Ltd., M R Technofin Consultancy Pvt. Ltd.,

Electrotherm (India) Ltd., West End Investment And Finance Consultancy Pvt. Ltd. and Sahara India Life Insurance Company Limited. Mr. Jain is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He does not hold any shares in the Company.

## Dr. Manoj Vaish:

Dr. Manoj Vaish (DOB - May 24, 1961) is a Non-Executive Independent Director of the Company since April 1, 2019. Dr. Vaish is B.Com. (Hon.) from S.R.C.C. and M.B.A. (Major-Finance) from F.M.S., Delhi University and also Ph.D. He was awarded Dr. J. C. Ghosh Gold Medal for his MBA Examination. Dr. Vaish is having very rich experience of finance, forex and securities market and had served various organisations including BSE, Dun & Bradstreet, Deutsche Bank, NSDL Database Management Ltd. etc. He is also having good exposure of Financial Educations & Training, Sales & Marketing, Risk Management, Credit Ratings and e-governance etc. At present, Mr. Vaish is a Director on the Board of Mirae Asset Trustee Company Private Limited. He is a chairman of the Audit Committee and also a member of the Nomination & Remuneration Committee.

Dr. Manoj Vaish is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is not a member or Chairman of any Board or Committee in any other listed Company. He does not hold any shares in the Company.

## Justice Ravindra Singh:

Justice Ravindra Singh (DOB - July 2, 1953) is a Non-Executive Independent Director of the Company since April 1, 2019. Justice Ravindra Singh is B.Sc. and LL. B. He was an Advocate in Allahabad and elevated as judge of Allahabad High Court in 2004 and retired on 01.07.2015. He was designated as Senior Advocate by Supreme Court of India on 31.08.2016. Justice Ravindra Singh is having very rich legal experience and an icon in the legal arena. Justice Ravindra Singh is a member of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Company.

Justice Ravindra Singh is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is not a member or Chairman of any Board or Committee in any other Company. He does not hold any shares in the Company.

**Mr. R S Jalan**

Mr. R S Jalan (DOB - October 10, 1957) is Managing Director of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India and having a very wide experience in Corporate Finance and Textiles business. Mr. R S Jalan has more than three decades of Industrial experience. He is a member of Stakeholders Relationship Committee, Banking & Operations Committee, CSR Committee and Risk Management Committee of the Company.

**Mr. Raman Chopra**

Mr. Raman Chopra (DOB - November 25, 1965) is CFO & Executive Director (Finance) of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having wide experience in Corporate Finance and Textiles. Presently, he is in charge of Financial & Secretarial functions covering financial accounting, management accounting, taxation, secretarial, legal, IT and corporate finance areas. Mr. Chopra has more than 30 years of Industrial experience. Before elevated to Executive Director (Finance) with effect from April 1, 2008, he was CFO of the Company from October 30, 2007. Before taking charge of finance, he had successfully established the Home Textile plant at Vapi. He is a member CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee and Risk Management Committee of the Company.

**3. Committees of the Board****(i) Audit Committee**

The Board of Directors had constituted the Audit Committee as early as in 2000 and as on March 31, 2020, there were four independent directors having expertise in financial and accounting areas, as members of the Committee. Audit Committee of the Board has been constituted as per Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Mr. Bhuwadeshwar Mishra, Secretary of the Company acts as Secretary to the Committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. 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.

**Terms of Reference:**

The role of the Audit Committee shall include 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 to Statutory Auditors for any other services rendered by the Statutory Auditors.
- c. Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to;
  - Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of Section 134(3)(c) of the Companies Act, 2013
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgement by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions
  - Modified opinion(s) in the draft audit report.
- d. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- e. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement

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of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

- f. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- g. Approval or any subsequent modification of transactions of the company with related parties;
- h. Scrutiny of inter-corporate loans and investments;
- i. Valuation of undertakings or assets of the company, wherever it is necessary;
- j. Evaluation of internal financial controls and risk management systems;
- k. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems.
- l. 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.
- m. Discussion with internal auditors any significant findings and follow up there on.
- n. 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.
- o. 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.
- p. 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.
- q. To review the functioning of the Whistle Blower mechanism;
- r. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate.
- s. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- t. Recommending to the Board, the appointment / re-appointment of the Cost Auditors and Secretarial Auditor.
- u. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- v. Any other activities as per the requirement of Regulation 18 of the Listing Regulations and applicable provisions of the Companies Act, 2013.

Executive summary of the Audit Committee Meetings are placed before the immediate next Board Meeting held after the Audit Committee Meetings 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 along with explanatory notes are circulated at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

During the financial year ended March 31, 2020, the Audit Committee of the Board met five times and the gap between any two meetings of the Audit Committee is not more than 120 days, ensuring compliance with the requirement of Regulation 18 of the Listing Regulations and the Companies Act 2013. 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:

Category	Name of the Audit Committee members				
	Mr. K C Jani -Chairman of the Committee till September 17, 2019	Mrs. Vijaylaxmi Joshi	Dr. Manoj Vaish – Chairman w.e.f. September 18, 2019	Justice Ravindra Singh	Mr. Arun Kumar Jain
	Non-Executive - Independent Director (Expertise in Finance, Banking & Corporate Governance)	Non-Executive- Independent Director – (Ex -IAS)	Non-Executive -Independent Director (Expertise in Finance, forex and securities market )	Non-Executive -Independent Director (Expertise in legal)	Independent Director (Expertise in Finance & taxation)
<b>Date of the Meeting</b>					
April 25, 2019	Yes	Yes	N/A	Yes	Yes
July 29, 2019	Yes	Yes	N/A	Yes	Yes
October 23, 2019	N/A	Yes	Yes	Yes	Yes
January 23, 2020	N/A	Yes	Yes	Yes	Yes
March 16, 2020	N/A	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	Yes	Yes	Yes	Yes

Note:

- Mr. Neelabh Dalmia, Executive Director of the Company is permanent invitee to the Audit Committee. Managing Director, Executive Director (Finance), Statutory Auditors and concerned employees for Internal Audit/ accounts were invitees to the Audit Committee Meetings whenever required.
- The Board of Directors had reconstituted the Audit Committee in their meeting held on July 29, 2019 and appointed Dr. Manoj Vaish as Chairman of the Committee in place of Mr. K C Jani, who retired due to completion of his tenure of directorship on September 17, 2019. Dr. Manoj Vaish is Chairman of the Audit Committee w.e.f. September 18, 2019.

