GANESHA ECOSPHERE LIMITED

GESL/2023-24

August 29, 2023

To,
The BSE Limited,
Corporate Relationship Department,
1st Floor, New Trading Wing,
Rotunda Building,
PJ Towers,
Dalal Street, Fort,
Mumbai-400 001.
Fax No.: 022-22723121, 22722037
Scrip Code: 514167

To,
National Stock Exchange of India Limited
Exchange Plaza,
Bandra- Kurla Complex,
Bandra (East),
Mumbai-400051.
Tel No.: 022-26598100-8114/ 66418100
Fax No. : 022-26598237/38
Scrip Symbol: GANECOS

Sub: Annual Report for the FY-2022-23 along with Notice of 34th Annual General Meeting

Dear Sir/ Ma'am,

Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith a copy of the Annual Report for the Financial Year 2022-23 along with the Notice of 34th Annual General Meeting of the Company scheduled to be held on Thursday, September 21, 2023 at 12:00 Noon to transact the business as set out in the Notice.

Kindly take the above on record and oblige.

Thanking you,

Yours faithfully,

For Ganesha Ecosphere Limited

Bharat Kumar Sajnani
Digitally signed by Bharat Kumar Sajnani
Date: 2023.08.29 23:20:33 +05'30'

(Bharat Kumar Sajnani)
Company Secretary-cum-Compliance Officer

Encl: As above

GESL

GANESHA ECOSPHERE LIMITED

CIN: L51109UP1987PLC009090

Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304

E-mail : **secretarial@ganeshaecosphere.com**, Website : **www.ganeshaecosphere.com**

Tel. No. 0512- 2555505-06, +91-9198708383, Fax No. 0512-2555293

NOTICE

NOTICE is hereby given that the **THIRTY-FOURTH ANNUAL GENERAL MEETING** of the Members of **GANESHA ECOSPHERE LIMITED** will be held on **Thursday, the 21st day of September, 2023 at 12:00 Noon** at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 and the Report of the Auditors thereon.

2. To declare Dividend on Equity Shares for financial year ended on March 31, 2023.

3. To appoint a Director in place of Shri Shyam Sunder Sharmma (DIN: 00530921), who retires by rotation and being eligible, offers himself for re-appointment, and in this regard to consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 and Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, Shri Shyam Sunder Sharmma (DIN: 00530921), aged 80 years, Director of the Company, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

4. To appoint Shri Narayanan Subramaniam (DIN: 00166621), as an Independent Director of the Company and in this regard to consider and, if thought fit, to pass the following resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, Shri Narayanan Subramaniam (DIN: 00166621), who was appointed as an Additional (Non- Executive Independent) Director of the Company w.e.f. August 24, 2023, by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee, pursuant to Section 161(1) of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and being eligible for appointment, submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received notice in writing under Section 160(1) of the Act, from a member proposing his candidature for the office of an Independent Director, be and is hereby appointed as a Non- Executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years with effect from August 24, 2023."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To ratify the remuneration of the Cost Auditors in respect of Company's product 'Yarn', for the financial year ending March 31, 2024 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. R. M. Bansal & Co., Cost Accountants, having Firm Registration No. 000022, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the Cost Records of the Company in respect of its product 'Yarn' for the financial year ending March 31, 2024 amounting to ₹60,000/- (Rupees Sixty Thousand only), plus taxes as applicable and re-imbursement of actual travel/ conveyance and out-of-pocket expenses incurred in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

6. To ratify the remuneration of the Cost Auditors in respect of Company's product 'Recycled Polyester Staple Fibre', for the financial year ending March 31, 2024 and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Rakesh Misra & Co., Cost Accountants, having Firm Registration No. 000249, appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the Cost Records of the Company in respect of its product 'Recycled Polyester Staple Fibre' for the financial year ending March 31, 2024 amounting to ₹60,000/- (Rupees Sixty Thousand only), plus taxes as applicable and re-imbursement of actual travel/ conveyance and out-of-pocket expenses incurred in connection with the aforesaid audit, as recommended by the Audit Committee and approved by the Board of Directors of the Company, be and is hereby ratified and confirmed."

7. To re-appoint Shri Sharad Sharma (DIN: 00383178) as Managing Director of the Company and in this regard, to consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended, and subject to such approvals as may be necessary, consent of the Members of the Company be and is hereby accorded to the re-appointment of Shri Sharad Sharma (DIN: 00383178) as Managing Director of the Company, for a period of 5 (five) years with effect from February 1, 2024, subject to retirement by rotation, on the following terms and conditions as recommended by the Nomination and Remuneration Committee:-

(A) SALARY:

Salary of ₹3,00,000/- per month; up to a maximum of ₹5,00,000/- per month.

The increment will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee within the said maximum amount and will be effective from 1st April each year.

(B) PERQUISITES:

I. The Managing Director shall be entitled to the perquisites like furnished accommodation or House Rent Allowance in lieu thereof, together with reimbursement of expenses for utilisation of gas, electricity, water, reimbursement of medical expenses, leave travel concession for self and family, club fees, premium towards personal accident insurance and mediclaim and all other payments in the nature of perquisites and allowances as agreed by the Board of Directors from time to time, subject however that the aggregate monetary value of the perquisites in any case shall not exceed ₹12,00,000/- per annum without restriction to any sub limit on individual perquisite.

Explanation:-

"Family" here means the spouse and dependent children of the Managing Director.

For the purpose of calculating the above ceiling, perquisites shall be evaluated as per the Income-Tax Rules, wherever applicable. In the absence of any such Rules, perquisites shall be evaluated at actual cost.

Use of Company's Car for official purpose, mobile and basic telephone at residence (including payment for local calls and long distance official calls), shall not be included in the computation of perquisites for the purpose of calculating the said ceiling.

Apart from the reimbursement of medical expenses as stated in Para I above, in case of medical expenses of exceptional nature incurred on the treatment of the Managing Director, the Company will bear total expenses actually incurred on medical treatment including hospitalization and travelling, subject to the necessary approvals, if any.

Leave & encashment/ accumulation of un-availed leave shall be as per the rules of the Company.

II. The Managing Director shall be entitled to reimbursement of entertainment and other expenses actually and properly incurred by him in connection with the business of the Company.

(C) ADDITIONAL REMUNERATION:

In addition to the Salary & Perquisites, as specified supra, the Managing Director shall be entitled to receive additional remuneration based upon the quarterly financial performance of the Company, subject to the condition that the total remuneration payable to him shall not exceed the limits laid down under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder. The composition, mode and manner of payment of such additional remuneration shall be finalized in consultation with the Managing Director."

"RESOLVED FURTHER THAT the annual remuneration payable to Shri Sharad Sharma, Promoter and Managing Director of the Company, may exceed the limits prescribed under Regulation 17(6)(e) of the SEBI Listing Regulations subject however that the total remuneration payable to him, in any financial year during the currency of his term, shall not exceed the limits laid down under Section 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder."

"RESOLVED FURTHER THAT where in any financial year during the currency of term of Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay to Managing Director, remuneration by way of Salary and Perquisites as specified above subject however to the provisions of Schedule V and other applicable provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter, vary and modify the terms and conditions of appointment of Shri Sharad Sharma from time to time, during the tenure of his appointment as Managing Director of the Company including salary, perquisites and additional remuneration, provided however that the total remuneration payable to him shall not at any time exceed the limit prescribed under Schedule V and all other applicable provisions of the Companies Act, 2013 and Rules framed thereunder."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution without being required to seek further approval of the Members and the approval of the Members shall be deemed to have been given thereto expressly by the authority of this resolution."

8. **To approve entering into material related party transactions with GESL Spinners Private Limited and in this regard, to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:**

   "RESOLVED THAT pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, if any) read with circulars issued by SEBI from time to time and the Company's Policy on Related Party Transactions and based on the approval of Audit Committee, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company ("Board"), for entering into contracts/ arrangements/ transactions (whether individually or series of transaction(s) taken together or otherwise), with GESL Spinners Private Limited, a related party of the Company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations, as per the details set out in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of all these transaction(s), whether undertaken directly by the Company or along with its subsidiary(ies), may exceed the thresholds prescribed in the SEBI Listing Regulations as applicable from time to time, provided, however, that the said contract(s)/ arrangement(s)/ transaction(s) shall be carried out at an arm's length basis and in the ordinary course of business of the Company."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/ arrangements/ transactions and to settle any questions, doubts or difficulties and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this resolution."

Date: August 24, 2023	By Order of the Board
Registered Office:	
Raipur, (Rania), Kalpi Road, Distt. Kanpur Dehat- 209304	**(Bharat Kumar Sajnani)** Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxy in order to be effective must be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.

2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

3. Corporate members are requested to send scanned copy (PDF/JPG Format) of a certified true copy of the relevant Board Resolution together with the specimen signature(s) of the representative(s) authorized under the said Board Resolution to attend and vote on its behalf at the Meeting. The said resolution be sent to the Company at secretarial@ganeshaecosphere.com with a copy marked to admin@skylinerta.com and to the Scrutinizer at sk_gupta1@rediffmail.com.

4. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.

5. A Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of Special Business under Item Nos. 4 to 8 is annexed hereto.

6. The Register of Members and Share Transfer books of the Company shall remain closed from **Friday, September 15, 2023 to Thursday, September 21, 2023 (both days inclusive).**

7. Electronic copy of the Annual Report for the FY 2022-23 and Notice of the 34th AGM of the Company *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any Member has requested for a physical copy of the same. For members who have not registered their email address, physical copies of the Notice of 34th AGM of the Company

inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode, in compliance with the relaxations provided under relevant MCA and SEBI Circulars. In case any member is desirous of obtaining hard copy of the Annual Report and Notice, he/she may send a request mentioning Folio No./ DP ID and Client ID to the Company's email id secretarial@ganeshaecosphere.com.

8. The Notice of AGM along with Annual Report 2022-23 is available on the website of the Company at www.ganeshaecosphere.com, on the website of Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on the website of NSDL at www.evoting.nsdl.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office as well as Administrative Office for inspection during business hours.

9. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to **the Company's Registrar and Share Transfer Agent (RTA), M/s. Skyline Financial Services Private Limited** at admin@skylinerta.com. In this regard, Members are requested to submit a duly signed request letter mentioning their name, folio no., address and email id along with a self-attested copy of PAN card.

   Further, to support "Green Initiative", Members are requested to provide their Email ID for service of documents through electronic mode in future.

10. Members holding shares in dematerialised mode are requested to register/ update their email addresses with their Depository Participant(s).

11. The Dividend on Equity Shares, as recommended by Board of Directors, subject to the provisions of Section 126 of the Companies Act, 2013, if approved by the Members at the AGM, will be paid, subject to deduction of Income-Tax at source (TDS) wherever applicable, to those Members:

    (a) whose names appear as 'Beneficial Owners' as at the end of the business hours on **September 14, 2023** in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited, in respect of Equity Shares held in dematerialized form; and

    (b) whose names appear on the Company's Register of Members after giving effect to valid share transmission request(s), if any, lodged with the Company / its RTA on or before the close of business hours on **September 14, 2023**, in respect of shares held in physical form.

12. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the members are requested to refer to the Finance Act, 2020 and amendments thereof. The members are requested to update their Residential Status, Category as per the Income-tax Act and PAN with Depositories (in case of shares held in demat mode) and with the Company/ RTA (in case of shares held in physical mode). Full details in this regard are available on the website of the Company at https://ganeshaecosphere.com/latest-information. The declarations/ documents required in this regard should be submitted by the Member by sending an email to the Company at secretarial@ganeshaecosphere.com or to its RTA at admin@skylinerta.com latest by **September 14, 2023**.

13. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023 has mandated the furnishing of PAN, nomination, contact details, bank account details and specimen signatures, by all the holders of physical securities of the Company. Folios wherein any one of the above cited details are not available **on or after October 1, 2023 shall be frozen by the Company's RTA**. Therefore, the Members holding shares in physical form are hereby requested to kindly furnish the above details in the formats/ forms prescribed by SEBI which are available on the Company's website at https://www.ganeshaecosphere.com/formats-for-shareholders-correspondence and on RTA's website at www.skylinerta.com

14. SEBI has introduced **Form ISR-1** for requests relating to registration of PAN, KYC details or any changes/ updation thereof. To avoid delay in receiving dividend, Members holding shares in physical form, who have not yet updated their Bank details for receiving the dividends, are requested to notify in writing their bank account details/ or any changes thereof in above mentioned form along with requisite documents to admin@skylinerta.com by **September 14, 2023.** The format of Form ISR – 1 is available on the Company's website at https://www.ganeshaecosphere.com/formats-for-shareholders-correspondence and on RTA's website at www.skylinerta.com.

15. Members holding shares in dematerialized form may please note that their bank details as furnished by the respective Depositories to the Company will be considered for remittance of dividend as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for change/deletion of their bank details. Accordingly, such Members are requested to update their Electronic Bank Mandate with their respective Depository Participant(s).

16. In case the Company is unable to pay the dividend to any Member by the electronic mode, due to non-availability of the details of the bank account, the Company shall dispatch the dividend warrants/ demand drafts to such Member by post.

17. Members holding Shares in identical order of names in more than one folio are requested to write to the Company's RTA, M/s. Skyline Financial Services Private Limited, enclosing the Share Certificates for consolidation of their holdings into one folio.

