

November 23, 2020

National Stock Exchange of India Limited

“Exchange Plaza”
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCL

BSE Limited

Corporate Relationship Department,
1st Floor, New Trading Ring, Rotunda Building,
P.J. Towers,
Dalal Street, Fort, Mumbai – 400 001
BSE Code: 500171

Dear Sir / Madam,

Subject: Intimation regarding receipt of Observation letters from BSE Limited and the National Stock Exchange of India Limited in relation to the proposed Scheme of Arrangement between GHCL Limited (‘GHCL’ or ‘Demerged Company’) and GHCL Textiles Limited (‘GHCL Textiles’ or ‘Resulting Company’) and their respective shareholders and creditors (‘Scheme’)

Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in continuation to our earlier intimation dated 16-March-2020, wherein it was informed that the Board of Directors of GHCL Limited had approved the Scheme of Arrangement involving demerger of Textiles Business Undertaking of GHCL Limited to GHCL Textiles Limited, subject to receipt of applicable regulatory approvals.

In this regard, we would like to inform you that BSE Limited and the National Stock Exchange of India Limited, vide their letters dated November 19, 2020, have issued their Observation Letters as required under Regulation 37 of the Listing Regulations with 'No adverse observation/ No-objection', to the proposed Scheme (copies attached).

The aforesaid Observation letters are also being hosted on the website of the Company viz: www.ghcl.co.in.

You are requested to kindly take the above on record.

Thanking You,

Yours Faithfully,

For GHCL Limited

Bhwneshwar Mishra

Sr. General Manager & Company Secretary

Place: Noida

Encl: As above

DCS/AMAL/SD/R37/1847/2020-21

“E-Letter”

November 19, 2020

The Company Secretary,

GHCL LTD.

GHCL House, Opp Punjabi Hall,
Near Navrangpura Bus Stand, Navrangpura,
Ahmedabad, Gujarat- 380009

Dear Sir,

Sub: Observation letter regarding the Draft Scheme of Arrangement of GHCL Ltd with GHCL Textiles Ltd and their respective shareholders and creditors.

We are in receipt of Draft Scheme of Arrangement of GHCL Ltd filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its Email dated November 19, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall ensure that applicable information pertaining to unlisted companies – GHCL Textiles Ltd is included in abridged prospectus as per specified format.”
- “Company shall ensure that additional information, if any, submitted by the Company, after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges.”
- “Company shall duly comply with various provisions of the Circular.”
- “Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.”
- “It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of GHCL Textiles Ltd shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, GHCL Textiles Ltd shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of GHCL Textiles Ltd is at the discretion of the Exchange. In addition to the above, the listing of GHCL Textiles Ltd pursuant to the Scheme of Amalgamation shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about GHCL Textiles Ltd in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all the information of GHCL Textiles Ltd in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.
3. To disclose all the material information about GHCL Textiles Ltd on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:
 - i. The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange.”
 - ii. “There shall be no change in the shareholding pattern of GHCL Textiles Ltd between the record date and the listing which may affect the status of this approval.”

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any

contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sd/-

Nitinkumar Pujari
Senior Manager

National Stock Exchange Of India Limited

Ref: NSE/LIST/24227_II

November 19, 2020

The Company Secretary
GHCL Limited
GHCL House, Opp. Punjabi Hall,
Near Navrangpura Bus Stand,
Navrangpura, Ahmedabad- 380009

Kind Attn.: Mr. Bhuneshwar Mishra

Dear Sir,

Sub: Observation Letter for the Draft Scheme of Arrangement between GHCL Limited and GHCL Textiles Limited and their respective shareholders and creditors

We are in receipt of the Draft Scheme of Arrangement between GHCL Limited (Demerged Company) and GHCL Textiles Limited (Resulting Company) and their respective shareholders and creditors vide application dated July 17, 2020.

Based on our letter reference no Ref: NSE/LIST/24227 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), kindly find following comments on the draft scheme:

- a. *The Company shall ensure that additional information, if any submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company.*
- b. *The Company shall duly comply with various provisions of the Circular.*
- c. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company obliged to bring the observations to the notice of NCLT.*
- d. *The Company shall ensure that applicable information pertaining to unlisted companies – GHCL Textiles Limited is included in abridged prospectus as per specified format.*
- e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/ observation/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No-objection” in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, to enable the Company to file the draft scheme with NCLT.

However, the listing of equity shares of GHCL Textiles Limited (Resulting Company) on the National Stock Exchange India Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957. Further, GHCL Textiles Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authorities and Rules, Byelaws and Regulations of the Exchange.

The Company should also fulfill the Exchange’s criteria for listing of such company and also comply with other applicable statutory requirements. However, the listing of shares of GHCL Textiles Limited (Resulting Company) is at the discretion of the Exchange.

The listing of GHCL Textiles Limited (Resulting Company) pursuant to the Composite Scheme of Arrangement shall be subject to SEBI approval & Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about GHCL Textiles Limited (Resulting Company) and its group companies in line with the disclosure requirements applicable for public issues with NSE for making the same available to the public through website of the companies.
2. To publish an advertisement in the newspapers containing all the information about GHCL Textiles Limited (Resulting Company) in line with the details required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as NSE.
3. To disclose all the material information about GHCL Textiles Limited (Resulting Company) to NSE on the continuous basis so as to make the same public, in addition to the

requirements, if any, specified in SEBI (LODR) Regulations, 2015 for disclosures about the subsidiaries.

4. The following provision shall be incorporated in the scheme:
- (a) “The shares allotted pursuant to the Scheme shall remain frozen in the depositories system till listing/trading permission is given by the designated stock exchange.”
 - (b) “There shall be no change in the shareholding pattern or control in GHCL Textiles Limited (Resulting Company) between the record date and the listing which may affect the status of this approval.”

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this “Observation Letter” shall be six months from November 19, 2020 within which the scheme shall be submitted to NCLT.

Yours faithfully,
For National Stock Exchange of India Limited

Jiten Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm