



# GHCL Limited

(CIN: L24100GJ1983PLC006513)

**Registered office:** “GHCL House”, Opposite Punjabi Hall, Navrangpura, Ahmedabad  
380009(Gujarat)

Email id: [secretarial@ghcl.co.in](mailto:secretarial@ghcl.co.in); [ghclinfo@ghcl.co.in](mailto:ghclinfo@ghcl.co.in)

**Website:** [www.ghcl.co.in](http://www.ghcl.co.in); **Telephone:** 079- 26434100 **Fax:** 079-26423623

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## NOTICE OF THE POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 along with the MCA and SEBI Circulars detailed as under)

Dear Members,

Notice is hereby given that the resolution set out below is proposed to be passed by the members of GHCL Limited (“the Company”) by means of Postal Ballot through Remote e-voting, pursuant to the provisions of Section 110 of the Companies Act, 2013 (“the Act”) read with Rule 22 the Companies (Management and Administration) Rules, 2014 (“the Rules”) and other applicable provisions of the Act and the Rules, General Circular Nos. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 22/2020 dated June 15, 2020, Circular No. 33/2020 dated September 28, 2020, Circular no. 02/2021 dated January 13, 2021 and Circular No. 20/2021 dated December 8, 2021, issued by the Ministry of Corporate Affairs (“MCA Circulars”), Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (“Listing Regulations”) and also SEBI Circular dated May 12, 2020 and SEBI Circular dated January 15, 2021 (collectively referred to as “SEBI Circulars”), Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India and other applicable laws, rules and regulations (including any statutory modification or re-enactment thereof) for the time being in force and as amended from time to time.

The Board of Directors of the Company proposes to obtain the consent of the members by way of Postal Ballot for the matters as considered in the Special Resolution appended below. The Explanatory Statement, pursuant to Section 102(1) of the Companies Act 2013 (‘Act’), pertaining to the said Resolution, setting out the material facts concerning the item and the reasons thereof is annexed hereto for your consideration.

The Board of Directors have appointed Mr. Manoj R. Hurkat holding (Membership No. F4287 and Certificate of Practice No. 2574), Practicing Company secretary, as the Scrutinizer for conducting the Postal Ballot through electronic voting (Remote e-voting) process, in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose. The Scrutinizer's decision on the validity of the Postal Ballot through electronic voting shall be final.

In view of the current pandemic situation of Covid-19 and in compliance with the requirements of MCA and SEBI Circulars, this Notice is being sent through electronic mode only, and hard copy of Notice along with Postal Ballot Forms and pre-paid business envelope will not be sent to the Members for this Postal Ballot.

In compliance with the provisions of Section 108 & 110 of the Companies Act, 2013 read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (“Listing Regulations”) and any other applicable provisions, if any, the Company is pleased to provide members (whether holding shares in physical or in dematerialized form) the facility to cast their vote electronically for the resolution proposed to be passed through postal ballot.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for providing Remote e-voting facility to the Members of the Company. The Remote e-voting facility is available at the link [www.evotingindia.com](http://www.evotingindia.com). Members desiring to opt for the Remote e-voting facility are requested to read carefully the related notes to this Postal Ballot Notice and instructions given thereunder.

The scrutinizer will submit his report, after completion of the scrutiny, to the Chairman of the Company or any other person of the Company authorized by the Chairman of the Company. The result of the voting on the Resolution will be declared on Monday, January 24, 2022 at the corporate office of the Company, “GHCL House”, B-38, Institutional Area, Sector-1, Noida – 201301, and will be displayed on the Company’s website [www.ghcl.co.in](http://www.ghcl.co.in) and Notice Board of the Company and will be communicated to National Stock Exchange of India Limited, BSE Limited, where the Company’s equity shares are listed and Central Depository Services (India) Limited (CDSL).

The resolution, if approved by the requisite majority, will be deemed to have been passed on the last date specified for e-voting i.e. Friday, January 21, 2022.

## **SPECIAL BUSINESS**

### **ITEM 1:**

#### **TRANSFER OF HOME TEXTILES BUSINESS OF THE COMPANY BY WAY OF SLUMP SALE ON A ‘GOING CONCERN’ BASIS TO INDO COUNT INDUSTRIES LIMITED (“ICIL”)**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) read with Section 110 and other applicable provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 (including statutory modification(s) or re-enactment(s) thereof, for the time being in force), the provisions of Memorandum and Articles of Association of the Company, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals, consents, permissions and sanctions from financial institutions / banks and other lenders and any other statutory and regulatory authorities, if any, as may be necessary and subject to such terms, conditions, alterations, corrections,