The Company has complied with the requirements of Regulation 18 of the Listing Regulations as regards composition of the Audit Committee. Mr. K C Jani, then Chairman of the Audit Committee was a qualified Chartered Accountant and an expert in Finance, Banking and Accounting. He was present in the 36th Annual General Meeting held on May 30, 2019 to answer the queries of shareholders.

As required under Regulation 18(3) of the Listing Regulations, 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 and
- Appointment, removal and terms of remuneration of the Chief internal auditors.
- Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32 (1):- **Not applicable**
  - Annual statement of funds utilised for purposes other than those stated in the offer document/ Prospectus/notice in terms of Regulation 32 (7):- **Not applicable**

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## (ii) Nomination & Remuneration Committee:

The Company is transparent in compensation policy of Directors. The Nomination & Remuneration Committee of the Company was constituted as early as in 1995. Nomination & Remuneration Committee of the Board is constituted as per Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2020, Nomination & Remuneration Committee comprises of four non-executive directors including three Independent Directors and also the Chairman of this Committee is an Independent Director.

In line with the requirement of Section 178(2) of the Companies Act, 2013 read with Regulation 19(4) of the Listing Regulations, the Nomination and Remuneration Committee shall be responsible for following activities:

1. To identify persons who are qualified:
  - (a) to become directors and
  - (b) who may be appointed in senior management in accordance with the criteria laid down by the company. The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
2. To recommend to the Board the appointment and removal of person identified under point (1) above.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
4. To devise a policy on diversity of Board of Directors.
5. To formulate the criteria for evaluation of performance of Independent Directors and Board of Directors.

6. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. Any other activities as per the requirement of Regulation 19 of the Listing Regulations and the Companies Act, 2013.

The Nomination and 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 recommends 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 provide a remuneration package which is appropriate for the responsibilities involved. In reviewing the overall remuneration of the Directors and Senior Management, the Committee ensures that the remuneration is reasonable and sufficient to attract, retain and motivate the best managerial talent, the relationship of remuneration to performance is clear and meets appropriate performance benchmarks and that the remuneration involves a balance between fixed and incentive pay reflecting short term and long term objectives of the Company.

The executive summary of the Nomination and Remuneration Committee Meeting is placed before the immediate next Board Meeting held after the Nomination & Remuneration Committee, for deliberation and the full minutes of the same are placed before the following Board Meeting for record. Dates of the Nomination & Remuneration Committee Meeting are fixed in advance and agenda and explanatory notes are circulated to the Directors at least seven days before the meeting.

During the financial year ended March 31, 2020, the Nomination and Remuneration Committee met four times on April 25, 2019, July 29, 2019 and January 23, 2020. The Nomination and 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 Nomination & Remuneration Committee Meetings held during the Financial year ended March 31, 2020**

	Name of the Nomination & Remuneration Committee Members				
	Mr. K C Jani –Chairman of the Committee till September 17, 2019	Mr. Sanjay Dalmia	Mrs. Vijaylaxmi Joshi – Chairperson of the Committee w.e.f. September 18, 2019	Dr. Manoj Vaish	Justice Ravindra Singh
Category of Director	Non-Executive - Independent Director (Expertise in Finance, Banking & Corporate Governance)	Non-Executive Director (Industrialist)	Non-Executive - Independent Director (Ex -IAS)	Non-Executive - Independent Director (Expertise in Finance, forex and securities market )	Non-Executive -Independent Director (Expertise in legal)
Date of the Meeting					
April 25, 2019	Yes	Yes	Yes	N/A	N/A
July 29, 2019	Yes	Yes	Yes	N/A	N/A
January 23, 2020	N/A	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	No	Yes	Yes	Yes

Note:

- The Board of Directors had reconstituted the Nomination and Remuneration Committee in their meeting held on July 29, 2019 and appointed Mrs. Vijaylaxmi Joshi as a chairperson of the Committee in place of outgoing director Mr. K C Jani w.e.f September 18, 2019. Justice Ravindra Singh and Dr. Manoj Vaish were appointed member of the Committee w.e.f. September 18, 2019.

**Remuneration Policy:**

The Nomination & Remuneration Policy of the Company has been posted on the website of the company. Refer 'Nomination & Remuneration Policy' in Board's report section of this report.

Details of remuneration, commission and sitting fee paid/payable to the Directors of the Company for the financial year ended March 31, 2020 are given below:

Non-Whole time Directors (In ₹)		
Name	Sitting Fees	Commission
Mr. Sanjay Dalmia	3,20,000	60,00,000
Mr. Anurag Dalmia	2,40,000	50,00,000
Mr. Neelabh Dalmia*	2,40,000	30,00,000
Dr. Manoj Vaish	4,00,000	26,00,000

Justice Ravindra Singh	4,80,000	25,00,000
Mrs. Vijaylaxmi Joshi	6,40,000	25,00,000
Mr. Arun Kumar Jain	4,80,000	25,00,000
Mr. K C Jani	2,40,000	10,80,000
Dr. Lavanya Rastogi	2,00,000	20,00,000
<b>TOTAL</b>	<b>32,40,000</b>	<b>2,71,80,000</b>

Note: : Commission payable to all 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, 2013.

\* During the year, the Board of Directors of the Company in their meeting held on January 23, 2020 had appointed Mr. Neelabh Dalmia as Whole Time Director designated as Executive Director (Textiles) of the Company for a period of 5 years with effect from February 1, 2020 subject to approval of shareholders. Hence, he received sitting fees & Commission

# CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

as a Non-Executive Director till January 31, 2020.