18. The Equity Shares of the Company are compulsorily tradable in demat form. The Equity Shares of the Company have been assigned **ISIN INE845D01014.**

    As per Regulation 40 of the SEBI Listing Regulations, securities of listed companies can be transferred only in demat form.

It is also mandated that transmission or transposition of securities of listed companies held in physical form shall be effected only in demat mode. In view of this as also to eliminate all risks associated with physical shares, members holding shares in physical form are urged to have their shares dematerialized. The procedure for dematerialization of shares is available at our website: https://ganeshaecosphere.com/dematerialisation

19. Members are requested to note that, the dividends which are not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in **web-Form No. IEPF-5** available on www.iepf.gov.in. For details, please refer to our Corporate Governance Report forming part of Annual Report 2022-23.

20. Members holding Shares in electronic form are requested to provide their Client-Id and DP-Id numbers at the Meeting for easy identification.

21. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.

22. The separate audited accounts of the subsidiary companies are placed on website of the Company at https://ganeshaecosphere.com/subsidiary. Any Member desirous of obtaining a copy of the same may write to the Company. These documents shall be available for inspection at the Registered Office of the Company during business hours on all working days (that is, except Sundays and Public Holidays) upto the date of the Meeting.

23. Relevant documents referred to in the Notice are open for inspection by the Members at the Registered Office of the Company on all working days (that is, except Sundays and Public Holidays) during business hours up to the date of the Meeting. The aforesaid documents will also be available for inspection by Members at the Meeting.

24. Members desirous of obtaining any information/ clarification concerning the Accounts and operations of the Company may send their query so as to reach the Company at least seven days before the Annual General Meeting, so that the desired information may be made available at the Annual General Meeting, if the Chairman permits to do so.

25. As per the provisions of Section 72 of the Companies Act, 2013 and circulars issued by SEBI, the facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in physical form and who have not yet registered their nomination are required to register the same by submitting **Form No. SH-13** with the Company or its RTA. The format of SH-13 can be downloaded from Company's website at https://www.ganeshaecosphere.com/formats-for-shareholders-correspondence. The Members holding shares in demat mode are requested to submit their nomination mandate with their Depository Participant.

26. Non-Resident Indian Members are requested to inform immediately:

    a) Change in their residential status on return to India for permanent settlement.

    b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier, to Company's Registrar & Share Transfer Agent, M/s. Skyline Financial Services Private Limited, in case of shares held in physical form and to respective Depository Participant, in case of shares held in Demat form.

27. **VOTING THROUGH ELECTRONIC MEANS:**

In terms of the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, applicable Secretarial Standards, Regulation 44 of the SEBI Listing Regulations and MCA & SEBI Circulars, **the Company is providing its members the facility to exercise votes by electronic means (remote e-voting) in respect of any or all of the resolutions contained in this notice and the business may be transacted through remote e-voting services.** Necessary arrangements have been made by the Company with NSDL for providing facility of voting through remote e-Voting. Remote E-voting is optional and members shall have the option to vote either through remote e-voting or in person at the Annual General Meeting. Members are requested to carefully read the instructions for remote e-voting before casting their vote.

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting:
From 10:00 A.M. on September 18, 2023

End of remote e-voting:
Up to 5:00 P.M. on September 20, 2023

The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by NSDL upon expiry of aforesaid period.

The Cut-off date for the purpose of remote e-voting and voting at the Annual General Meeting is **Thursday, September 14, 2023.**

Instructions relating to remote e-voting are as under:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Access to NSDL e-Voting system at https://www.evoting.nsdl.com/

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are given below:

A. Login method for e-Voting for Individual shareholders holding securities in demat mode:

In terms of SEBI Circular No. SEBI/HO/CFD/ CMD/ CIR/P/2020/242 dated 9th December, 2020 on e-voting facility provided by Listed Companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DP. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on **Ganesha Ecosphere Limited** or **e-Voting service provider name i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 2. If your are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 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 held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on **Ganesha Ecosphere Limited** or **e-Voting service provider name i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. User 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 users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. 2. After successful login of Easi/Easiest the user will also be able to see the e-Voting. Option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.

	4. Alternatively, the user can directly access e-Voting page by providing demat account number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and e-mail as recorded in the demat account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all **e-Voting Service Providers**.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.
	2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL depository website after successful authentication, wherein you can see e-Voting feature.
	3. Click on **Ganesha Ecosphere Limited** or **e-Voting service provider name i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

Note: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to Login through depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call: 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call on toll free no. 1800 22 55 33

B. Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of Beneficiary ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow instructions mentioned below in point **"Process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Click on "**Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on agree to "Terms and Conditions" by selecting on the check box.

8. Now, click on the "Login" button.

9. Then the Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

2. Select "EVEN" of Ganesha Ecosphere Limited to cast your vote during remote e-voting period.

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on any resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this Notice:

a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by email to secretarial@ganeshaecosphere.com.

b) In case shares are held in Demat mode, please provide DPID-CLIENT ID (16 digit DPID + CLIENT ID or 16 digit beneficiary ID), Name, Client Master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to secretarial@ganeshaecosphere.com. If you are an Individual Shareholder holding shares in demat mode, you are requested to refer to the login method explained at Step 1 A) Login method for e-Voting for Individual Shareholders holding securities in demat mode.

c) Alternatively, Shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

d) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

General Guidelines for shareholders

1. Institutional shareholders/ Corporate Members (i.e. other than individuals, HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to sk_gupta1@rediffmail.com with a copy marked to Company at secretarial@ganeshaecosphere.com and to NSDL at evoting@nsdl.co.in. They can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: **1800 1020 990 or 1800 22 44 30** or send a request at evoting@nsdl.co.in.

OTHER INSTRUCTIONS:

1. The facility of voting through ballot paper shall also be made available at the Meeting. Members attending the Meeting, who have not already cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper.

2. Members who have cast their vote by remote e-voting prior to the Meeting, may also attend the Meeting, but shall not be entitled to cast their vote again. Once a vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.

3. The voting rights of the shareholders (for voting through remote e-voting or by ballot paper at the Meeting) shall be in proportion to their shares of the paid-up equity share capital of the Company as on **September 14, 2023 (i.e. the "Cut-Off Date").**

4. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-Off Date only shall be entitled to avail the facility of remote e-voting as well as voting in the AGM. Any person who is not a member as on the Cut-Off Date should treat this Notice for information purpose only.

5. Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes members of the Company after **August 25, 2023 i.e. BENPOS date** considered for dispatch of the notice and holding shares as on the **cut-off date i.e. September 14, 2023**, may obtain the login ID and password by sending a request at evoting@nsdl.co.in / to Company at secretarial@ganeshaecosphere.com/ its RTA at admin@skylinerta.com. However, the members already registered with NSDL for remote e-voting can use their existing user ID and password for casting their vote. Members who have forgotten the User ID and Password can reset the password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or may call at 022 - 4886 7000 and 022 - 2499 7000.

6. In case of Individual Shareholders holding shares in Demat mode who acquire shares of the Company after **August 25, 2023** i.e. BENPOS date and are holding shares as on the Cut-off Date i.e. **September 14, 2023** may follow steps mentioned in the Notice of the AGM under **"Step 1: Log-in to NSDL e-Voting system"**.

7. Mr. S. K. Gupta, Practising Company Secretary (Fellow Membership No. 2589 and Certificate of Practice No.-1920) has been appointed as the Scrutinizer and Ms. Divya Saxena (Fellow Membership No. 5639 and Certificate of Practice No.-5352) as the Alternate Scrutinizer, to scrutinize the remote e-voting and voting through ballot paper (Polling) at AGM, in a fair and transparent manner and the Scrutinizer and the Alternate Scrutinizer have given their consent for appointment.

8. The Chairman shall, at the Annual General Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting, by use of "Ballot Paper/Polling Paper" for all those Members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

9. The Scrutinizer shall after the conclusion of voting at the AGM, will scrutinize the votes cast at the Meeting and votes cast through remote e-voting, make a consolidated Scrutinizer's Report and submit the same to the Chairman or any other person authorized by him, within 2 working days of conclusion of the Meeting. The result declared along with the consolidated Scrutinizer's Report will be placed on the website of the Company: www.ganeshaecosphere.com and on the website of NSDL at www.evoting.nsdl.com. The result will simultaneously be communicated to the stock exchanges.

10. As required under SEBI Listing Regulations and Secretarial Standards-2 on General Meetings, the relevant details in respect of director(s) seeking re-appointment under Item Nos. 3, 4 and 7 of this Notice are as below:

BRIEF PROFILE OF DIRECTORS SEEKING RE-APPOINTMENT

Name	**Shri Shyam Sunder Sharmma (DIN: 00530921)**	**Shri Sharad Sharma (DIN: 00383178)**	**Shri Narayanan Subramaniam (DIN: 00166621)**
Category of Director	Non-Executive Director	Managing Director	Non-Executive Independent Director
Date of Birth (Age in Years)	July 2, 1943 (80)	May 30, 1966 (57)	August 2, 1961 (62)
Date of first appointment on the Board	June 19, 1989	October 30, 1987	August 24, 2023

Qualification	M.Com.	B.Com.	Post graduate from IIMA, FCA, Grad CMA and FCS
Brief Resume	Mr. Shyam Sunder Sharmma, founder of the Company, aged 80 years, is a post-graduate in commerce. He is a first generation entrepreneur and textile technocrat having management experience of over 59 years including 25 years with various Birla Group Companies in senior positions. He is associated with the Company as Chairman since 1989 and appointed as Managing Director in 1990. Presently, he is holding the position of Non- Executive Chairman of the Company.	Mr. Sharad Sharma, aged 57 years, is a commerce graduate having more than 36 years' experience in marketing and distribution. He has been associated with the Company since inception and was appointed to the Board in 1992 as a Director. He was appointed as Joint Managing Director of the Company in 2004 and elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. September 18, 2018. He is responsible for overall management and operations of the Company.	Shri Narayanan Subramaniam, is a post graduate from IIMA, FCA, Grad CMA and FCS. He is a Finance Leader and has an impressive history of more than 30 years of being a business builder across technology and start-up companies for financial restructuring and growth. He has extensive experience as a seasoned board member across private equity, investment management, banking, and accounting & finance. He possesses deep proficiency in asset management, risk management, system implementation, corporate governance etc. He has served on the Board of several companies with distinction. He is also the Founder & Director of MCAP Fund Advisors. He has served on the Board of the Company as a Non-Executive Independent Director from 2014 to 2019.
Experience and Expertise in specific functional area	Textile technocrat having management experience of over 59 years	Having more than 36 years of experience in Marketing and Distribution.	Has an impressive history of more than 30 years of being a business builder across technology and start-up companies for financial restructuring and growth.
Terms & Conditions of appointment/ re-appointment including remuneration	As per Company's Policy on Nomination, Remuneration and Board Diversity		
Remuneration last drawn	As mentioned in the Corporate Governance Report (forming part of Annual Report 2022-23		N.A.
Other Directorships	• Sandeep Yarns Private Limited • Ganesha Spinners Private Limited	• Ganesha Ecopet Private Limited • Ganesha Ecotech Private Limited	• MCap Fund Advisors Private Limited • NCS Soft Solutions Private Limited • City Union Bank Limited • Asset Reconstruction Company (India) Limited • Turiya EV Charge Partners Private Limited

Chairman/ Member of Committee of the Board of other Companies of which he is a Director	NIL	NIL	• City Union Bank Limited - Stakeholders Relationship Committee- Member • Asset Reconstruction Company (India) Limited – Audit Committee- Chairman
Names of the listed entities from which he has resigned in past three years	NIL	NIL	NIL
Shareholding in Ganesha Ecosphere Limited	19,38,927 Equity Shares of ₹10/- each.	8,75,583 Equity Shares of ₹10/- each.	NIL
Relationship with other Directors and KMP of the Company	As mentioned in the Corporate Governance Report (forming part of Annual Report 2022-23)		Not Related
No. of Board Meetings attended during the financial year 2022-23	4	4	N.A.
	For details please refer to the Corporate Governance Report, forming part of Annual Report 2022-23		

ANNEXURE TO NOTICE

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

Item No. 4:

With a view to broad base the Board and to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to composition of Board and appointment of Independent Director, the Board at its Meeting held on August 24, 2023, on the recommendations of the Nomination and Remuneration Committee, inducted Shri Narayanan Subramaniam (DIN: 00166621) as an Additional (Non-Executive Independent) Director of the Company for a term of 5 (five) consecutive years w.e.f. August 24, 2023, subject to the approval of shareholders of the Company. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Shri Narayanan Subramaniam shall hold office upto the date of ensuing Annual General Meeting and is eligible to be appointed as an Independent Director of the Company.

The Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing the candidature of Shri Narayanan Subramaniam as an Independent Director of the Company.

Shri Narayanan Subramaniam, is a post graduate from IIMA, FCA, Grad CMA and FCS. He has extensive experience as a seasoned board member across private equity, investment management, banking, and accounting & finance. He has served on the Board of the Company as a Non-Executive Independent Director from year 2014 to 2019.

In compliance with Listing Regulations and Secretarial Standards-2 on General Meetings, the brief resume of Shri Narayanan Subramaniam is forming part of this notice.

Shri Narayanan Subramaniam has given his consent to act as Director and confirmed that he is not disqualified from being appointed as Director under Section 164 of the Companies Act, 2013 and he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the Listing Regulations.

Shri Narayanan Subramaniam meets the skills and capabilities required for the role as an Independent Director, which have been identified by the Board of Directors of the Company i.e., Risk Management & Strategic Planning, Knowledge of Legal and Regulatory Matters, Finance, Corporate Governance & Personal Attributes such as Integrity, Accountability etc.