changes, variations and / or modifications, if any, as may be stipulated by any such authority, institution or entity, while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company ("**Board**") ("hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution"), consent of the Members of the Company be and is hereby accorded to transfer, sell, hive-off of the Company's Home Textiles Business along with its respective assets and liabilities (including employees / contracts etc. pertaining to such business, as may be required) ("**Undertaking**"), as a going concern on a 'slump sale basis', to Indo Count Industries Limited ("**ICIL**" or "**Buyer**") on the terms and conditions agreed to under the Business Transfer Agreement ("BTA") executed by or on behalf of the Company for an agreed cash consideration of INR 539 Crores (Indian Rupees Five Hundred and Thirty Nine Crores), subject to certain adjustments specified in the BTA, and on terms and conditions specified in the BTA and other agreements executed or to be executed by the Company with the Buyer".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, matters, deeds and things necessary or desirable in connection with or incidental to give effect to the above resolutions including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit , with further powers to delegate all or any of the above authorities conferred to it to any officer(s)/authority(ies)/person(s) of the Company, including filing of necessary forms with the Registrar of Companies as may be required in relation to such amendments and to comply with all other requirements in this regard".

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by this Resolution, to any Director(s), or to any committee of Board of Directors or any other officer(s) / authorized representative(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this Resolution".

**"RESOLVED FURTHER THAT** all actions taken by the Board of Directors in connection with any of the matters referred to or contemplated in any of the foregoing resolutions are hereby approved, confirmed and ratified in all respects."

By Order of the Board  
**For GHCL Limited**  
**Sd/-**

Bhuwneshwar Mishra  
Sr. GM-Sustainability & Company Secretary  
Membership No. FCS 5330

Dated: December 6, 2021  
Place: Noida

## NOTES:

1. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 read with Section 110 of the Act and any other applicable provisions in respect of the Resolutions are annexed hereto.
2. The Postal Ballot Notice is being sent to the members by the prescribed mode under the Rules whose names appear in the Register of Members/ Record of Depositories as on Friday, December 17, 2021 i.e. the cut-off date for dispatch of Postal Ballot Notice. It is however, clarified that all members of the Company as on the closure of cut-off date (including those members who may not have received this Notice due to non-registration of their email IDs with the Company or the Depositories) shall be entitled to vote in relation to the resolution specified in this Notice .
3. The Postal Ballot Notice is being sent electronically by email to those members whose name appears on the Register of Members/List of Beneficial Owners received from the Depositories as on Friday, December 17, 2021.
4. Members whose names appear on the Register of Members / List of Beneficial Owners as on Friday, December 17, 2021 will be considered for the purpose of voting. A person who is not a Member of the Company as on Friday, December 17, 2021 i.e. the cut-off date for reckoning voting rights, should treat this Notice for information purposes only.
5. The voting period will commence on Thursday, December 23, 2021 at 09.00 a.m. (IST) and ends on Friday, January 21, 2022 at 05.00 p.m. (IST) (inclusive of both days) for the Members exercising their voting by Postal Ballot through electronic voting. The Remote e-voting module shall be disabled by Central Depository Services (India) Limited (CDSL) for voting thereafter.
6. The Members can opt for only one mode of voting, i.e. Postal Ballot through Remote e-voting. In case members cast their votes by any other means, the same will be treated as invalid. The Company will send Postal Ballot Notice by e-mail to all its Members who have registered their e-mail addresses with the Company, their Registrars and Transfer Agents or Depository/Depository Participants and the communication of assent/ dissent of the Members will only take place through the E-voting system not later than 5:00 pm Friday, January 21, 2022 failing which it will be strictly considered that no reply has been received from the Member.
7. A member desiring to cast vote by remote e-voting is requested to carefully read the instructions printed in the Postal Ballot Notice, as applicable, and cast their votes in electronic mode on or before 05:00 p.m. on Friday, January 21, 2022.
8. A Member cannot exercise his vote by proxy on postal ballot. However, Corporate and Institutional Members shall be entitled to vote through their authorised representatives. Corporate and Institutional Members are requested to provide a proof of authorization (i.e. Board Resolution/Authority Letter/Power of Attorney etc.) in favour of the authorised representatives by sending an email to the Company at [secretarial@ghcl.co.in](mailto:secretarial@ghcl.co.in) not later than 5.00 pm on Friday, January 21, 2022.