(In ₹)			
<b>Managing Director / Whole Time Directors</b>			
Name	Salary and other perquisites	Commission	Total
Mr. R S Jalan, Managing Director	2,83,88,074	5,25,00,000	8,08,88,074
Mr. Raman Chopra, CFO & Executive Director (Finance)	1,58,24,676	3,10,00,000	4,68,24,676
Mr. Neelabh Dalmia, Executive Director (Textiles)	23,68,380	10,00,000	33,68,380
<b>Total</b>	<b>4,65,81,130</b>	<b>8,45,00,000</b>	<b>13,10,81,130</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 months prior notice in writing to the other party.
- (b) Salary and perquisites Includes Company's contribution to Provident Fund, Superannuation Fund, LTA paid and premium on Gratuity Policy.
- (c) In addition to the above, Managing Director & Whole Time Director are also entitled for Employees Stock Options as per the Scheme of the Company. However, Mr. Neelabh Dalmia, being promoter director, is not entitled for Employees Stock Options.

#### Performance Evaluation:

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued on January 5, 2017 read with relevant provisions of the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of independent directors and the Board as a whole.

The performance of the independent directors was evaluated by the entire Board except the person being evaluation in their meeting held on January 23, 2020. The performance of

the Committees was evaluated by the Board seeking inputs from the Committee Members.

A separate meeting of Independent Directors was held on January 23, 2020, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole and performance of the Chairman of the Company, taking into account the views of Executive Directors and the Non-Executive Directors.

The performance evaluation of the Board and its constituents was conducted on the basis of functions, responsibilities, competencies, strategy, tone at the top, risk identification and its control, diversity, and nature of business. A structured questionnaire was circulated to the members of the Board covering various aspects of the Board's functioning, Board culture, execution and performance of specific duties, professional obligations and governance. The questionnaire was designed to judge knowledge of directors, their independence while taking business decisions; their participation in formulation of business plans; their constructive engagement with colleagues and understanding the risk profile of the company, etc. In addition to the above, the chairman of the Board and / or committee is evaluated on the basis of their leadership, coordination and steering skills.

Thereafter, the Nomination and Remuneration Committee used to review the performance of individual Directors on the basis of their contribution as a member of the board or committee. The quantum of profit based commission, payable to directors is decided by the Nomination and Remuneration Committee on the basis of overall performance of individual directors.

#### (iii) Stakeholders Relationship Committee:

In line with the requirement of Section 178(6) of the Companies Act, 2013 read with Regulation 20(4) of the Listing Regulations, the Nomination and Remuneration Committee shall be responsible for following activities:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent (RTA).
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Board had constituted the Stakeholders Relationship Committee, which meets the requirement of Section 178(5) of the Companies Act, 2013 read with Regulation 20(2) & (2A) of the Listing Regulations. The Committee look into various aspects of the interest of the shareholders. 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 regularly viewed the complaints filed online at SEBI Complaints Redressal System (SCORES) and action taken report (ATR) thereon. Generally the Committee meet once in a week to expedite all matters relating to Shareholders / Investors Grievances received and pending during the previous week. Total 47 meetings of the Stakeholders Relationship Committee were held during the financial year ended March 31, 2020.

The composition of Committee as on March 31, 2020 is as under:

Sl. No.	Name of Directors	Status
1	Mr. Arun Kumar Jain	Chairman
2	Justice Ravindra Singh	Member
3	Mr. Neelabh Dalmia	Member
4	Mr. R S Jalan	Member
5	Mr. Raman Chopra	Member

Note : The Board of Directors had reconstituted the Stakeholders Relationship in their meeting held on July 29, 2019 and appointed Justice Ravindra Singh as a member of the Committee w.e.f. July 30, 2019.

The Company consider its shareholders as 'owners' and take all effective steps to resolve their complaints as soon as possible. All complaints are resolved within 15 days except those which are of legal nature. The Company received 14 shareholders complaints from Stock Exchanges and/or 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 and the Company has furnished necessary documents / information to the shareholders.

**Status of total complaints received (including one complaint received from Stock Exchanges / SEBI) during the financial year ended March 31, 2020:**

Sl. No.	Type of Complaints	No. of Complaints pending as on March 31, 2019	Total No. of Complaints received during the financial year ended March 31, 2020	Total No. of Complaints resolved during the financial year ended March 31, 2020	No. of Complaints pending as on March 31, 2020
1	Non-receipt of dividend	0	10	9	1
2	Share transfer including Demat request	0	19	19	0
3	Non receipt of Annual Report	0	0	0	0
	<b>Total</b>	<b>0</b>	<b>29</b>	<b>28</b>	<b>1</b>

Note : There is one complaint pending as on March 31, 2020. In addition to the above, there might be some complaints pending at court or at the end of shareholders due to non-submission of the information desired by RTA.

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(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

The Stakeholders Relationship 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 apart from those that are disputed or sub-judice.

Mr. Bhuvneshwar Mishra, Sr. General Manager & Company Secretary of the Company is the Secretary to the Committee and also 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 Banking and Operations Committee as on March 31, 2020 is as under:

Sl. No.	Name of Directors	Status
1	Mr. R S Jalan – Managing Director	Member
2	Mr. Neelabh Dalmia – Executive Director (Textiles)	Member
3	Mr. Raman Chopra – CFO & Executive Director (Finance)	Member

## (v) Corporate Social Responsibility (CSR) Committee & CSR activities

The Board of Directors had voluntarily constituted the Corporate Social Responsibility (CSR) Committee in their meeting held on January 28, 2013. Subsequently it is made mandatory, pursuant to Section 135 of the Companies Act, 2013. This Committee was constituted to strengthen and monitor CSR policy of the Company. Further, CSR Committee of the Board meets the criteria prescribed by Section 135 of the Companies Act, 2013, which states that every CSR Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an Independent Director.