The Board considers that his association as Independent Director would be of immense benefit to the Company. In the opinion of the Board, Shri Narayanan Subramaniam fulfils the conditions specified under the Act, rules made thereunder and the Listing Regulations for his appointment as an Independent Director of the Company and is independent of the management.

A copy of the draft Letter of Appointment for Independent Director is available for inspection at the Registered Office of the Company during business hours on any working day till the date of AGM.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Except Shri Narayanan Subramaniam himself, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 4 of the Notice.

Item Nos. 5 & 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the cost auditors to conduct the audit of the cost records of the Company's products

'Yarn' and 'Recycled Polyester Staple Fibre', for the financial year ending March 31, 2024 as per the following details:

Name of the Cost Auditor	Product	Audit fees (₹)
M/s. R.M. Bansal & Co.	Yarn	₹60,000/- (Rupees Sixty Thousand only) plus taxes as applicable and re-imbursement of travel/ conveyance and out-of-pocket expenses incurred in connection with the Audit.
M/s. Rakesh Misra & Co.	Recycled Polyester Staple Fibre	₹60,000/- (Rupees Sixty Thousand only) plus taxes as applicable and re-imbursement of travel/ conveyance and out-of-pocket expenses incurred in connection with the Audit.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the Members is being sought for passing Ordinary Resolutions as set out at Item Nos. 5 & 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2024.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice for approval by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions set out at Item Nos. 5 & 6 of the Notice.

Item No: 7

The Members at the 30th Annual General Meeting of the Company held on September 5, 2019, approved the re-appointment of Shri Sharad Sharma as Managing Director of the Company for a period of 5 (five) years with effect from February 1, 2019. Accordingly, the existing tenure of Shri Sharad Sharma as Managing Director of the Company would expire on January 31, 2024.

Considering his experience and valuable contribution in the Company's business, the Board of Directors of the Company at their meeting held on August 3, 2023 re-appointed Shri Sharad Sharma as Managing Director of the Company, for a further period of 5 (five) years w.e.f. February 1, 2024, liable to retire by rotation, subject to the approval of the members. The terms and conditions of his re-appointment including remuneration are in accordance with the provisions of Schedule V to the Companies Act, 2013 and have been approved by the Board as per the recommendations of the Nomination and Remuneration Committee.

Shri Sharad Sharma, aged 57 years, is a commerce graduate and having more than 36 years' experience in marketing and distribution. He has been associated with the Company since inception and was appointed to the Board in 1992 as a Director. He was appointed as Joint Managing Director of the Company in 2004 and elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. September 18, 2018. He is responsible for overall management and operations of the Company.

A brief resume of Shri Sharad Sharma as required under the provisions of the Companies Act, 2013, SEBI Listing Regulations and Secretarial Standards on General Meetings (SS-2) is placed in the Notice.

Shri Sharad Sharma has furnished the consents/declarations for his re-appointment as required under the Companies Act, 2013 read with the relevant rules made thereunder. He satisfies all the conditions set out in Part-I of Schedule V to the Act and is not disqualified from being appointed as Managing Director in terms of provisions of Section 196(3) read with Section 164 of the Act. He is also not debarred from holding the office of a Director by virtue of any order of SEBI or any other authority.

Shri Sharad Sharma is a Promoter Director of the Company and his annual remuneration individually or together with remuneration of all Promoter Executive Directors may exceed threshold prescribed under Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). Thus, in order to comply with the requirements of above regulation, the approval of the Members is also being sought in this regard by way of Special Resolution set out at Item No. 7 of the Notice.

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

Except Shri Sharad Sharma himself, Shri Shyam Sunder Sharmma, Shri Rajesh Sharma and their relatives, being related to him, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 7 of the Notice.

The resolution along with accompanying Explanatory Statement may be treated as a written memorandum setting out the terms of re-appointment of Shri Sharad Sharma within the meaning of Section 190 of the Companies Act, 2013.

Item No: 8

Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') read with the Company's Policy on Related Party Transactions provides that entering into material transactions with a related party which, either individually or taken together with previous transaction(s) during a financial year, exceed ₹1,000 Crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower, require approval of the Members of the Company.

The Company, in its ordinary course of business, proposes to enter into various transactions including sale of fibre and/or purchase of yarn, from time to time, with GESL Spinners Private Limited ("GSPL"), a related party of the Company within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the SEBI Listing Regulations and the value of such transactions proposed to be entered into with GSPL is expected to cross the above stated "materiality" threshold during the financial year 2024-25.

Accordingly, the Board of Directors of the Company at its meeting held on 3rd August, 2023, on the recommendation of the Audit Committee, recommended for the approval of the Members, for entering into material related party contracts / arrangements / transactions in the ordinary course of business and on arm's length basis with GSPL, during the financial year 2024-25.

Information as required under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 is provided herein below:

S.No.	Particulars	Details
1.	**Name of the related party, its relationship with the Company including nature of concern or interest (financial or otherwise)**	GSPL and Ganesha Ecosphere Ltd. are entities under common control. Shri Vishnu Dutt Khandelwal and Shri Rajesh Sharma, Promoters-Directors of the Company hold directorship in GSPL and they along-with other promoter directors and their relatives hold 95.81% stake in GSPL.
2.	**Type, material terms and particulars of proposed transaction**	Sale or purchase of goods and rendering and / or availing of the services for business purpose at arms length and in ordinary course of business. The above transactions would be purely operational/ integral part of the operations of the Company and will be entered in the ordinary course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates.
3.	**Tenure of the proposed transaction**	Financial year 2024-25. (The above transactions with GSPL would be of continuous in nature.)
4.	**Value of the proposed transaction**	Upto ₹300 Crore. Pricing will be benchmarked to similar transactions with unrelated parties with adjustments for commercial terms, as necessary.
5.	**The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction.**	~25%
6.	**If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary**	None
	(i) Details of the source of funds in connection with the proposed transaction; **(ii) Whether any financial indebtedness is incurred to make or give loans intercorporate deposits, advances or investments, nature of indebtedness, cost of funds, tenure etc.;** **(iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and** **(iv) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT**	Not Applicable

7.	**Justification for why the proposed transaction is in the interest of the Company**	The Company is the leading manufacturer of Recycled PSF having customers across yarn spinning, non-woven, Carpets, stuffing sectors. GESL Spinners Private Limited (GSPL) has been formed by the Company's Promoter Group with state of the art latest technology of renowned LMW to produce eco-friendly 100% recycled high quality Spun Yarn. GSPL would require fibre as raw material for spinning purpose and the Company/ its subsidiaries wish to supply the same to GSPL. Further, the Company may also undertake transactions of purchase of yarn from GSPL for dyeing on job-work. The Company's plants are located in the close proximity of GSPL, which add value for both the companies. These transactions will be in the best interest of the Company due to the following factors: • The Company will achieve synergies and economies of scale with no additional marketing expenses; • It will bring efficiency in operational and logistics costs; • The Company will be able to expand its high value added product portfolio i.e. dope dyed fibre; • This will provide a ready market w.r.t. the additional capacity of RPSF being installed in the Group. • Utilisation of the expertise within the Group.
8.	**Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis**	Not Applicable, as GSPL is yet to commence its operations.
9.	**A statement that the valuation or other external report, if any, relied upon by the Company in relation to the proposed transaction will be made available through the registered email address of the shareholders**	The transactions do not contemplate any valuation and would be carried out on arm's length terms.

The Board recommends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Members.

Members may note that pursuant to the provisions of the SEBI Listing Regulations, all related parties of the Company (whether such related party is a party to the above-mentioned transaction or not) shall not vote to approve this Resolution.

Except all Promoter Directors of the Company along with their relatives forming part of the Company's Promoter/ Promoter Group, being the director(s) and/ or shareholder(s) of GSPL, no other Director or Key Managerial Personnel (KMP) of the Company and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 8 of the Notice.

All the documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection of the members during business hours on all working days up to the date of the Meeting.

Date: August 24, 2023

By Order of the Board

Registered Office:

Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat- 209304

(Bharat Kumar Sajnani)
Company Secretary

GANESHA ECOSPHERE LIMITED

CIN: L51109UP1987PLC009090
Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304
E-mail :**secretarial@ganeshaecosphere.com**, Website : **www.ganeshaecosphere.com**
Tel. No. 0512- 2555505-06, +91-9198708383, Fax No. 0512-2555293

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ....

Registered Address: ....

E-mail Id: ....

Folio No. / Client ID: ....

DP ID*: ....

I/We, being the member(s) of..shares of above named Company, hereby appoint :

1. Name: .... Address: ....
   E-mail Id: .... Signature: ____________________________ ,Or failing him
2. Name: .... Address: ....
   E-mail Id: .... Signature: ____________________________ ,Or failing him
3. Name: .... Address: ....
   E-mail Id: .... Signature: ____________________________

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Thursday, 21st September, 2023 at 12:00 Noon at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat, or at any adjournment thereof in respect of such resolution(s) as are indicated below:

Resolution No.	**Resolutions**	**Vote**	
		For	**Against**
1.	a) Adoption of Audited Standalone Financial Statements for the year ended March 31, 2023.		
	b) Adoption of Audited Consolidated Financial Statements for the year ended March 31, 2023.		
2.	Declaration of Dividend on Equity Shares for the year ended March 31, 2023.		
3.	Re-appointment of Shri Shyam Sunder Sharmma (DIN: 00530921) as Director who retires by rotation.		
4.	Appointment of Shri Narayanan Subramaniam (DIN: 00166621), as an Independent Director of the Company.		

5.	Ratification of the remuneration of the Cost Auditors in respect of Company's product 'Yarn', for the financial year ending March 31, 2024.		
6.	Ratification of the remuneration of the Cost Auditors in respect of Company's product 'Recycled Polyester Staple Fibre', for the financial year ending March 31, 2024.		
7.	Re-appointment of Shri Sharad Sharma (DIN: 00383178) as Managing Director of the Company		
8.	Approval for entering into material related party transactions with GESL Spinners Private Limited.		

Signed this .... day of 2023

Signature of shareholder..

Signature of Proxy holder(s) ....

* Applicable for members holding shares in electronic form.

Affix a
15 Paise
Revenue
Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. However, a member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
3. A proxy need not be a member of the Company.
4. It is optional for the member to indicate preference of Votes in the proxy form. If the member leaves the 'for' or 'against' column blank against any or all resolutions, the proxy will be entitled to vote in the manner as he/ she may deem appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he/ she so wishes.
6. In the case of joint holders, the signatures of anyone holder will be sufficient, but names of all the joint holders should be stated.

GANESHA ECOSPHERE LIMITED

CIN: L51109UP1987PLC009090

Regd. Office: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304

E-mail : **secretarial@ganeshaecosphere.com**, Website : **www.ganeshaecosphere.com**

Tel. No. 0512- 2555505-06, +91-9198708383, Fax No. 0512-2555293

ATTENDANCE SLIP

PLEASE COMPLETE THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Shareholders may obtain additional Attendance Slip on request.

NAME AND ADDRESS OF THE SHAREHOLDER(S): ....

....

Folio No. .... DP ID No.* ....

Client ID No.* .... No. of Shares held: ....

I hereby record my presence at the 34th Annual General Meeting of the Company on Thursday, 21st September, 2023 at 12:00 Noon at the Registered Office of the Company at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.

....

SIGNATURE OF THE SHAREHOLDER/PROXY**

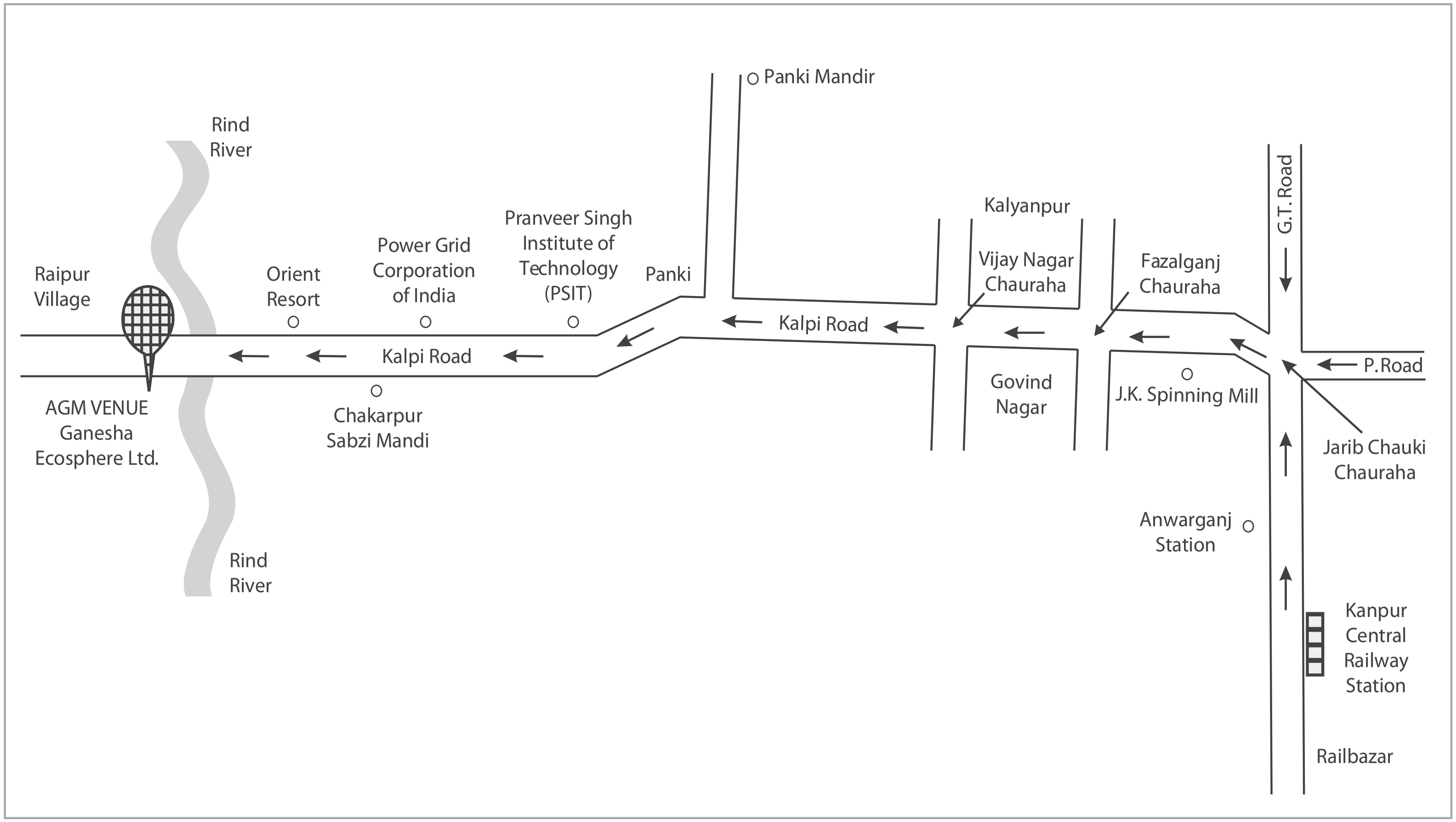
* Applicable for members holding Shares in Electronic form.