9. A Members who has not received the Postal Ballot Notice by e-mail and wish to obtain a copy of the Postal Ballot Notice, can obtain the same, by sending e-mail to [secretarial@ghcl.co.in](mailto:secretarial@ghcl.co.in) or by downloading from the Company's website [www.ghcl.co.in](http://www.ghcl.co.in)
10. Barring unforeseen circumstances, the results of the Postal Ballot will be declared on Monday, January 24, 2022 at the corporate office of the Company i.e. "GHCL House" B-38, Institutional Area, Sector-1, Noida, (UP) -201301. The results of the postal ballot along with the scrutinizer's report will be placed on the Company's website [www.ghcl.co.in](http://www.ghcl.co.in) and Notice Board of the Company and on the website of CDSL and will be communicated to National Stock Exchange of India Limited and BSE Limited, where the Company's equity shares are listed.
11. The resolution will be taken as passed on the last date specified by the Company for receipt of duly completed postal ballot forms or e-voting i.e. Friday, January 21, 2022, "deemed date of passing of the resolution", if the resolutions is approved by the members with the requisite majority.

All the material documents referred to in the explanatory statement will be available for inspection at the registered office of the Company during 02:00 p.m. to 04:00 p.m. on all working days from date of dispatch until the last date of receipt of votes by Postal Ballot through Remote e-voting i.e. Friday, January 21, 2022. Shareholders willing to inspect such documents can send an e-mail to [secretarial@ghcl.co.in](mailto:secretarial@ghcl.co.in).

12. Voting through electronic means:

- a) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company is pleased to provide members the facility to its members, to cast their vote electronically for the resolution proposed to be passed through postal ballot. The Company has appointed Central Depository Services (India) Ltd. (CDSL) to provide Remote e-voting facility to its members.
- b) The voting right of shareholders shall be in proportion to one vote per fully paid equity share of the Company held by them as on the cut-off date i.e. Friday, December 17, 2021.
- c) The remote e-voting period commences at 9:00 a.m. on Thursday, December 23, 2021, and ends at 5:00 p.m. on Friday, January 21, 2022, (inclusive of both days). The Remote e-voting module shall be disabled by CDSL for voting thereafter. During the Remote e-voting period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, December 17, 2021, may cast their vote electronically.

**THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E- VOTING ARE AS UNDER:**

- (i) Pursuant to SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

In order to increase the efficiency of the voting process, all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants, able to cast their vote without having to register again with the e-voting service providers (ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**A. Pursuant to said SEBI Circular, login method for e-Voting for Individual Members holding securities in Demat mode is given below:**

Type of Members	Login Method
Individual Members holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ol>

<p>Individual Members holding securities in demat mode with <b>NSDL</b></p>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting</li> </ol>
<p>Individual Members (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>

- (ii) Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**B. Login method of e-Voting for Members other than individual Members & physical Members.**

- i. Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on “Members” tab.
- iii. Now Enter your User ID
  - (a) For CDSL: 16 digits beneficiary ID,
  - (b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
DOB#	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the Client id/Folio number in the dividend Bank details field.</li> </ul>

- vii. After entering these details appropriately, click on “SUBMIT” tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- x. Click on the EVSN for the relevant <GHCL Limited> on which you choose to vote.
- xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option



- YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the “RESOLUTION FILE LINK” if you wish to view the entire Resolution details.
  - xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
  - xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
  - xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
  - xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

**C. Note for Non – Individual Members and Custodians**

**Step 1:** Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

**Step 2:** A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**Step 3:** After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

**Step 4:** The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

**Step 5:** A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**Step 6:** Alternatively, Non Individual Members are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, at least 48 hours before the meeting to the Company at [secretarial@ghcl.co.in](mailto:secretarial@ghcl.co.in), if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**13. For Assistance / Queries for e-voting etc.**

Login type	Helpdesk details
(i) Individual Members holding securities in Demat mode with CDSL	(a) If you have any queries or issues regarding attending e-voting from the e-voting system, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at

	<p><a href="http://www.evotingindia.com">www.evotingindia.com</a> under help section or write an email to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).</p> <p>(b) All grievances connected with the facility for voting by electronic means may be addressed to <b>Mr. Rakesh Dalvi, Manager, (CDSL)</b> Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or call on 022-23058542/43.</p>
(ii) Individual Members holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

14. Members holding shares in physical form are requested to intimate Registrar and Transfer Agents of the Company viz., M/s. Link Intime India Private Limited, Unit: GHCL Limited, Mr. Ganapati Haligouda, C-101, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083, changes, if any, in their Bank details, registered address, Email ID, etc. along with their Pin Code. Members holding shares in electronic form may update such details with their respective Depository Participant.

15. Mr. Manoj R. Hurkat, Practicing Company Secretary holding Membership No. F4287 and Certificate of Practice No. 2574 has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Board has also authorised Chairman to appoint one or more scrutinizers in addition to and/or in place of Mr. Manoj Hurkat.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

#### **TRANSFER OF HOME TEXTILES BUSINESS OF THE COMPANY BY WAY OF SLUMP SALE ON A 'GOING CONCERN' BASIS TO INDO COUNT INDUSTRIES LIMITED ("ICIL")**

The Board of Directors of the Company ("Board"), at its Board Meeting held on December 6, 2021, subject to receipt of requisite approvals (including shareholders), as applicable, have amongst others, approved to (i) withdraw the current on-going Scheme of Demerger of Textiles Division to GHCL Textiles Limited; (ii) to sell, transfer, assign the home textiles undertaking of GHCL, located at Vapi Gujarat ("**HT Business**") by way of a slump sale to Indo Count Industries Limited ('**ICIL**') ("**Slump Sale**") and (iii) to demerge the spinning division of GHCL into GHCL Textiles Limited.