The Board of Directors of GHCL through CSR Committee / GHCL Foundation Trust / management is responsible for following CSR related activities:

- To approve CSR strategies, budgets, plans and corporate policies;
- To approve CSR's risk management strategy and frameworks and monitoring their effectiveness;
- Considering the social, ethical and environmental impact of CSR's activities and monitoring compliance with CSR's sustainability policies and practices;
- To review the CSR activities undertaken during the financial year;
- To review and modify the approved budget based on the progress report of GHCL Foundation Trust as recommended by CSR Committee from time to time;
- Inclusion and modification of CSR activities based on the survey conducted by the independent agency and impact assessment analysis with respect to CSR activities undertaken by the Company;
- To empower CSR committee and managing director for taken appropriate steps with an objective to achieve CSR goal determined by the Board;
- To ensure that company shall respect human rights concern throughout its operations and if required develop a framework for managing, mitigating and preventing adverse human rights impacts;
- Reconstitution of CSR Committee as and when required depending upon the vacancy in CSR Committee;
- To review of the progress report of CSR Activities;
- Giving of directions for effective implementation of CSR projects.

All CSR activities of GHCL Limited are carried out by a dedicated team engaged in our GHCL Foundation Trust and progress are monitored by the management every month. The CSR activities are carried out throughout year. The thrust areas are Water Resource, Sanitation, Health & Hygiene, Agro based livelihood, Animal Husbandry, Education, Women Empowerment, Skill development etc.

During the financial year ended March 31, 2020, the CSR Committee met twice on April 24, 2019 and January 22, 2020.

The CSR Committee of the Board comprises of following five Directors and the details of meeting attended by the Directors are as follows:

**Composition and Attendance of Members at the Corporate Social Responsibility (CSR) Committee Meeting held during the Financial year ended March 31, 2020**

Category of Director	Name of the CSR Committee Members				
	Mr. Anurag Dalmia – Chairman of the Committee w.e.f. July 30, 2019	Mrs. Vijaylaxmi Joshi – Chairperson of the Committee till July 29, 2019	Mr. Neelabh Dalmia	Mr. R S Jalan	Mr. Raman Chopra
	Non-Executive Director	Independent Director	Executive Director (Textiles)	Managing Director	CFO & Executive Director (Finance)
<b>Date of the Meeting</b>					
April 24, 2019	N/A	Yes	Yes	Yes	Yes
January 22, 2020	Yes	Yes	Yes	Yes	Yes

Note:

- The Board of Directors had reconstituted the CSR Committee in their meeting held on July 29, 2019 and appointed Mr. Anurag Dalmia as Chairman of the Committee w.e.f. July 30, 2019.

**(vi) Risk Management Committee**

In compliance with the provisions of Regulation 21 of the Listing Regulations and other applicable provisions, if any, the Board of Directors had voluntarily constituted the Risk Management Committee. The Company satisfies the requirement of Regulation 21 of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors. The Company is having well defined Risk Management Policy and Risk Management Framework. Risk Management Policy of the Company has been posted on the website of the Company.

During the financial year ended March 31, 2020, the Risk Management Committee met once on March 17, 2020. The Risk Management Committee of the Board comprises of following four Directors and the details of meeting attended by the Directors are as follows:

**Composition and Attendance of Members at the Risk Management Committee Meeting held during the Financial year ended March 31, 2020**

Category of Director	Name of the Risk Management Committee Members			
	Mr. Arun Kumar Jain	Mr. Neelabh Dalmia	Mr. R S Jalan	Mr. Raman Chopra
	Independent Director	Executive Director (Textiles)	Managing Director	CFO & Executive Director (Finance)
<b>Date of the Meeting</b>				
March 17, 2020	Yes	Yes	Yes	Yes

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FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

## Risk Management Framework

Details of Risk management framework have been given under the Integrated Report.

## 4. General Body Meeting:

**a) Annual General Meetings:** The last three Annual General Meetings (AGM) 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
2018-19	May 30, 2019	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2017-18	May 31, 2018	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006
2016-17	June 29, 2017	9.30AM	The Institution of Engineers (India), Gujarat State Centre, Bhaikaka Bhavan, Law College Road, Ahmedabad-380 006

## (b) Special Resolutions:

The information regarding Special Resolution passed in the previous three Annual General Meetings are as follows:

AGM	Date of AGM	Information regarding Special Resolutions
36 <sup>th</sup> AGM	May 30, 2019	No Special Resolution
35 <sup>th</sup> AGM	May 31, 2018	(a) Pursuant to the provisions of Section 180 (1)(c) of the Companies Act, 2013, special resolution was passed for authorisation to borrow money exceeding aggregate of the paid up capital and free reserves of the Company (i.e. not more than INR 2500 Crores). (b) Pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013, special resolution was passed for creation of charges or mortgages and hypothecations on Company properties in respect of above borrowings.
34 <sup>th</sup> AGM	June 29, 2017	No Special Resolution

## (c) Extraordinary General Meeting (EGM)

No Extraordinary General Meeting (EGM) was held during the last three financial years i.e. 2018-19, 2018-19 and 2017-18.

## (d) Postal Ballot

No Special Resolution was passed in the last year through postal ballot and at present no Special Resolution is proposed to be conducted through postal ballot. Hence, the provisions relating to postal ballot are not required to be complied with.

**(e)** No Special Resolution was passed in the 36th Annual General Meeting. All the 4 resolutions were passed with the requisite majority by combined result of the Remote e-voting and polls through ballot paper of the shareholders.



## 5 Means of communication:

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, 2020 (Audited)
1	English Newspapers in Which quarterly results were published / to be published	The Economic Times (Ahmedabad edition)	July 30, 2019	October 24, 2019	January 24, 2020	May 21, 2020	May 21, 2020
		The Hindu - Business Line	July 30, 2019	October 24, 2019	January 24, 2020	May 21, 2020	May 21, 2020
2	Vernacular Newspapers in which quarterly results were published / to be published	The Economic Times - Gujarati	July 30, 2019	October 24, 2019	January 24, 2020	May 21, 2020	May 21, 2020
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	Quarter - IV	Financial Year ended March 31, 2020 (Audited)
	<b>Name of Stock Exchange(s)</b>	<b>Website Address</b>	<b>Date of Filing of Results</b>				
	National Stock Exchange of India Limited (NSE)	www.nseindia.com	July 29, 2019	October 23, 2019	January 23, 2020	May 20, 2020	May 20, 2020
	BSE Limited (BSE)	www.nseindia.com	July 29, 2019	October 23, 2019	January 23, 2020	May 20, 2020	May 20, 2020
5	Presentation made to institutional investors or to the analysts	During the year under review, conference call and /or Investors meeting were facilitated on April 26, 2019, July 29, 2019, October 23, 2019 and January 24, 2020, to discuss the financials and / or other business update of the Company, with the investors / analysts. Copy of the presentation and /or transcripts, wherever available regarding said Investors' conference / meetings held with the management were filed with the Stock Exchanges and the same were also uploaded with the website of the Company.					

