GHCL Limited

March 16, 2020

National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.

NSE Code: GHCL

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

BSE Code: 500171

Dear Sir/Madam,

Subject: Outcome of Board meeting held on March 16, 2020 – Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, intimation be and is hereby given that Board of Directors in their just concluded meeting held on March 16, 2020 has approved the following:

(i) **Interim Dividend & Record Date**: Interim Dividend of **Rs.** 3/- per equity share for the financial year 2019-20 on the paid-up capital of 9,50,13,286 equity shares of the Company. The Record Date for the purpose of Interim Dividend is fixed on **March 26, 2020** and the payment shall be made at the earliest but not later than thirty days from the date of declaration.

(ii) **Demerger of the Textiles business of the Company**: The Board of Directors ('**Board**') of GHCL Limited (**'GHCL' or 'Company'**) has today approved, subject to approval of its shareholders, creditors and other regulatory approvals as may be required, including those of the Stock Exchanges, SEBI and the National Company Law Tribunal(s) (**'NCLT'**), a proposal to demerge the Textiles business of the Company pursuant to a Scheme of Arrangement between GHCL Limited and Resulting Company (**'R Co.'**) *(which shall be incorporated as a wholly owned subsidiary of GHCL Limited)* and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 (hereinafter referred to as "**Scheme**").

Please note that **Transaction Square LLP** has acted as the advisor to this Scheme.

(iii) Incorporation of a Wholly Owned Subsidiary of GHCL Limited, for the purpose of demerger of Textiles business of the Company as per Scheme of Arrangement approved by the Board.

Please also find **Annexure 1** containing details of Scheme as per Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

You are requested to kindly take note of the same and please also take suitable action for dissemination of this information through your website at the earliest. In case you need any other information, please let us inform. Please note that the board meeting commenced at 2.00 p.m. and concluded at 3.10 P.M p.m.

Thanking you,

For GHCL Limited

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

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Regd. Office : GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad, Gujarat - 380009, India

ANNEXURE 1

I. Details under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with clause 1.3. of Annexure I of the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015:

<table>
<tr><th>S.No.</th><th>Particulars</th><th>Details</th></tr>
<tr><td>a)</td><td>Brief details of the division(s) to be demerged:</td><td>Textiles Business of the GHCL Limited ('Demerged Company') consists of manufacture and sale of textiles (including but not limited to yarn manufacturing along with weaving, processing, cutting and sewing of home textiles products).</td></tr>
<tr><td>b)</td><td>Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year:</td><td>(INR Crore)
<table>
<tr><th>S.No.</th><th>Particulars</th><th>Turnover of the Demerged Division as on 31-Mar-19 (Standalone)</th><th>Percentage to the total turnover of the listed entity as on 31-Mar-19 (Standalone)</th></tr>
<tr><td>1</td><td>Textiles Business</td><td>1,195.49</td><td>35.5%</td></tr>
</table></td></tr>
<tr><td>c)</td><td>Rationale for the Proposed Scheme:</td><td>Each of the business segments (i.e. Chemicals and Textiles) of GHCL represents independent business divisions of GHCL. The said businesses have evolved within the company and are presently at different stages of maturity with differing risk and return profiles and capital and operational requirements. The management believes that the nature of offerings and the risk and return profile of the Textiles business (i.e. "Demerged Business") is very different from that of the other businesses of GHCL, which inter-alia include manufacturing and sale of inorganic chemicals along with related activities.

In order to maximize value of all stakeholders, the Board of Directors of GHCL intends to transfer the Textiles business of GHCL to the Resulting Company (to be incorporated as a wholly owned subsidiary of GHCL), which would enable a more efficient, effective and focused management and utilization of resources and talent, and for administrative convenience. It is expected that such restructuring will be beneficial for GHCL and its shareholders as it would result in a better focus on the Demerged Business and the Remaining Business and unlock the value of the said businesses for the shareholders.

Further, the demerger will enable the Remaining Business of the Demerged Company to provide focused leadership and management attention on its Chemicals business, through its specialized team which has built expertise over the years.</td></tr>
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GHCL Limited ★ GHCL ★ B-38, Institutional Area, Sector-1, Noida

d)	**Brief details of change in Shareholding pattern:**	There will be no change in the shareholding pattern of the Demerged Company. The Resulting Company shall issue the shares to the shareholders of the Demerged Company as per the share exchange ratio provided in point (e) below. The equity shares to be held by GHCL in the Resulting Company shall be cancelled. Hence, the Resulting Company's shareholding pattern will mirror the shareholding pattern of the Demerged Company upon effectiveness of the Scheme.
e)	**Consideration and/ or Share Exchange Ratio:**	The Resulting Company shall without any further act, issue and allot its equity shares of face value of Rs. 2 each as consideration to each equity shareholder of the Demerged Company, whose name is recorded in the register of members of the Demerged Company as on Record date or to their respective heirs, executors, administrators or other legal representatives or successors-in-title, as the case may be, in the following manner: *"1 (One) equity share of the Resulting Company of face value of INR 2 each fully paid up shall be issued for every 1 (One) equity share of INR 10 each fully paid up held in the Demerged Company (i.e. GHCL)"* The aforesaid ratio for the issue of equity shares by the Resulting Company against the equity shares held by the shareholders in the Demerged Company is based on the recommendations made in the Share Entitlement Report(s) dated March 16, 2020 issued by N S Kumar & Co., Chartered Accountants (Firm Registration No. 139792W) (an affiliate of Transaction Square LLP) and Mr. Niranjan Kumar, Registered Valuer (IBBI Registration No - IBBI/RV/06/2018/10137). In addition, the Fairness Opinion report confirmed that the share exchange ratio in the Share Entitlement Report is fair to the Demerged Company and the Resulting Company and their respective shareholders.
f)	**Whether listing would be sought for the Resulting Company:**	The new shares of the Resulting Company to be issued and allotted to the shareholders of GHCL (other than the Company and/or any subsidiary(ies) of the Company) as consideration under the Scheme, would be applied for listing on BSE Limited and National Stock Exchange of India Limited, where the existing equity shares of the Company are listed.

For GHCL Limited

Bhuwneshwar Mishra
Sr. General Manager & Company Secretary

GHCL Limited B-38, Institutional Area, Sector-1, Noida GHCL