GHCL is a well-diversified company having presence in chemicals, textiles, and consumer products segment. GHCL is one of the leading manufacturers of soda Ash, being its core

business and a strategic growth pillar. With a view to have greater focus on its core business (i.e., Chemicals and Textiles), GHCL initiated the process of carving out its Textiles Business to GHCL Textiles Limited, to segregate both business(es) and to have two separate listed entities, with mirror shareholding. Presently, the Scheme is under implementation.

In the interim, GHCL has got an opportunity to unlock value of its Home Textiles business, not being its strategic growth area, by selling the same to ICIL. The Company believes that this sale would unlock the value for its stakeholders as the proceeds of the sale would be used to grow its core business of Chemicals. Accordingly, the Company is modifying its strategy to unlock greater value for its stakeholders wherein the HT business would be transferred to ICIL by way of a Business Transfer Agreement dated December 6, 2021 ("**BTA**") for a consideration of INR 539 crores (Rupees Five Hundred and Thirty Nine Crores) of which fixed consideration is INR 340 crores and balance INR 199 crores is towards net realizable current assets (subject to certain adjustments in accordance with the BTA), and the remainder of the Textile Business (i.e., the Spinning Business) will be demerged into GHCL Textiles Limited. In furtherance of the Slump Sale, the Board has entered into a business transfer agreement and other ancillary agreements with Indo Count Industries Limited under which the HT Business will be transferred to ICIL.

In line with the group's decision of a complete divestment of Home Textiles Business, the Company's US based subsidiary, Grace Home Fashions LLC (GHF), has also entered into an Asset Transfer Agreement ("**ATA**") for transfer of identified assets (i.e., inventory and intellectual property) to Indo Count Global Inc., USA, a US subsidiary of Indo Count for an agreed consideration of approx. INR 37 crores (Indian Rupees Thirty-Seven Crores) (subject to certain adjustments as provided for under the ATA, if any). In addition, company/GHF expects to realise approx. INR 20 crores (Indian Rupees Twenty Crores) on its own account.

The Company believes that the divestment of Home Textiles Business is a significant value unlocking exercise for GHCL and its stakeholders, which would enable GHCL to continue to focus on its strategic growth pillar, i.e., Chemical business, where it has the opportunity to undertake various initiatives, such as, greenfield expansion, increasing its product baskets, enhancing the capacity of refined bio-carbonate business, enter into JV's/ arrangements, exploring opportunities in automation.

The entire Home Textile business (including all related assets and liabilities) of the Company is proposed to be transferred as a going concern on a 'slump sale' basis (as defined under Section 2(42C) of the Income - Tax Act, 1961) for a lump sum consideration, without values being assigned to individual assets and liabilities.

In terms of Section 180(1)(a) of the Companies Act, 2013, for disposal of the whole or substantially the whole of any of such undertaking(s) of the Company, consent of the members is required by way of a Special Resolution. The approval of Members is sought to be obtained under the provisions of Section 110 of the Companies Act, 2013 read with provisions of Companies (Management and Administration) Rules, 2014, through postal ballots (including e-voting) as set out in the EGM Notice. The approval given by the members shall also be operative in respect of any other approval as may be required or necessary under any other provisions, if any of the Companies Act, 2013 and the SEBI-LODR in respect of the transaction contemplated by this resolution.

Closing of the Transaction is conditional inter alia upon passing of the Special Resolution by the shareholders of your Company, fulfilment of condition precedent agreed between the parties and receipt of all the requisite approvals.

The Board of Directors is of the opinion that the aforesaid Special Resolution is in the best interest of the Company and hence, recommends the Special Resolution for approval of the Members.

None of the Directors, Key Managerial Personnel(s) or their relatives are in any way concerned or interested in the above resolution, except to the extent of their shareholding, if any, in the Company.

**Details of Acquirer (i.e. Indo Count Industries Limited):**

Indo Count Industries Limited ('**Indo Count**') is a listed company engaged in the business of manufacturing of home textiles and its products broadly includes Bed Sheet, Pillow Cover and Comforter.

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

**Sd/-**

Bhuweshwar Mishra

Sr. GM-Sustainability & Company Secretary  
Membership No. FCS 5330

Dated: December 6, 2021

Place: Noida