** Strike out whichever is not applicable.

ROUTE MAP

Ganesha Ecosphere Ltd.

AGM Venue : Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat-209304 (U.P.)



Ganesha Ecosphere Limited
34th Annual Report **2022-23**

GANESHA ECOSPHERE LTD.

CLOSING THE LOOP

MOVING TOWARDS A CIRCULAR ECONOMY

Contents

Our 'Green' Earnings

51+
Billion PET bottles recycled in the last one decade

6.8+
mn, cubic yards of landfill space saved in the last one decade

1.39+
mn, tons of CO_2 saved in the last one decade

350+
Tons per day of PET plastic recycling capacity

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

5 Principal messages arising out of FY 2022-23

1

There is a global shift towards recycled products

2

Recycling of everyday plastic products is on the cusp of a growth phase

3

Ganesha Ecosphere has been in the recycling business for over three decades maintaining its leadership position

4

The Company continues to enrich its product portfolio

5

The Company plans to capture sizable share of opportunity emerging in bottle-to-bottle recycling segment

Part 1

INTRODUCTION

CORPORATE **SNAPSHOT**

Ganesha Ecosphere Limited.

A leading Indian manufacturer of value-added rPET fibres. A diverse product portfolio that offers sustainable solutions worldwide. Closing the loop to harness a circular economy.

Vision

To become a global corporate citizen committed to recycle every PET bottle, which is thrown into waste, with world class recycling facilities and to create wealth for our stakeholders through conducting business around social and environmental concerns.

Mission

- To be a high-performance organisation by making the best use of resources and empowering people
- To be the preferred choice of our customers by providing world-class customer services
- To maintain high level of quality in our products through innovative research and technology development in our processes, products and applications
- To build relationships with stakeholders based on trust, transparency and ethical business conduct
- To contribute to the cause of making our planet a better place to live in for the present and future generations

96,600

MTPA installed capacity of PET bottle waste converting into quality r-PET fibre(recycled polyester)

Shared values

Excellence in whatever we do

Delivering innovative products

Results through teamwork

Uncompromising integrity

Trust and respect for everyone

500+ Customers

19 Countries exported to

250+ Raw material suppliers

500+ Product variants

5 Manufacturing sites

6+ Billion, PET bottles recycled every year

Background

Established in 1987, Ganesha Ecosphere Limited emerged as a major manufacturer of rPET fibre in India. The Company utilises pre- and post-consumer PET bottle scrap to produce rPET fibre, yarn and rPET chips. The Company is led by Shri Shyam Sunder Sharmma, who is supported by a team of skilled professionals.

Business

Through its pan India network and recycling facilities in North and South India, the Company is engaged in the responsible and sustainable recycling of PET plastics. This helps in reducing the amount of waste that ends up in landfills and contributes to the environmental balance, creating a cleaner world.

Scale

Ganesha Ecosphere Limited operates manufacturing facilities in Kanpur (Uttar Pradesh), Rudrapur (Uttarakhand), and Bilaspur (Uttar Pradesh). Collectively, these facilities comprise a production capacity of 106800 TPA, including 96600 TPA of rPET fibre, 7200 TPA of rPET yarn and 3000 TPA of dyed and texturised/twisted filament yarn. These products find applications in various industries, including textile manufacturing (such as T-shirts and body warmers etc.), functional textiles (like non-woven air filter fabric, geotextiles, carpets, and car upholstery), as well as fillings (including pillows, duvets, and toys). Over the last decade, four new facilities in Temra, Bilaspur, Nepal and Warangal were added.

Listing

The Company is listed on the National Stock Exchange (scrip code: GANECOS) and Bombay Stock Exchange (scrip code: 514167) where it is traded actively. The Company's market capitalisation was ₹1843.17Cr. as on March 31, 2023. As of March 31, 2023, the promoters held 42.31% and the public 57.69% (institutional holding 16.62%) of the Company's equity shares.

Credit rating

The Company reaffirmed its A/Stable credit rating by CARE as on March 31, 2023

Certifications

- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- OH&S 45001:2018 (Occupational Health & Safety Management System)
- OEKO-TEX Standard 100, Product Class 1 certification from Hohenstein Textile Testing Institute (Germany)
- Ocean Bound Plastic Certificate Global recycled standard from CU certifications

New product launched

rPET bottle grade chips

Application: Food packaging

Approval/ positive opinion: USFDA, EFSA, FSSAI

Product portfolio

rPET fibre

Description	Application	Industry
Solid fibre and dope dyed fibre	Spinning, non-woven fabrics	Textile and non-woven fabrics
Hollow/conjugated	Stuffing in toys, pillows etc.	Home furnishings
Fire retardant	Industrial fabrics	Technical textile
Short-cut fibre	Blending with other fibres/ materials	Textile, paper and construction
Micro fibre	Fine fabrics	Textile
Trilobal fibre	Special effect	Textile
Polyester staple fibre	Apparel, flooring, packaging, interiors and furnishing	Spinning

Characteristics

- Quickly washed and dried
- Resists wrinkles, mildew and general surface damage
- Retains creases and pleats

Dyed texturised yarn

Description	Application	Industry
Mélange	Body warmers	Knitting
Single yarn	Dress materials	Clothing, knitting, hosiery, spinning
Doubled yarn	Suitings, shirtings, furnishing fabric	
Filament yarn	Shirts, trousers, suits, home textiles, and bed linen	

Characteristics

- Formed using a polyester filament by grouping, twisting or air entangling them
- Used in sarees, dress materials and different kinds of ropes

GANESHA IS MOVING TOWARDS CIRCULAR ECONOMY THROUGH GO REWISE

The theme of this Annual Report is

CLOSING THE LOOP

This indicates the nature of a circular economy where used products are re-introduced into the value-chain as raw materials, generating zero waste.

Go Rewise was launched by Ganesha Ecosphere in FY 2022-23 to close the plastic recycling loop. The bottle-to-bottle recycling is expected to emerge as a benchmark through the supply of the highest quality of rPET products produced through resource-efficient processes.

DISTINCTIVENESS

These are some of the reasons that make Go Rewise distinctive.

Diversified portfolio: The products manufactured by the Company comprise recycled polyester filament, fibres and yarns as well as rPET flakes, rPET chips bottle-to-bottle grade, rPET chips textile grade.

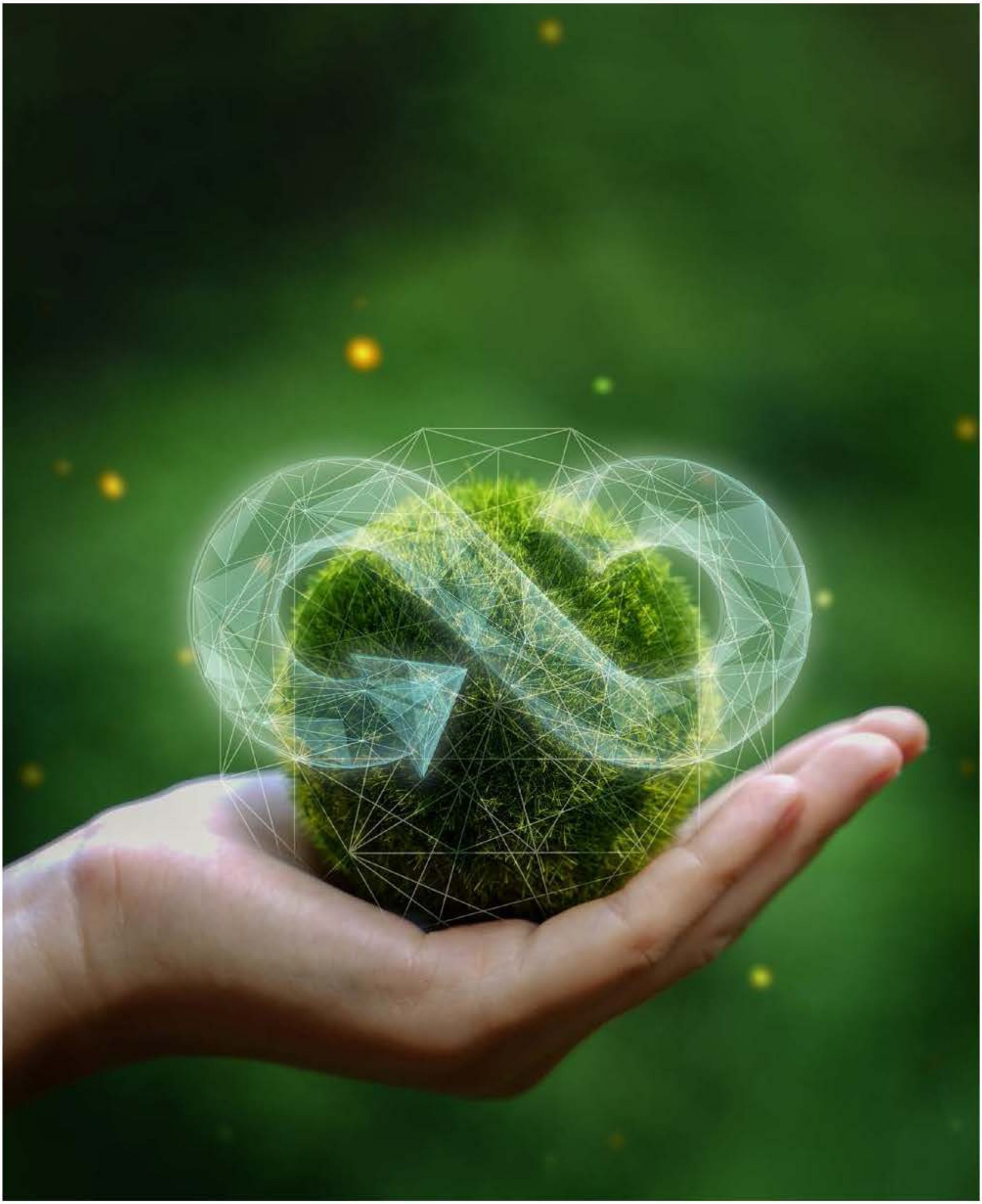
Advanced technology: The product has been manufactured around advanced technologies, ensuring minimal waste and retention of the original characteristics.

Certifications: The product is manufactured around USFDA, EFSA (food grade packaging), GRS and Oeko-Tex (textile grade products) certifications, indicating process and product integrity.

Waste minimisation: The manufacturing process comprises a zero liquid discharge facility.

Part 2

THE GLOBAL SIGNIFICANCE OF OUR BUSINESS



Recycling used to be an activity that companies engaged in because it could be developed into a viable business in the long-term.

Presently, recycling has evolved into a business with considerably deeper implications for medium-term and long-term viability.

The result is that recycling is evolving from 'good to have' to 'must have'; the sector is moving from the sidestream to mainstream.

8,420
USD Million, global recycled PET market size in 2020

13,870
USD Million, global recycled PET market size by 2029*

320.72
USD Million, Indian recycled PET (r-PET) bottles market size in 2020

556.80
USD Million, Indian recycled PET (r-PET) bottles market size in 2027#

*Growing at a CAGR of 5.7% during 2020-2029
#Growing at a CAGR of 7.89% during 2020-2027

(Source: Exactitude Consultancy, Maximise Market Research)

Recycled items are gaining traction

In India...

The 'face' of sustainable fashion
Prime Minister Shri Narendra Modi wore a light blue sadri jacket made of recycled plastic bottles while attending the Rajya Sabha session in February 2023.