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FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

## 6. General shareholder's Information:

General Shareholder Information				
Sl. No.	Particulars	Details		
1	Annual General Meeting	Monday, July 6, 2020	9.30 AM	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) vide General Circular No. 20/2020 dated 05th May, 2020 read with General Circular No. 14/2020 dated 08th April, 2020, and also General Circular No. 17/2020 dated 13th April, 2020,
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2020)			By 2nd week of August 2020
	Financial Reporting for - Quarter - II (ending September 30, 2020)			By 2nd week of November 2020
	Financial Reporting for - Quarter - III (ending December 31, 2020)			By 2nd week of February 2021
	Financial Reporting for - Quarter - IV (ending March 31, 2021)			By 4th week of May 2021
	Financial Year of the Company is for a period of 12 months commencing from 1st April and ending on 31st March.			
3	Date of Record Date / Cut-off Date	Monday, June 29, 2020		
4	Dividend Payment Date	Not applicable.		
5	Listing on Stock Exchanges	Name & Address of Stock Exchanges	Stock Code	ISIN WITH NSDL & CDSL
		BSE Limited, (BSE) Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	500171	INE 539 A01019
		National Stock Exchange of India Limited, (NSE) "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCL	INE 539 A01019
6	Listing fees:	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2020		
7	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited, C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083. Tel No: +91 22 49186270 Fax: +912249186060 (Email : rnt.helpdesk@linkintime.co.in)		
8	<b>Outstanding GDRs / ADRs / Warrants or any convertible instruments:</b>	Not applicable		

## General Shareholder Information

SI. Particulars  
No.

Details

## 9 Commodity price risk or foreign exchange risk and hedging activities:

As per the SEBI Circular dated November 15, 2018 read with Clauses 9(n) & 9(g) of Part C to Schedule V of the Listing Regulation, disclosure regarding exposure of the Company to various commodities for the financial year ended on March 31, 2020, is as under:

a. Total exposure of the Company to commodities in INR: 170 Crore

b. Exposure of the Company to various commodities:

Commodity Name	Exposure in INR in Crore	Exposure in Quantity terms (MT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Cotton	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Coal	170	2,51,000	Nil	Nil	Nil	Nil	Nil

c. Commodity risks faced by the listed entity during the year and how they have been managed

Senior management monitors commodity price risk and foreign exchange risk and based on the expert advice taken necessary step for its coverage / hedging as given below:

**For Cotton:** Company has a very robust and well proven policies of cotton sourcing. Most of the cotton procurement is done at the beginning of the season which starts from October onwards every year and covers almost 70-80% of its yearly requirement during October - March period where the quality of the cotton is the best and prices are generally on the lower side. The Company has adequate working capital arrangements in place to adhere to the above policy of cotton procurement every year.

**For Coal:** The Company is impacted by the price volatility of coal. Its operating activities require continuous manufacture of soda ash, and therefore require a regular supply of coal. Due to the significant volatility of the price of coal in international market, the company has entered into purchase contract for coal with its designated vendors. The price in the purchase contract is linked to the certain indices. The Company's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

## Foreign Exchange risk &amp; Hedging Activities by the Company for the FY 2019-20:

Company has institutionalized arrangements for Monthly Operational Review / Quarterly review of the Forex Exposures of Import / Export / FTCL by the top management. The Exchange Risk on the above exposures is mitigated / managed by way of Hedging as explained below:

<b>Export Exposures</b>	The Company takes forward cover of around 50% to 65% of its export of Home textiles for the next 12 months on a continuous basis. Balance export proceeds are converted on the prevailing exchange rate. PCFC is availed for the export from Soda Ash and Yarn division on a regular basis.
<b>Import Exposures - Raw materials</b>	GHCL follows the strategy for Hedging the Import Exposures. The Company takes the Forward Cover for the next 1-3 Months imports payables of raw-materials on a regular basis.
<b>Import Exposures - Capital Goods</b>	The company takes the Forward cover for the Capital goods import payments after the receipt of import documents and submission of acceptance to the bank.
<b>Import Exposures - Trading division</b>	The company takes the Forward cover for the Trading division import payments after the receipt of import documents and submission of acceptance to the bank.
<b>FTCL / FCNRB Exposures</b>	As a policy, the Company takes forward cover for the repayment of FTCL / FCNRB maturing next 3 Months basis.

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(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

General Shareholder Information	
Sl. No.	Particulars
10	<p><b>Address for Correspondence</b></p> <p><b>Share Transfer System:</b> Company processes the share transfer and other related shareholders services through Registrar &amp; 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, C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083. Tel No: : +91 22 49186270 Fax: +91 22 49186060 (Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>)</b></p> <p>For General Correspondence: <b>GHCL Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009. Phone : 079 -26427818/26442677, 079-39324100, Fax: 079-26423623 (Email : <a href="mailto:secretarial@ghcl.co.in">secretarial@ghcl.co.in</a>)</b></p>
11	<p><b>Dematerialization of Shares and Liquidity:</b> 97.50% of the Company's total equity shares representing 9,26,37,472 equity shares were held in dematerialized form as on March 31, 2020. After buyback, total paid-up capital of the Company as on March 31, 2020, stand reduced to 9,50,13,286 equity shares. 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.</p>
12	<p>As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/ re- appointment are given in Notice to the ensuing Annual General Meeting.</p>

## 7. Corporate Benefits to Shareholders

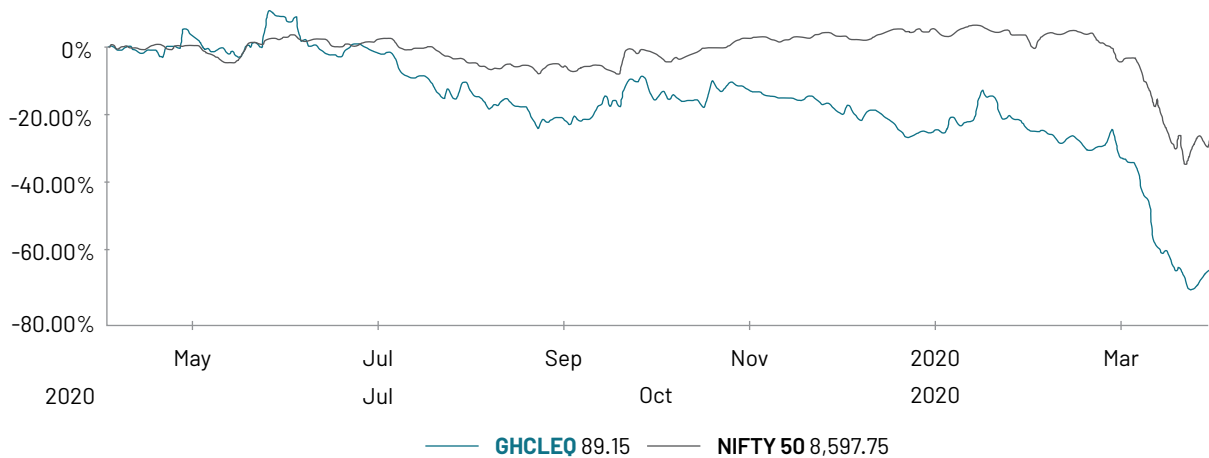
Financial Year	Dividend declared for last 10 years	
	Dividend	Dividend (₹ per Share)
2009-10	20.00%	2.00
2010-11	20.00%	2.00
2011-12	20.00%	2.00
2012-13	20.00%	2.00
2013-14	20.00%	2.00
2014-15	22.00%	2.20
2015-16	35.00%	3.50
2016-17	50.00%	5.00*
2017-18	50.00%	5.00
2018-19	50.00%	5.00

\*Interim dividend @ ₹ 1.50 per share & Final dividend @ ₹ 3.50 per share.  
Equity share of paid up value of ₹ 10 per share.

### 8. Month-wise stock market data (BSE & NSE) relating to equity shares of the company for the financial year ended March 31, 2020

Month of the financial year 2019-20	Market Price Data					
	BSE, MUMBAI			NSE, MUMBAI		
	Share Price		Traded Quantity	Share Price		Traded Quantity
	High	Low		High	Low	
April 2019	264.60	232.55	4,24,708	264.50	232.60	47,50,256
May 2019	277.20	235.30	2,76,260	277.45	235.05	28,55,832
June 2019	267.00	232.25	1,80,942	268.00	231.10	14,55,507
July 2019	242.00	205.00	1,77,850	242.30	204.80	26,05,118
August 2019	213.40	178.50	1,29,341	213.50	178.40	14,24,289
September 2019	227.00	186.00	3,59,343	227.00	185.60	26,30,157
October 2019	225.70	195.50	3,25,462	226.00	197.85	26,28,521
November 2019	218.50	200.70	1,25,371	219.00	200.40	13,95,282
December 2019	216.00	178.10	1,84,792	205.00	178.10	26,47,725
January 2020	217.70	181.05	12,67,841	216.90	181.20	1,46,64,417
February 2020	189.85	168.35	7,91,476	189.95	168.95	79,17,466
March 2020	177.30	68.80	35,03,116	178.65	69.05	1,41,82,227

### 9. Performance in comparison to broad based indices such as NSE



# CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

## 10. Shareholders Reference

### Unclaimed Dividend

Pursuant to Section 124 of the Companies Act, 2013 read with provisions of Investors Education & protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, all shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years or more, already transferred by the Company in favour of Investor Education and Protection Fund (IEPF). The Company had communicated to all the concerned shareholders individually whose shares were liable to be transferred to IEPF. The Company had also given newspaper advertisements, before such transfer in favour of IEPF. The Company had also uploaded the details of such shareholders and shares transferred to IEPF on the website of the Company at [www.ghcl.co.in](http://www.ghcl.co.in)

Shareholders may note that both the unclaimed dividend and corresponding shares transferred to the IEPF Authority including all benefits accruing on such shares, if any, can be

claimed back by them from IEPF Authority after following the procedure (i.e. an application in E-form No. IEPF-5) prescribed in the Rules. Shareholders may refer Rule 7 of the said Rules for Refund of shares / dividend etc.

The unclaimed dividend for the financial year 2011-12 have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claim shall lie with the Company in respect of the unclaimed dividend transferred to IEPF for the financial year 2011-12. The Company used to send individual reminders to all the members at their registered address whose dividend have remained unclaimed, before transferring the monies to the IEPF. The information on unclaimed dividend is also posted on the website of the Company.

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 or have not received the same are requested to seek issue of duplicate

warrant by writing to Link Intime India Private Limited confirming non - encashment / non - receipt of dividend warrant

Financial Year	Date of Meeting	Due for Transfer to IEPF
2012-13	26-09-2013	September 2020
2013-14	21-08-2014	August 2021
2014-15	23-07-2015	July 2022
2015-16	19-07-2016	July 2023
2016-17 (Interim Dividend)	31-01-2017	January 2024
2016-17 (Final Dividend)	29-06-2017	June 2024
2017-18	31-05-2018	May 2025
2018-19	30-05-2019	May 2026

### Distribution of Shareholding as on 31<sup>st</sup> March 2020

No. of Shares held of ₹ 10 each between		No. of shareholders	% of total shareholders	No. of shares	% of total shares
From	To				
1	500	58699	89.20%	7599419	8.00%
501	1000	3680	5.59%	3051396	3.21%
1001	2000	1669	2.54%	2621730	2.76%
2001	3000	538	0.82%	1385057	1.46%

Distribution of Shareholding as on 31 <sup>st</sup> March 2020					
No. of Shares held of ₹ 10 each between		No. of shareholders	% of total shareholders	No. of shares	% of total shares
3001	4000	265	0.40%	952689	1.00%
4001	5000	248	0.38%	1174502	1.24%
5001	10000	312	0.47%	2280562	2.40%
10001	Above	395	0.60%	75947931	79.93%
		<b>65806</b>	<b>100.00%</b>	<b>95013286</b>	<b>100.00</b>