Unbottled
The Unbottled initiative (by Indian Oil Corporation) is the world's largest initiative to reuse and recycle 100 Million PET bottles a year to make eco-friendly uniforms for its staff (each uniform produced from the recycling of around 28 PET bottles).

Recycled plastic t-shirts
As a part of the Swachh Bharat Mission, the Pune Municipal Corporation declared that it will recycle plastic to make eco-friendly t-shirts.

Adidas
Adidas collaborated with Indian cricketer Rohit Sharma to launch a limited sustainable apparel collection made from plastic waste.

From plastic to fantastic
Alcis Sports (Paragon Apparels) offers an extensive collection of sportswear and athletic gear with the tagline 'From plastic to fantastic'. Nearly half of Alcis's apparel range uses recycled PET bottles, showcasing its commitment to sustainable practices.

Sustainable sneakers
Nothing New, an eco-friendly sneaker brand, recycles 5.6 plastic PET bottles for each pair of shoes, conserving 160 gallons of water compared to conventional cotton canvas sneakers. Each component of the brand's sneakers, including the laces and labels, is crafted from recycled plastic materials.

Across the world...

Adidas
The brand is most likely to fulfil its target of using only recycled polyester by the end of 2023, a year ahead of its target. Currently, recycled polyester contributes 96% to the Company's overall polyester mix.

Nike
Each pair of Nike Flyknit is produced from six recycled plastic bottles. Moreover, the volume of material waste used in the shoe cut and sew process is 60% less than other products.

H&M
H&M's 'Conscious Exclusive' collection includes items designed by Stella McCartney for Adidas' Primeknit collection, utilising 100% recyclable PET plastic bottles collected from beaches. H&M formed a partnership with the Ellen MacArthur Foundation, an organisation committed to facilitate the shift towards a circular economy.

Jockey
Jockey's Eco Comfort clothing collection uses recycled polyethylene terephthalate (PET) bottles, collected through municipal recycling programmes.

Zara
Inditex, the parent owner of Zara, plans to reduce emissions in its value chain by 50% and ensure that 40% fibres used by Inditex brands are sourced from recycling processes by 2030.

Coca Cola
Coca Cola rolled out its beverages in 100% recycled PET in a number of markets such as North America, Vietnam, Indonesia and India, among others.

(Source: Economic Times, NDTV, Times of India, mompresso.com, manufacturingdigital.com, nori.com, Fashion Network, Evrnu)

7 Sustainability trends and Ganesha's role in them

1 Increasing public consciousness for environmentally sustainable products

Ganesha's role: The Company is actively involved in PET scrap recycling to produce various downstream products, promoting responsible consumption and contributing to a more sustainable future where it can achieve more with less. This helped Ganesha's position as a 'green' company, enhancing its primary recall around responsibility and making it a preferred choice for companies seeking recycled products.

2 Large retailers opt for recycling

Ganesha's role: The Company built large international supply chains to promote and supply recycled fibre to various brands. The Company enhanced its capabilities and continued supporting its commitment to sustainability. This has helped the Company in profit predictability and build a platform to facilitate further growth.

3 The government's backing for product recycling is on the rise

Ganesha's role: The Company enhanced its manufacturing capacity to capitalise on favourable government policies that continue to positively influence the recycled market. The Company expects that its scalability will help it address growing demand, reduce the cost per unit of manufactured products, enhance competitiveness and position it as an early mover in the recycled plastic sector.

4 Growing preference for branded products

Ganesha's role: The Company capitalised on a growing shift from unbranded to branded products and increased its brand investment in value-added products, strengthening its recall and revenue growth. Strong branding will empower the Company to enhance market share and strengthen terms of trade.

5 Increasing digitalisation

Ganesha's role: The Company's operations are digitised across the organisation, streamlining processes and enhancing revenue generation potential by building a scalable business model without increasing costs, facilitating effective cost management.

6 Prioritising ESG

Ganesha's role: The Company prioritised ESG by making investments in employee health and safety, green initiatives, community well-being and a robust governance framework. This strengthened the Company's business continuity and stakeholder value.

7 Increasing emphasis on quality certification

Ganesha's role: The Company's dedication to quality is exemplified by the numerous certifications from renowned national and international entities. These certifications serve as independent endorsements of the Company's adherence to strict standards, best practices, and industry benchmarks.

Why we are optimistic about our prospects

Overview

At Ganesha, we foresee encouraging recycling industry growth due to an increasing awareness of circular economy benefits. The Company believes that in the coming years, it will emerge as a valuable partner for interested corporate entities and transition them towards a circular economy.

Attractive prospects of Ganesha

Global benchmark: The Company possesses various international and national certifications. The Company expects such high-end certifications to enhance the competitiveness of its products in the domestic and international markets.

Conducive regulations: The government of India plans to release a mandate that will warrant a certain percentage of raw material for government textile products to be sourced from recycled resources. This mandate will enable India to emerge as a global hub for circular textile.(Source: Economic Times)

Demand-supply mismatch: The demand for recycled PET in the next five-seven years is expected to be 2-2.5x of current supply capacity, validating the Company's recent expansion.

Corporate demand: For reducing their carbon footprint, a number of companies are looking for recycled materials for which they require a reliable supply chain.

Ganesha is one of few companies that can address their growing appetite on account of robust supply chain and technical know-how.

Operational advantage: There is a growing premium on transparency by major brands. Ganesha's bottle-to-yarn facility offers brands end-to-end transparency in terms of process and raw material sourcing. This provides the Company a competitive edge as it is one of the few Indian brands that can provide 100% transparency to clients.

Growing PET demand: The demand for PET is witnessing traction due to its high recyclability compared to other polymers, making PET the most suitable raw material for recycled products. This will ensure abundant raw material availability for the Company, which is a significant player in the PET recycling segment.

Recycled filament yarn: The Company is building its filament yarn capacity, after which it will be well-placed to directly address the demands of major brands switching to recycled filament yarn from virgin yarn.

Part 3

THE MANAGEMENT'S REVIEW OF OUR PERFORMANCE

Our performance down the years

Revenues (₹ Cr.)

PAT (₹ Cr.)

EBITDA (₹ Cr.)

Definition

Growth in sales

Why is it measured?

It highlights the service and product acceptance of the Company in the market.

Performance, FY 2022-23

Aggregate sales increased 10.8% to ₹1,132.86 Cr. in FY 2022-23.

Value impact

Developed a growth foundation on which profits can be built

Definition

Profits earned during the year net of all expenses and provisions

Why is it measured

It highlights the strength of the business model in generating value for its shareholders

Performance, FY 2022-23

The Company's net profit grew by 5.42% over the previous year.

Value impact

Ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain

Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

Why is it measured?

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures that can be easily compared with the retrospective average of sectoral peers.

Performance, FY 2022-23

The Company's EBIDTA grew by 9.9% in FY 2022-23.

Value impact

Helps create a robust growth engine and allows the Company to reinvest effectively in the business.

Debt-equity ratio (x)

Definition
This is derived through the ratio of debt to net worth (less revaluation reserves)

Why is it measured?
A measure of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers.

Performance, FY 2022-23
The Company's gearing moderated from 0.25 in FY 2018-19 to 0.24 in FY 2022-23 despite sizable investments in its subsidiaries.

Value impact
A strong debt-equity ratio provided the Company with a relatively under-borrowed foundation to grow the business.

RoCE (%)

Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

Why is it measured?
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use -especially in capital-intensive sectors.

Performance, FY 2022-23
ROCE increased due to better capital efficiency derived from the enhanced scale of the business and superior cost management

Value impact
Enhanced RoCE has strengthened cash flows

Earnings per share (in ₹)

Definition
Portion of company's profit allocated to each shareholder.

Why is it measured?
EPS serves as an indicator of the financial health of a company. Increasing EPS accounts for better profitability of the Company.

Performance, FY 2022-23
The Company's EPS increased from ₹31.86 in FY 2021-22 to ₹33.59 in FY 2022-23.

Value impact
Increased earnings per share could potentially enhance holistic returns for shareholders.

Chairman's review

"At Ganesha Ecosphere, we could have sustained our business in the conventional way; however, we chose to make a decisive leap."

Overview

If there is a singular priority coming out of global businesses, it is 'How sustainable is your business model?'

This priority has emerged as the single most important discussion in Board rooms today around the growing conviction that companies with relatively unsustainable businesses are unlikely to survive into the long-term.

The Company showcased its business sustainability even before the term had become prevalent or popular.

At Ganesha Ecosphere, we have a few over-riding messages to send out.

One, your company underlined its responsibility from the time it went into business with the objective to transform PET bottle waste into polyester staple fibre.

Two, your company resolved that it would not just manufacture a recycled product but would do so in a clean and environmentally responsible way.

Three, your company resolved to progressively add more value to PET bottle scrap by introducing newer and more value-added products.

Fourth, your company will deploy cutting -edge technology to make superior quality products, fulfilling the aspirations of the end consumers.

I am pleased to state that our focus on premiumisation, and innovative and value-added products translated into robust tangible outcomes. By the close of the last financial year, your Company achieved a total income of ₹1,149.29 Cr. registering an increase of 11.17%, and Operating Profit (EBITDA) stood at ₹128.94 Cr., with an increase of 9.86% over the previous financial year. During the year under review, your Company reported a PAT of ₹73.32 Cr. as against ₹69.55 Cr. in the preceding financial year.

Your company has always been profitable during last two decades due to its resilient business model in surmounting all kinds of odds.

Platform

At Ganesha Ecosphere, we could have sustained our business in the conventional way; however, we chose to make a decisive leap.

I am pleased to communicate that your company has moved with speed to address the growing needs of the future.

Your company has aggregated the experience of almost three decades in the collection of PET waste, working with varied supply chain teams across the country, creating a network that can generate a larger quantum of raw material and strengthened its manufacturing processes to the point that its process efficiency and consistency are among the best in this part of the world.

Your company recognises that merely growing capacity in a linear manner within the existing business would not do so much for the Company. The time has come to treat the PET waste management and conversion capability into a platform that supports the creation of multiple recycled products that accelerates business sustainability and also makes the world cleaner - faster.

During the year under review, your company embarked on a decisive extension of its business model. The bottle-to-bottle PET recycling capacity of 12,000 TPA and a bottle-to-filament recycling capacity of 12,000 TPA has been commissioned during the first quarter of the current financial year. Washing plants in Warangal and Nepal have also been operationalised in February, 2023.

Moving ahead, the RPSF project is expected to be commissioned during the current year could extend the lead over competition and maintain the Company's leadership within the recycled polyester staple fibre space in India.

By broad basing our product portfolio, we will be strengthening our business model: towards more recycled products, reducing our excessive dependence on any one product and strengthening our recall as a recycled products supermarket.

Opportune

At Ganesha Ecosphere, we believe that the time has come for this broad-based platform for some good reasons.

Until now, recycling was a recommended business approach because it was good for the world; the time has come when an increasing number of governments are incentivising recycling through a recommended products mix. The result is that the increased production is no longer just a good thing to do; it is being mandated, making the recycled proportion an integral part in the production of a range of products.

By FY 2025-26, India is expected to increase its rPET resin consumption by 30%. By FY 2028-29, it is expected to increase by 60%. We expect rPET resin demand to reach to 0.9-1.0 Million tonne by 2030. To address this demand, the Company intends to enhance its rPET resin capacity on a continued basis.

There is also a growing consumer resistance to the word 'plastic.' An increasing number of consumers are turning products to check whether they have been made from virgin polymer or recycled material. I am happy to state there is a preference for products that are recycled, which is now becoming the consumer's way of engaging with cleaning up the world – by buying products that are a part of the circular economy.

Interestingly, industrial consumers are not merely interested in buying resources manufactured from recycled resources, they are going one step further: they are seeking to ensure that the products they manufacture are recycled and that the resource coming out of that are reinserted into the recycling chain and made available to recyclers like us. The result is the emergence of 'closing the loop' concept that is intended to ensure that it is not just a recycled resource that goes into product manufacture but also the end product is recycled, making product manufacture holistically sustainable.

Sustainable

We believe that our Balance Sheet is sustainable enough to address our sustainable business: prior to committing a large amount of capital expenditure, the Company possessed a debt-equity ratio of 0.24 against a net worth of ₹518.82 Cr., indicating an extensive borrowing room available within.

In view of this, your company invested ₹450 Cr. by March, 23 – the highest single capital expenditure programme undertaken by your company - through a gearing of 2.0 that will ensure that the overall corporate gearing does not exceed 1.0. This financing structure for the expansion is expected to prove shareholder value-accretive once the project achieves its desired capacity utilisation, generates a surplus and begins to repay debt.

These projects are being carried out in wholly owned subsidiaries that enhance focus and accountability.

Value-addition

Your company is not only broad basing its product portfolio and increasing capacities, but is also focusing on value-addition. The objective is to strengthen realisations and capital efficiency.

At Ganesha Ecosphere, this will be achieved through the manufacture of new fibres addressing value-added non-textile applications that serve as a hedge against textile sector volatility.

The Company's products will enable it to broad base its presence away from an excessive dependence on one market, empowering it to address profitable realities in specific geographies.

Outlook

The complement of these initiatives is expected to generate a significant turnover by the time the plant achieves full capacity utilisation.

This will ensure that the Company doubles its turnover in the next three years, replicating an achievement that had taken three decades to achieve.

I am grateful to our employees, Board members and shareholders for their continued support.

Shyam Sunder Sharmma
Chairman

By the close of the last financial year, your Company achieved a total income of ₹1,149.29 Cr. registering an increase of 11.17% and the Operating Profit (EBITDA) stood at ₹128.94 Cr., with an increase of 9.86% over the last financial year. During the year, your Company reported a PAT of ₹73.32 Cr. as against ₹69.55 Cr. of the preceding financial year.

Part 4

OUR STAKEHOLDER VALUE CREATION

Value-creation at Ganesha Ecosphere commences with our esteemed Board of Directors

Shri Shyam Sunder Sharmma
Chairman

Shri Shyam Sunder Sharmma, founder of the Company, aged 80 years, is a post-graduate in commerce. He is a first generation entrepreneur and textile technocrat having management experience of over 59 years including 25 years with various Birla Group Companies in senior positions.

He is associated with the Company as Chairman since 1989 and appointed as Managing Director in 1990. Presently, he is holding the position of Non- Executive Chairman of the Company.

Shri Vishnu Dutt Khandelwal
Executive Vice-Chairman

Shri Vishnu Dutt Khandelwal, aged 74 years, is post-graduate in commerce and his area of expertise includes marketing and financial management. He possesses a rich experience of over 50 years in textile yarn trading.

He has been serving the Company since inception and was appointed as Executive Vice-Chairman of the Company in 2008. He is responsible for overseeing the marketing and business development of the Company.

Shri Sharad Sharma
Managing Director & CEO

Shri Sharad Sharma, aged 57 years, is a commerce graduate and having more than 36 years experience in marketing and distribution.

He has been associated with the Company since inception and was appointed to the Board in 1992 as a Director. He was appointed as Joint Managing Director of the Company in 2004 and elevated to the post of Managing Director & Chief Executive Officer of the Company w.e.f. September 18, 2018. He is responsible for overall management and operations of the Company.

Shri Rajesh Sharma
Joint Managing Director

Shri Rajesh Sharma, aged 57 years, is a commerce graduate and has rich experience spanning over 33 years in plant administration and operations.

He is associated with the Company since inception and was appointed as an Executive Director in 2008. He is holding the post of Joint Managing Director of the Company w.e.f. August 1, 2019 and is responsible for looking after the management and operations of the Company's Rudrapur and Bilaspur units.

Shri Abhilash Lal
Non-Executive Independent Director

Shri Abhilash Lal, aged 58 years, is a mechanical engineer and a postgraduate in management from Indian Institute of Management (IIM), Bangalore. He has rich experience of more than 32 years in all aspects of financial services including banking, consulting, insurance, investments, advisory etc. and had worked with HSBC for more than 11 years.

He was appointed to the Board of the Company as a Non-Executive Independent Director w.e.f. September 29, 2014.

Dr. Shobha Chaturvedi
Non-Executive Independent Director

Dr. Shobha Chaturvedi, aged 67 years, is Ph.D. in Pollution Abatement from H.B.T.I., Kanpur and in 2016 retired from the post of Regional Officer, UP Pollution Control Board after having put in more than 28 years of service. She also holds a Master Degree in Chemistry.

She was appointed to the Board as a Non-Executive Independent Director w.e.f. September 5, 2019.

Shri Pradeep Kumar Goenka
Non-Executive Independent Director

Shri Pradeep Kumar Goenka, aged 69 years, is a member of the Institute of Chartered Accountants of India. He brings a rich professional experience of over 43 years in the field of finance and related consultancy services.

He is a practicing Chartered Accountant. He has served on the Board of several listed and non-listed companies from various industries including manufacturing and financial consultancy.

He was appointed on the Board of the Company in 2006.

Shri Narayanan Subramaniam
Non-Executive Independent Director

Shri Narayanan Subramaniam, is a post graduate from IIMA, FCA, Grad CMA and FCS. He is a Finance Leader and has an impressive history of more than 30 years of being a business builder across technology and start-up companies for financial restructuring and growth. He has extensive experience as a seasoned board member across private equity, investment management, banking and accounting & finance. He possesses deep proficiency in asset management, risk management, system implementation, corporate governance etc. He has served on the Board of several companies with distinction. He is also the Founder & Director of MCAP Fund Advisors.

He has served on the Board of the Company as a Non-Executive Independent Director from 2014 to 2019 and has been appointed as an Additional (Non-Executive Independent) Director w.e.f. August 24, 2023.

Integration value-creation report

Ganesha is focussed enhancing value across stakeholders

Overview

The Company's success is attributed to its meticulous value-creation strategy - a mix of strategic conservatism - which has enabled it to consistently deliver value to its stakeholders.

The Company's growing access to raw materials and increasing production capacity has played a vital role in enhancing its competitiveness. To realise this vision, the Company took strategic initiatives such as investing in additional capacity through its subsidiaries to meet growing demand, pursuing economies of scale to optimise efficiency and implementing measures to streamline operating costs.

Moreover, the Company recognised the importance of having a diversified customer base to foster stability and resilience. To achieve this, the Company expanded its product offerings to cater to a wider range of requirements and focused on enhancing overall value-addition in its processes.

These strategic endeavours fortified the Company's position as an industry leader and enabled it to continue to drive value for its shareholders while contributing positively to the environment through our PET waste recycling efforts.

The Company increased its production from 97, 290 MT in FY 2017-18 to 1,15,136 MT in FY 2022-23. The Company is among the leading manufacturers of rPET fibre in India; in the last ten years, the Company is estimated to have recycled more than 51 Billion bottles of PET.

Our strategic advantages

Pedigree

The Company is one of the leading names in the PET scrap recycling sector with three decades of legacy of creating high-quality recycled products.

Forward looking

The Company possesses the experience and expertise to address the rising demand for sustainable products compared to other companies relatively new in the recycling space.

Value-addition

The Company leverages its research and development initiative to create customised products that address diverse customer needs, strengthening customer-client relationships. The Company offers a premium category brand called **'Go Rewise'.**

Advanced technology

The Company made strategic investments in state-of-the-art manufacturing technologies to moderate operational costs and optimise capacity utilisation.

Quality commitment

The Company is ISO 9001:2015-certified and possesses international certifications like Global Recycle Standard (The Control Union Certification) and 'Oeko-Tex Standard 100, Product Class 1' by the Hohenstein Textile Testing Institute.

Pioneer

The Company has been a pioneer in the manufacturing of rPET (recycled PET) fibre and rPET yarn, catering to markets within India and exporting to 19 countries.

Prudent approach

The Company enhanced manufacturing capacities through its subsidiaries, funding them through a prudent mix of accruals and borrowings.

Ganesha Ecosphere and shareholder value creation

	FY 2022-23	FY 2021-22	FY 2020-21
Enhancing value	1,843.17 ₹ Cr., market capitalisation, March 31, 2023	1,586.56 ₹ Cr., market capitalisation, March 31, 2022	1,286.95 ₹ Cr., market capitalisation, March 31, 2021
Capital efficiency	1.46% Turnover: Capital employed ratio, FY 2022-23	1.48% Turnover: Capital employed ratio, FY 2021-22	1.20% Turnover: Capital employed ratio, FY 2020-21
Working capital cycle	73 Days, FY 2022-23	82 Days, FY 2021-22	105 Days, FY 2020-21
Reducing debt concentration	1.22 Debt/EBITDA, FY 2022-23	1.18 Debt/EBITDA, FY 2021-22	1.50 Debt/EBITDA, FY 2020-21
Net worth	653.35 ₹ Cr., net worth, March 31, 2023	584.04 ₹ Cr., net worth, March 31, 2022	518.83 ₹ Cr., net worth, March 31, 2021
ROCE	14.60%, FY 2022-23	14.56%, FY 2021-22	10.93%, FY 2020-21

Outcomes

The Company is a leader in PET waste conversion, possessing one of the largest capacities for transforming PET waste into recycled upstream products. The Company has built enduring relationships with customers, reflecting its commitment to service excellence.

The Company comprises a strong Balance Sheet, with a net worth of ₹653.35 Cr. (as of March 31, 2023) and low gearing of 0.24 (as of March 31, 2023). Moreover, the capital and operating cost per Kg of the recycled end product is lower than the prevailing greenfield benchmark, creating a promising foundation for business expansion.

The Company's prospects are founded on the combined potential of increased capacity (resulting in higher volume) with higher margins (resulting in increased or protected value), setting the stage for revenue, margin, and surplus scalability. The Company remains dedicated to deliver responsible stakeholder value by aligning its plants, processes and practices with global, national and local health, safety and environment benchmarks, ensuring its role as a responsible corporate citizen while driving business success.

The Company plans to develop its pan-India capacities with its bottling partners to address their growing demands.

Corporate Social Responsibility

Ganesha's community development engagement

Overview

Ganesha believes in sharing its success with the community. The Company's citizenship is grounded in responsibility towards society. Even before CSR became a regulatory requirement, the Company was actively engaged in socially responsible activities.

Guided by the inspiring principle of 'Sarve Bhavantu Sukhinah Sarve Santu Nir-Aamayaah,' which advocates the well-being of humanity, the Company's CSR initiatives revolve around education, healthcare, and hunger eradication. This company is dedicated to making a meaningful difference in these areas to uplift the lives of those in need.

CSR initiatives

Free ambulance service: The Company provides 24x7 free ambulance service with its ambulances and supporting staff to nearly 180+ villages around Kanpur Dehat, Rudrapur and Telangana.

Plastic pollution-free city program: The Company raised awareness among children about plastic pollution by oath-taking on Children's day, making products from plastic waste and awarding trophy.

Dispensary: The Company established two dispensaries providing medical assistance to people across 40 villages of Kanpur and Rudrapur.

Digital literacy: The Company initiated Har Ghar Digital Saksharta, a digital literacy programme which provided computer training to ~135 children in Kanpur.

Assistance to school: The Company adopted a school in Kanpur and provided financial assistance for their infrastructural support.

Capacity building centre: The Company provides career counselling and spoken English lessons for children dwelling in slums.

The Company is trying to reintegrate dropouts students into mainstream education.

Outlook

The Company will continue to make contribution in the field of education, cleanliness and healthcare.

Our capacity building centre

Har Ghar Digital Saksharta campaign in Kanpur

Medical health campaign in Kanpur Dehat

Management discussion and analysis

Global economy

Overview: The global economic growth was estimated at a slower rate of 3.4% in 2022, compared to 5.9% in 2021 (which was on a smaller base of 2020 on account of the pandemic effect). The relatively slow global growth of 2022 was marked by the Russian invasion of Ukraine, unprecedented inflation, pandemic-induced slowdown in China, higher interest rates, global liquidity squeeze and quantitative tightening by the US Federal Reserve.

The challenges of 2022 translated into moderated spending, disrupted trade and increased energy costs. Global inflation was 8.7% in 2022, among the highest in decades. US consumer prices increased about 6.5% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to its highest in 15 years. The result is that the world ended 2022 concerned that the following year would be slower.

The S&P GSCI TR (Global benchmark for commodity performance) fell from a peak of 4,319.55 in June 2022 to 3,495.76 in December 2022. There was a decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations. Brent crude oil dropped from a peak of around USD 120 per barrel in June 2022 to USD 80 per barrel at the end of the calendar year following the enhanced availability of low-cost Russian oil.

Regional growth (%)	2022	2021
World output	3.4	5.9
Advanced economies	2.7	5.0
Emerging and developing economies	4.0	6.3

Outlook: The global economy is expected to grow 2.8% in 2023, influenced by the ongoing Russia-Ukraine conflict. Despite these challenges, there are positive elements within the global economic landscape. Approximately 70% of the global economy demonstrates resilience, with no major financial distress observed in large emerging economies. The energy shock in Europe did not result in a recession and significant developments and the resolution of the European energy crisis fostered optimism for an improved global trade performance. Driven by these positive factors, global inflation is likely to be still relatively high at 4.3% in 2024. Interestingly, even as the global economy is projected to grow less than 3% for the next five years, India and China are projected to account for half the global growth (Source: IMF).

Indian economy

Overview: Even as the global conflict remained geographically distant from India, ripples were made over increased oil import bills, inflation, cautious government and a sluggish equity market. India's economic growth was 7.2% in FY 2022-23. India emerged as the second fastest-growing G20 economy in FY 2022-23. India overtook UK to become the fifth-largest global economy. India surpassed China to become the world's most populous nation (Source: IMF, World Bank)

Growth of the Indian economy

	FY 20	FY 21	FY 22	FY 23
Real GDP growth(%)	4.2	-7.3	8.7	7.2

As India's domestic demand remained steady amidst a global slowdown, import growth in FY 2022-23 was estimated at 16.5% to USD 714 Billion as against USD 613 Billion in FY 2021-22 . India's merchandise exports were up 6% to USD 447 Billion. India's total exports (merchandise and services) grew 14% to a record of USD 775 Billion and is expected to touch USD 900 Billion in FY 2023-24. India's current account deficit, a crucial indicator of the country's balance of payments position, was USD 67 Billion or 2% of GDP. India's fiscal deficit was in nominal terms at ~ ₹17.55 Lakh Cr., which is 6.4% of the country's GDP for the year ending March 31, 2023.

India's headline foreign direct investment (FDI) numbers rose to a record USD 84.8 Billion in FY 2021-22, However, during the fiscal year 2022-23, the country experienced a 16% decrease in foreign direct investment (FDI) inflows, amounting to USD 71 Billion on a gross basis. This decline can be attributed to the unfavourable global economic conditions and stands as the first contraction in FDI in the past ten years.