Shareholding Pattern as on 31 <sup>st</sup> March 2020		
Category	No. of shares held	% of shareholding
<b>A Promoters &amp; Promoters Group Holding</b>		
<b>1 Promoters</b>		
Indian Promoters	12548238	13.21%
Foreign Promoters	5507900	5.80%
<b>2 Others</b>		
Trust	165000	0.17%
<b>Sub-Total</b>	<b>18221138</b>	<b>19.18%</b>
<b>B Non-promoters Holding</b>		
<b>3 Institutional Investors</b>		
Mutual Funds	15887696	16.72%
Banks, Financial Institutions	240630	0.25%
Insurance Companies (including LIC)	3366423	3.54%
Foreign Portfolio Investors (including FIIs)	13978585	14.71%
<b>Sub-Total</b>	<b>33473334</b>	<b>35.23%</b>
<b>4 Non-institutional Investors</b>		
Bodies Corporate	14176471	14.92%
NBFC registered with RBI	104365	0.11%
Indian public (Individuals & HUF)	23188452	24.41%
NRIs & Foreign Companies	2085192	2.15%
Government Companies (i.e. IEPF)	884302	0.93%
Other Directors & relatives	410943	0.43%
Others (Trusts, Clearing Members and Central & State Government)	2469089	2.60%
<b>Sub-Total</b>	<b>43318814</b>	<b>45.59%</b>
<b>Grand Total</b>	<b>95013286</b>	<b>100.00%</b>

# CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

## Plant Locations:

### Inorganic Chemical Division:

<b>Soda Ash Plant:</b>	Village: Sutrapada Near Veraval, Distt.: Gir Somnath, Gujarat - 362275
<b>Salt works:</b>	Port Albert Victor, Via Dungar, Distt.: Amreli, Gujarat - 364555
<b>Lignite Mines:</b>	713/B, Deri Road, Near Diamond Chowk, Krishnanagar, Bhavnagar, Gujarat - 364001
<b>Limestone Mines:</b>	GHCL Limited, Sutrapada, Distt.: Gir Somnath, Gujarat (Mines in Harnasa, Nakhda, Bhimdeol, Dhamanva & Gabha)

<b>Consumer Products Division - Salt Works &amp; Refinery:</b>	(a) Kadinal Vayal, Vedaranyam, Distt. Nagapattanam, Tamil Nadu - 614707
	(b) Nemeli Road, Thiruporur, Distt.: Kancheepuram, Tamilnadu - 603110

### Textile Division:

<b>Plant - Yarn Division:</b>	(a) Paravai, Samayanallur P.O, Distt.: Madurai, Tamil Nadu - 625402
	(b) Thiagesar Alai P.O, Manaparai, Distt.: Trichy, Tamil Nadu - 621312
<b>Plant - Home Textile Division:</b>	S. No. 191 & 192, Mahala Falia, Village - Bhilad, Distt.: Valsad, Vapi, Gujarat - 396191

<b>Wind Energy Division</b>	(a) Muppandal, Village: Irukkandurai, Post: Sankaneri, Taluk: Radhapuram, Distt.: Tirunelveli, Tamil Nadu
	(b) Village: Chinnaputhur, Taluk: Dharapuram, Distt.: Erode, Tamil Nadu
	(c) Village: Kayathar, Distt.: Tuticorin, Tamilnadu.

## List of all Credit Ratings (along with revisions) obtained by the Company during the financial year ended March 31, 2020:

The complete details on Credit Ratings obtained by the Company during the financial year ended March 31, 2020, are placed in the Board's Report under finance section.

## 11. 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.

## 12. Disclosures:

### 12.1 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. However, the management

furnishes the details of related party transactions on quarterly basis before the Audit Committee / Board of Directors meetings, which are in conformity with the Ind-AS. The particulars of transactions between the Company and the related parties for the year ended March 31, 2020, are disclosed in the notes to the accounts in this Annual Report. None of these transactions are likely to have any conflict with the Company's interest.

### 12.2 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.

The company has an excellent track record of statutory compliances and committed for excellence in governance, compliance and protection of stakeholders interest. During the year, due to technical interpretational issue of Regulation 29 of Listing Regulations regarding skipping of advance intimation of raising of funds for working capital by way of commercial papers, BSE Limited and National Stock Exchange of India Ltd ("Stock Exchanges") had imposed penalty of INR 10,000/- each against which company had given its written representation to the stock exchanges and explained that interpretation of



stock exchange on Regulation 29 of Listing Regulations is narrow interpretation and does not represent the true spirit of the law. In the representation, Company had stated that it had given advance intimation for convening of its board meeting on January 21, 2019 inter-alia for approval of its financial result for the quarter ended December 31, 2018. In the said meeting, besides the quarterly results, the Board had approved the proposal for issue of commercial papers to banks as a part of working capital limit and without altering the existing working capital limit as approved by the board in their meeting held on February 25, 2011 and the same is in the record of the stock exchanges and other regulators. The stock exchanges were of the view that a separate advance intimation for issue of commercial papers was required to be given under Regulation 29 of Listing Regulations. The company filed its detailed representation stating the fact that issue of commercial papers are in the ordinary course of business and as a part of working capital limit, hence no advance intimation is required as there is no change in working Capital limit. Without giving opportunity of hearing in person to the Company, the stock exchanges had imposed fine of INR 10,000/- each under Standard Operating Procedure (SOP) issued by SEBI, which the company had paid on August 3, 2019 to settle the matter and avoid its cost of litigation. However, the Company still maintain the view that stock exchanges had narrow interpretation of the said regulation.

### 12.3 Vigil mechanism / Whistle Blower Policy

Regulation 22 of the Listing Regulations & Sub-section (9 & 10) of Section 177 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, inter-alia, provides, for all listed companies to establish a vigil mechanism called "Whistle Blower Policy" for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

As a conscious and vigilant organization, GHCL Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and a fearless working environment, GHCL Limited has established the "Whistle Blower Policy", which has made effective from October 1, 2014. The Whistle Blower policy and establishment of Vigil Mechanism have been appropriately communicated within the Company. The Whistle Blower Policy is also posted on the website of the Company.