India's foreign exchange reserves, which had witnessed three consecutive years of growth, experienced a decline of approximately USD 70 Billion in FY 2022-23, primarily influenced by rising inflation and interest rates. Starting from USD 606.47 Billion on April 1, 2022, reserves decreased to USD 578.44 Billion by March 31, 2023. The Indian currency also weakened during this period, with the exchange rate weakening from ₹75.91 to a US dollar to ₹82.34 by March 31, 2023, driven by a stronger dollar and an increasing current account deficit. Despite these factors, India continued to attract investable capital.

The country's retail inflation, measured by the consumer price index (CPI), eased to 5.66% in March 2023. Inflation data on the Wholesale Price Index, WPI (calculates the overall price of goods before retail) eased to 1.3% during the period. In 2022, CPI hit its highest of 7.79% in April; WPI reached its highest of 15.88% in May 2022. By the close of the year under review, inflation had begun trending down and in April 2023 declined below 5%, its lowest in months.

India moved up in the Ease of Doing Business (EoDB) rankings from 100th in 2017 to 63rd in FY 2022-23. As of March 2023, India's unemployment rate was 7.8%.

In FY 2022-23, total receipts (other than borrowings) were estimated at 6.5% higher than the Budget estimates. Tax-GDP ratio was estimated to have improved by 11.1% Y-o-Y in RE 2022-23. The government has addressed 77% of its disinvestment target in FY 2022-23 (₹50,000 Cr. against a target of ₹65,000 Cr.).

Gross tax collection of goods and services (GST) for FY 2022-23 was ₹18.10 Lakh Cr., with an average of ₹1.51 Lakh a month and up 22% from FY 2021-22 , India's monthly GST collections hit the second highest ever in March 2023 to ₹1.6 Lakh Cr. For FY 2022–23, the government collected ₹16.61 Lakh Cr. in direct taxes, according to data from the Finance Ministry. This amount was 17.6% more than what was collected in the previous fiscal.

Per capita income almost doubled in nine years to ₹1,72,000 during the year under review, a rise of 15.8% over the previous year. India's GDP per capita was USD 2,320 (March 2023), close to the magic figure of USD 2,500 when consumption spikes across countries. Despite headline inflation, private consumption in India witnessed continued momentum and was estimated to have grown 7.3% in FY 2022-23.

Outlook: There are green shoots of economic revival, marked by an increase in rural growth during the last quarter and an appreciable decline in consumer price index inflation to less than 5% in April 2023. India is expected to grow around 6-6.5% in FY 2023-24, catalysed in no small measure by the government's 35% capital expenditure. The growth could also be driven by broad-based credit expansion, better capacity utilisation and improving trade deficit. Headline and core inflation could trend down. Private sector investments could revive. What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a robust building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors. The construction of national highways in 2022-23 was 10,993 kilometers; the Ministry of Road Transport

Gross tax collection of goods and services (GST) for FY 2022-23 was ₹18.10 Lakh Cr., with an average of ₹1.51 Lakh a month and up 22% from FY 2021-22, India's monthly GST collections hit the second highest ever in March 2023 to ₹1.6 Lakh Cr.

Growth drivers

Rising population: In April 2023, India has overtaken China as the world's most populous country with a population of 1.4286 Billion.

Urbanisation: As of 2020, around one-third of India's population was living in cities. By 2031, 75% of India's national income is expected to come from cities.

Growing middle class income: India is expected to form 23% of the global middle class, leading to an increase in households earning between USD 10,000 and USD 50,000 per year.

Demographic dividend: In April 2023, the average age of an Indian was 28.2 years and more than half of India's population is under 25 years of age

Workforce: India has the second largest workforce in the world and stands at 55th among 60 countries with the highest average salary compared to China which ranks at 39.

E-commerce growth: Indian e-commerce market is expected to reach USD 350 Billion by 2050, on account of greater internet penetration, rising incomes and growing population.

China plus one: Post-pandemic, a number of corporate giants are deleveraging their supply chain from China and looking for an alternate market like India.

Digital penetration: Digital penetration has played a crucial role in the substantial growth of online retailing in the country. The increasing availability and accessibility of the internet have led to a surge in the number of consumers opting for online shopping. These consumers seek convenience, a wide range of options, attractive offers and hassle-free return policies. As a result, the textile industry has been able to reach customers in every corner of the nation, capitalising on the expanding digital landscape. (Source: InvestIndia, Times of India, downtoearth.org, Economic Times)

Global textile and apparel market

The worldwide textile market reached a substantial value of USD 1,695.13 Billion in 2022, the market is further projected to experience significant expansion with a compound annual growth rate (CAGR) of 7.6% in terms of revenue from 2023 to 2030. On the product side, the natural fibre product segment dominated the market with a significant revenue share of 44.1% due to its extensive use in the fashion and apparel industry. The polyester product segment is also poised for significant growth at 7.4% from 2023 to 2030. Nylon holds the third-largest market share and is expected to witness a CAGR of 8.1% due to its resilience and moisture-absorbing properties.

In 2023, the worldwide apparel market has achieved a valuation of USD 1,334.90 Billion. Projections indicate a prospective growth trajectory, with an anticipated increase to USD 1,673.90 Billion by 2028. This growth is set to unfold at a CAGR of 4.63% during the forecast period. Such expansion is bolstered by the infusion of innovative designs and the growing preference for diverse fashion choices. Notably, the surge in internet exposure and the prevalence of e-commerce platforms among consumers have substantially elevated fashion awareness. This, in turn, has amplified the accessibility of high-end brands and exclusive limited-edition products.

Dominating the global landscape, the Asia Pacific region commands a significant market share of 53.41% within the apparel industry. Forecasts suggest that this region will experience a robust CAGR of 9.7% between 2023 and 2030. This impressive growth is propelled by several factors, including organised retail infrastructures, favorable demographic dynamics, rising income levels, and supportive governmental initiatives. Countries like India, Bangladesh, Pakistan and Vietnam particularly benefit from these drivers, witnessing increased textile demand. The recent prohibition on cotton from China's Xinjiang region by the US creates further opportunities for these nations to bolster their export activities and secure a greater market share.

(Source: grandviewresearch, mordorintelligence)

Indian textile and apparel market

The textile sector stands as a pivotal pillar within the Indian economy, emerging as the second-largest employer following agriculture. In the fiscal year 2022-23, the Indian textile and clothing industry's valuation is approximated at USD 172.3 Billion. This sector is characterised by a division where 70% of its worth is attributed to domestic consumption, with the remaining 30% attributed to exports. A substantial portion of the industry's revenue, approximately USD 80 Billion, is attributed to retail sales of garments.

Projections illustrate a promising trajectory for the domestic market, with an expected CAGR of 14.59%. This growth is anticipated to propel the domestic market's value to USD 387.3 Billion by the year 2028. Notably, India holds the distinction of being the world's largest cotton producer, contributing to 23% of global production, and also boasts the highest expanse of land dedicated to cotton cultivation, accounting for 39% of the global total. In addition, India holds the position of the second-largest global producer of both polyester and viscose, both of which are significant man-made fibres. The consumption of polyester in India is projected to double, reaching 8.5 Million tons by 2030, up from the current estimate of 4.4 Million tons, growing at a CAGR of 8%. This surge in consumption is chiefly propelled by the burgeoning demand in both the domestic and export markets, fostering India's growth within the sector.

(Source: Imarcgroup)

PET market overview

Polyethylene terephthalate (PET) is used in bottles and jars, trays and clamshells, bags and pouches, films and wraps, labels, caps and closures among others by virtue of them being cost effective, transparent, lightweight, nonreactive, thermally stable and more durable than PP, HDPE and PVC. PET is widely used in sectors such as pharmaceutical and healthcare, personal care and cosmetics, food and beverage, homecare, automotive parts, electrical and electronics, chemicals and others based on the end-use industry.

The global PET market size is expected to grow from USD 30.09 Billion in 2022 to USD 40.65 Billion in 2031 at a compound annual growth rate (CAGR) of 3.4% during forecast period of 2023-31 with the demand for PET anticipated to reach 42 Million metric tons in 2030. Asia Pacific is the biggest market whereas North America is the fastest growing market.

Technology developments like plasma-based coating and the use of silver to extend the shelf life of PET bottles have increased demand. The demand for bottled beverages has increased in India and China owing to the growth in disposable incomes and consumer dietary preferences. By 2030, PET bottles will make up 56% of the packaging used by the non-alcoholic beverage industry globally.

India produces a wide range of plastics, such as polypropylene (PP), polyethylene terephthalate (PET), polyvinyl chloride (PVC) and others. According to the Chemicals and Petrochemicals Manufacturers Association of India, bottle production from PET accounts for 30% of the global demand. The PET packaging and recycling ecosystem in terms of GDP value is ₹7.5 Lakh Cr. and is one of the largest employment generators in the country, with an employment footprint exceeding 70 Lakhs.

The PET packaging market in India was valued at USD 1.4 Billion in 2022 and would likely touch USD 1.8 Billion by 2028. Majority of the PET demand in India is addressed by domestic production and can also cater to export requirements from countries like Algeria, Bangladesh, Egypt, etc. The sudden spike in demand for PET from food and beverages and healthcare industries is anticipated to compel manufacturers to enhance their manufacturing capacities to be able to address both domestic and international demand. (Source: Straits research, IMARC)

PET industry growth drivers in India

• By 2030, India is expected to be the largest youth consumer market in the world with 357 Million consumers aged under 30 years. This will lead to an increase in discretionary spend.

• PET is a preferred replacement for conventional packaging materials due to its flexibility, simplicity, durability and recycling capacity.

• PET resin demand is being stimulated by the increase in packaging demand of alcoholic and non-alcoholic drinks and make products more affordable.

• The pharmaceutical, food and beverage industries have switched to PET packaging due to greater demand for the maintenance of higher quality standards and overall health have become more important.

• By 2025, major FMCG businesses hope to cut their use of virgin plastic in packaging in half. (Source: Coherent Market Insights, Brand Equity)

Recycled PET industry

The worldwide recycled PET market size was valued at USD 8.42 Billion in 2020 and is estimated to grow at 6.5% CAGR from 2021-29 to reach USD 13.87 Billion by the end of 2029. This growth is primarily attributed to increasing concerns about sustainability, the reduction of plastic waste and various initiatives promoting a circular economy in North America and Europe.

The size of the Indian recycled plastic market was valued at USD 3.78 Billion in 2022 and is likely to grow to USD 5.27 Billion in 2028, growing at a CAGR of 5.6% from 2023-28.

India currently generates 3.4 Million tons of plastic waste annually, with only 30% of it being recycled. However, factors such as rising consumer awareness, improved waste management practices, expanding industrialisation and governmental efforts to minimise plastic waste are expected to contribute significantly to the industry's remarkable development.

Over the next four-five years, the turnover of India's PET recycling industry is projected to exceed ₹13,500 Cr. (approximately USD 1,700 Million). PET is steadily emerging as the preferred material for rigid packaging due to its recyclability and the existence of established recycling systems in India.

The rise of rPET is driven by both government regulations and the private sector. Many businesses have initiated pilot programs to increase the use of recycled content and eliminate PVC in packaged goods, thereby enhancing their recyclability. The Indian government has mandated the incorporation of at least 30% recycled content in new PET bottles starting in 2025 and it is expected that this percentage will further increase, presenting additional opportunities for the industry. These regulations are set to benefit the Indian plastic recycling sector.

S&P Global has introduced India's inaugural price assessment for r-PET. This significant step is poised to enhance pricing transparency, particularly in response to the increasing demand for recycled plastics amid global energy transition initiatives. The introduction of the rPET price assessment will address the surging demand from market participants in Asia's rapidly evolving export market, providing them with reliable and transparent pricing information for this burgeoning sector.

(Source: Fact MR, Economic Times, Exactitude Consultancy)

Financial review

Analysis of the profit and loss statement

In the fiscal year 2022-2023, operational revenues witnessed a robust growth of 10.81%, surging to ₹1,132.86 Cr from the previous fiscal's figure of ₹1,022.35 Cr owing to higher realisations and overall increase in sales volume. Other Income of the Company reported a 43% growth over FY 2021-22 and accounted for only ~1.43% share of the Company's total income, reflecting the Company's earning dependency on core business operations.

Total expenses of the Company increased by 11.35% from ₹943.11 Cr in FY 2021-22 to ₹1050.15 Cr in FY 2022-23 which are proportional to increase in revenues. Finance costs of the Company increased by 44.70% from ₹9.76 Cr in FY 2021-22 to ₹14.12 Cr in FY 2022-23 due to sharp increase in interest rates and investments in ongoing projects at Warangal.

Depreciation and amortisation expenses

decreased marginally from ₹28.37 Cr in FY 2021-22 to ₹27.02 Cr in FY 2022-23. EBITDA margins decreased by 10 basis points to 11.38% from 11.48% in FY 2021-22 and net profit margin decreased by 33 basis points to 6.47% from 6.80% during FY 2021-22. There is only marginal decrease in net profit margins despite providing for loss of ₹5.10 Cr due to lower settlement of insurance claim.

Analysis of the Balance Sheet

The capital employed by the Company increased by 12.36% from ₹690.22 Cr as on March 31, 2022 to ₹775.52 Cr as on March 31, 2023 with increased activities during the year. Return on average capital employed, a measurement of returns derived from every rupee invested in the business, slightly increased by 4 basis points from 14.56% in FY 2021-22 to 14.60 % in FY 2022-23. The net worth of the Company increased by 11.87 % from ₹584.04 Cr as on March 31, 2022 to ₹653.35 Cr as on March 31, 2023 due to plough back of profits.