The purpose of the policy is to create a fearless environment for the directors, employees and other stakeholders to report any instance of unethical behaviour, actual or suspected fraud or violation of GHCL's code of conduct or Ethics Policy to the Managing Director (Mr. R S Jalan), Ombudsperson (Mr. Arun Kumar Jain, independent director of the company), Whistle Officer (Mr. Bhuvneshwar Mishra - Compliance Officer) or Whistle Committee.

#### The details of person with whom complaints can be filed:

##### Mr. Arun Kumar Jain

Independent Director and Ombudsman for Whistle Blower Policy  
Email: [akjaincit@gmail.com](mailto:akjaincit@gmail.com)  
Mobile No: 9428511559  
Address: B-802, Prateek Stylome, Sector -45, Noida - 201301

##### Mr. R S Jalan

Managing Director - GHCL Limited  
Email: [rsjalan@ghcl.co.in](mailto:rsjalan@ghcl.co.in)

##### Mr. Bhuvneshwar Mishra - Company Secretary

Email: [bmishra@ghcl.co.in](mailto:bmishra@ghcl.co.in)

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he or she can make a direct appeal to the Chairman of the Audit Committee.

During the year, the Company has not received any complaint under Vigil Mechanism / Whistle Blower Policy.

### 12.4 Disclosures regarding web link of the Company

Policy for determining material subsidiaries and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website (URL: <https://www.ghcl.co.in/code-of-conduct> ).

### 12.5 Details of compliance with mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and adoption of the non- mandatory requirements of Regulation 27(1) of the Listing Regulations.

The Company is in compliance with all the mandatory provisions related to Corporate Governance pursuant to the requirement of the Listing Regulations read with other applicable provisions, if any.

# CORPORATE GOVERNANCE

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

The status of compliance with non-mandatory requirements of Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- (a) **Non-Executive Chairman's Office:** : A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Company is having non-executive Chairman. The Company does not incur expenses for maintaining Chairman's office.
- (b) **Shareholders' Rights:** As the half-yearly (including quarterly) financial performance are published in the newspapers and are also posted on the Company's website. The Company also used to report significant events to the stock exchanges from time to time. Hence, the same are not being sent to the shareholders.
- (c) **Audit Qualifications:** During the period under review, there is no audit qualifications in the Company's financial statements. GHCL continues to adopt best practices to ensure a regime of unqualified financial statements.
- (d) **Reporting of Internal Auditor:** The Company is having independent Internal Auditors (separate from the employees) for all the division. The Internal Auditors used to send their reports to the CFO / person authorised for this purpose and in turn the reports were circulated to the members of the Audit Committee for their perusal.

## 12.6 Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under regulation 32(7A).

This clause is not applicable to the Company as the Company has not raised any funds through preferential allotment and / or QIP.

## 12.7 Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.

The Company has obtained a certificate from Dr. S Chandrasekaran (Membership No. F1644), Senior Partner of M/s Chandrasekaran Associates, Company Secretaries,

regarding confirmation that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board (i.e. SEBI) / Ministry of Corporate Affairs or any such statutory authority.

## 12.8 Total fees for all services paid by GHCL Limited and its subsidiaries, on a consolidated basis, to S. R. Batliboi & Co. LLP and other firms in the network entity of which the statutory auditor is a part, as included in the consolidated financial statements of the Company for the year ended March 31, 2020, is as follows:

	Amount (₹ in Crore)
Fees for audit and related services paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	1.42
Other fees paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	0.12
<b>Total Fees</b>	<b>1.54</b>

## 12.9 The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

The Company is in compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.

## 13. Code of Conduct to Regulate, Monitor And Report Trading by Designated Persons

In compliance with the SEBI regulation on prevention of Insider Trading, the Company has placed a comprehensive code of conduct for its directors, designated employees of the Company and their immediate relatives. 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. Subsequently, the Company has its code in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Company had implemented automated track in system for effective administration and monitoring of trading by insiders in the shares of the Company. There is system generated report prepared by service provider after comparing with benepose report. Automatic email sent to respective employees for giving them instructions that they should not indulge in counter transaction within the prohibited time period.

#### 14. 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 <https://www.ghcl.co.in/code-of-conduct>.

#### 15. Functional website of the Company as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website of the Company and website address of the Company is [www.ghcl.co.in](http://www.ghcl.co.in). Website of the Company provides the basic

information about the Company e.g. details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the Company is regularly updating the Information provided on its website.

#### 16. Share Capital & Reconciliation of Share Capital Audit

During the year, Nomination and Remuneration Committee of the Company at its meetings held on July 29, 2019 had allotted 1,85,000 equity shares of INR 10 each, against exercise of the Stock Options by the eligible employees of the Company.

Thereafter, Board of Directors of GHCL Limited in their meeting held on January 23, 2020 had given their approval for Buy Back of maximum 32,00,000 equity shares of INR 10/- each from the Open Market through Stock Exchange route, at a Maximum Buyback price of INR 250/- per Equity Share excluding transaction costs, for an aggregate amount of INR 60 Crores. In line with the said approval, the Company had bought back 32,00,000 equity shares from February 3, 2020 till February 28, 2020 and all the bought back shares were extinguished on March 5, 2020. Accordingly, Issued & Paid-up Capital of the Company stands reduced to 9,50,13,286 Equity Shares as on March 31, 2020.

A qualified practicing Company Secretary has carried out Audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

## 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, 2020.

#### For GHCL LIMITED

##### R S Jalan

Managing Director  
DIN: 00121260

Date: May 20, 2020

##### Raman Chopra

CFO & Executive Director (Finance)  
DIN: 00954190

# Certificate under Regulation 17 (8) of the SEBI (LODR) Regulations, 2015

## 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, 2020 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 we 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

**R S Jalan**  
Managing Director  
DIN: 00121260

**Raman Chopra**  
CFO & Executive Director (Finance)  
DIN: 00954190

Date: May 20, 2020