Long-term debt of the Company decreased by 34.82 % to ₹17.11 Cr as on March 31, 2023. The long-term debt-equity ratio of the Company stood at 2.62% in FY 2022-23 compared to 4.49 % in FY 2021-22. Gross fixed assets (including capital work-in-progress) of the Company increased on net basis from ₹490.91 Cr as on March 31, 2022 to ₹514 Cr as on March 31, 2023.

Inventories increased by 16.83% from ₹189.09 Cr as on March 31, 2022 to ₹220.91 Cr as on March 31, 2023 due to adverse market sentiments towards the end of financial year though receivables decreased by 20.84% from ₹116.23 Cr as on March 31, 2022 to ₹92.01 Cr as on March 31, 2023.

The Board of Directors has announced a dividend payout of 20%. The market capitalisation of Ganesha Ecosphere was ₹1843.17 Cr as on March 31, 2023.

Key financial ratios

Particulars	Financial year ended March 31, 2023	Financial year ended March 31, 2022
Debtors' turnover (x)	10.73	9.09
Inventory turnover (x)	5.45	5.57
Interest coverage ratio (x)	8.02	10.30
Current ratio (x)	1.70	1.96
Debt-equity ratio (x) (Taking into account both short and long-term borrowings)	0.24	0.24
Operating Profit Margin (%) (EBIT)	10.00	9.83
Net Profit Margin (%)	6.47	6.80
Return on Equity (%)	11.85	12.61

Risk management at Ganesha Ecosphere

Ganesha Ecosphere possesses an extensive Risk Management Framework, facilitating the identification, evaluation and proactive handling of risks through a carefully devised mitigation plan. At Ganesha Ecosphere, a robust risk management culture is fostered and actively advocated by the Board, Risk Management & Strategic Planning Committee and senior management at all levels of the organisation. It has seamlessly integrated into the Company's daily operations, forming an integral part of its structure and guiding the execution of strategic initiatives.

Product risk: The Company's products may lose its relevance in the market

Mitigation: The Company has a diverse product offering of high-quality fibre and yarn to address varying needs of its customers

Competition risk: The entry of new players could impact profitability.

Mitigation: The Company exports to 19 countries, markets rPET Fibre to 500+ customers and has more than 250+ suppliers. The Company's significant scale, cutting-edge product line-up, high brand recognition and operational effectiveness position enhances its competitiveness in the market.

Raw material risk: Raw material price volatility could affect business growth.

Mitigation: The Company has an extensive PET waste collection network, which enables it to acquire the necessary amount of raw material at competitive prices. The Company achieved 106 % capacity utilisation during FY 2022-23.

Quality risk: Failure to meet product quality standards and poor manufacturing efficiency could affect business growth.

Mitigation: The Company invested in cutting-edge technologies, enabling its manufacturing units to run at the highest operating efficiencies. Because of its superior quality standards, Company's products are sold at premium over competitors.

Cost risk: Increase in operational costs could impact the profitability of the Company

Mitigation: The Company proactively focuses on de-bottlenecking and cost optimisation, enhancing optimised operations costs and strengthened profitability.

Forex risk: Volatility in foreign currency could impact the profitability.

Mitigation: The Company effectively handles currency risks through continuous monitoring of exposures and prudently managing them within the margins specified for each market segment. Additionally, a portion of foreign currency is hedged to minimise the impact of unfavorable currency fluctuations.

Human resource review

At Ganesha Ecosphere, our people play a vital role in our business growth. The Company's permanent workforce stood at 2593 as at March 31, 2023.

The Company endeavours to foster a work environment that is secure, transparent, healthy, forward-thinking and inclusive, with the aim of enhancing employee productivity.

Internal control systems and their adequacy

The internal control and risk management system are structured and applied in accordance with the principles and criteria established in the corporate governance practices of the organisation. It is an integral part of the general organisational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.

Cautionary statement

The statements in the 'Management Discussion and Analysis' section describing the Company's objectives, projections, estimates and prediction may be considered as forward-looking statements. All statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market positioning, expenditures and financial results are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statement on the basis of any subsequent developments, information or events.

Directors' Report

To
The Members of
Ganesha Ecosphere Limited

Your Directors have pleasure in presenting the Thirty-fourth Annual Report of the Company together with the Audited Financial Statements for the financial year ended March 31, 2023.

FINANCIAL RESULTS

The summarized financial results of the Company for the year ended March 31, 2023 as compared to the preceding year are as under:

(₹ in Crore)

	Standalone		Consolidated	
	Year ended March 31, 2023	**Year ended March 31, 2022**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
Total Income	1149.30	1033.85	1193.02	1028.36
Profit before Finance Costs, Depreciation and Amortization Expense	140.28	128.87	141.06	120.82
Less: Finance Costs	14.12	9.76	16.94	9.76
Less: Depreciation & Amortization Expense	27.02	28.37	29.15	28.40
Profit before Tax	**99.14**	**90.74**	**94.97**	**82.66**
Tax Expense	(25.82)	(21.19)	(25.51)	(20.69)
Profit after Tax	**73.32**	**69.55**	**69.46**	**61.97**
Add: Other Comprehensive Income	0.36	0.03	0.36	0.03
Total Comprehensive Income	**73.68**	**69.58**	**69.82**	**62.00**
Balance in retained earnings at the beginning of the year	413.29	348.08	403.80	346.21
Profit after Tax available for appropriation	**486.97**	**417.66**	**473.62**	**408.21**
Dividend Paid	(4.37)	(4.37)	(4.37)	(4.37)
Transfer to General Reserve	-	-	-	-
Other	-	-	-	(0.04)
Balance in retained earnings at the end of the year	**482.60**	**413.29**	**469.25**	**403.80**

FINANCIAL AND OPERATIONAL PERFORMANCE

The standalone and consolidated financial statements for the financial year ended March 31, 2023, forming part of this Annual Report, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

On standalone basis, the Company achieved a total income of ₹1149.29 Crore during FY 2023 as against ₹1033.85 Crore during FY 2022 registering an increase of 11.17% on the back of higher realizations as well as increase in overall sales volume. The Operating Profit (EBITDA) stood at ₹140.28 Crore, an increase of 8.85% over EBITDA of ₹128.87 Crore of the last financial year. During the year under review, the Company has earned Net Profit of ₹73.32 Crore, an increase of 5.42%, as compared to ₹69.55 Crore of the preceding financial year.

On consolidated basis, the Company recorded a total income of ₹1193.02 Crore as against ₹1028.36 Crore in the previous financial year. Our consolidated net profit for the year is ₹69.46 Crore compared to ₹61.97 Crore of the last financial year.

The performance of the Company during the current FY 2022-23 continues to be encouraging and barring unforeseen circumstances, your Directors expect your Company to achieve better results during the year.

RATING

During the financial year 2022-23, the following ratings have been re-affirmed by ICRA and CARE:

i. A; Stable (Single A; Outlook Stable) for Long Term Bank Facilities (Term Loan and Fund Based) signifying adequate degree of safety regarding timely servicing of financial obligations. Such facilities carry low credit risk.

ii. A1 (A One) for Short Term Bank Facilities (Non-Fund based) signifying very strong degree of safety regarding timely payment of financial obligations. Such facilities carry lowest credit risk.

DIVIDEND

Your Directors are pleased to recommend a dividend of ₹2/- per share (i.e. @ 20%) on Equity Shares of ₹10/- each of the Company, involving cash outflow of ₹4.37 Crore of the Company's standalone net profit for the financial year 2022-23. Dividend is subject to approval of members at the ensuing Annual General Meeting (AGM) and shall be subject to deduction of income tax at source.

During the year under review, unpaid dividend for the financial year 2014-15 amounting to ₹ 0.09 Crore being unclaimed for more than 7 years from the date it was lying in the unpaid dividend account, had been transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government, in terms of Section 124(5) of the Companies Act, 2013.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the Company has adopted a Dividend Distribution Policy which endeavors for fairness, consistency and sustainability while distributing profits to the shareholders and the same is available on the Company's website at **https://www.ganeshaecosphere.com/corporate-governance-policies**.

SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES

As on March 31, 2023; the Company had 2 (two) Indian wholly owned subsidiaries (namely Ganesha Ecopet Private Limited and Ganesha Ecotech Private Limited) and 1 (one) overseas wholly owned subsidiary in Nepal (namely Ganesha Overseas Private Limited). The Company had no Associate and Joint Venture Companies during the year ended on March 31, 2023.

Ganesha Ecotech Private Limited and Ganesha Overseas Private Limited have commenced commercial production of their products w.e.f. February 1, 2023 while Ganesha Ecopet Private Limited has commenced commercial production of its products w.e.f. April 1, 2023. Subsidiaries had no significant contribution to the overall performance of the Company during the year under review.

A statement containing salient features of the Financial Statements of the subsidiaries in the prescribed format in **Form AOC-1** as required under first proviso to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014 is included in this Report as **"Annexure A"** and forms an integral part of this Report.

In terms of the provisions of Section 136 of the Companies Act, 2013 read with the SEBI Listing Regulations, the Audited Financial Statements of the subsidiaries are placed on website of the Company and can be accessed at **https://www.ganeshaecosphere.com/subsidiary**. These financial statements are also available for inspection by any member at the Registered Office of the Company. Any member desirous of obtaining a copy of the same may write to the Company.

The Company's Policy for determining Material Subsidiaries is disclosed on the Company's website at **https://www.ganeshaecosphere.com/corporate-governance-policies**. As on March 31, 2023, the Company had no material subsidiary.

GANESHA ECOSPHERE EMPLOYEES' STOCK OPTION SCHEME 2021

There is no material change in the Ganesha Ecosphere Employees' Stock Option Scheme 2021 ("ESOP Scheme") and the provisions of ESOP Scheme are in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

During the year under review, Ganesha Employees' Welfare Trust ('Trust') had purchased 19,859 Equity shares of the Company from the secondary open market, however, no ESOPs were granted to eligible employees, pursuant to the ESOP Scheme.

The Members of the Nomination and Remuneration Committee have extended the time period for appropriation of Equity Shares acquired by the Trust during FY 2021-22 till the end of second subsequent financial year (i.e. till the end of FY 2023-24), pursuant to Regulation 3(12) of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The disclosure pursuant to Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, is available on the Company's website at **https://www.ganeshaecosphere.com/latest-information**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(2) of the SEBI Listing Regulations is provided in a separate section forming part of the Annual Report.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

At the 33rd Annual General Meeting held on 30th September, 2022, the following Whole Time Directors of the Company were re-appointed by the Company:

Name	Designation	Tenure
Shri Vishnu Dutt Khandelwal (DIN: 00383507)	Executive Vice-Chairman	5 years (w.e.f. June 19, 2023)
Shri Rajesh Sharma (DIN: 02228607)	Joint Managing Director	5 years (w.e.f. June 19, 2023)

During the year under review, Shri Vishwa Nath Chandak (DIN: 00313035) has ceased to hold office as Non-Executive Independent

Director of the Company from conclusion of 33rd AGM of the Company held on 30th September, 2022, upon completion of his second term of office as Independent Director. The Board places on record its deepest gratitude and appreciation towards valuable contribution made by Shri Vishwa Nath Chandak during his tenure as director of the Company.

Shri Surendra Kumar Kabra, Non-Executive Independent Director of the Company, left us for his heavenly abode on June 1, 2023. Late Surendra Kumar Kabra was appointed to the Board of the Company in 1994. His sad demise is an irreparable loss to the Company. The Board praised his valuable guidance and contribution to the Company during his association and expressed their deepest condolences and paid tribute to Late Shri Surendra Kumar Kabra.

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Shyam Sunder Sharmma (DIN: 00530921), Non-Executive Director of the Company, retires from the Board by rotation, at the ensuing Annual General Meeting (AGM) of the Company and being eligible he has offered himself for re-appointment.

The Board of Directors at their meeting held on August 3, 2023, have unanimously decided for re-appointment of Shri Sharad Sharma (DIN: 00383178), Managing Director & CEO of the Company, for a further period of 5 years w.e.f. February 1, 2024, on the terms and conditions (including remuneration) recommended by the Nomination and Remuneration Committee after expiry of his present term of office on January 31, 2024.

The Board recommends the proposal of re-appointment of Shri Shyam Sunder Sharmma and Shri Sharad Sharma, Directors of the Company, for consideration of the Members at the ensuing AGM of the Company.

Appropriate resolutions seeking Members' approval for re-appointment of the Directors along-with their brief profile are placed in the Notice of ensuing AGM.

DECLARATION FROM INDEPENDENT DIRECTORS

The Company had received the declarations u/s 149(7) of the Companies Act, 2013 from all Independent Directors that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and they have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs.

In the opinion of the Board, all the Independent Directors on the Board of the Company have requisite qualifications & proficiency and possess attributes of integrity, expertise and experience.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee of the Company consisted of 3 (three) Directors, out of which 2 (two) Directors are independent. The composition and other details are provided in the Corporate Governance Report of the Company. During the year, all the recommendations made by the Audit Committee were accepted by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, in respect of the financial year ended March 31, 2023, confirm that: -

a) in preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any;

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

c) they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) they have prepared Annual Accounts on a 'Going Concern' basis.

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively.

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Company has in place adequate internal financial controls commensurate with the size of the Company and the nature of its business, with reference to financial statements. Internal Auditors of the Company periodically audit the adequacy and effectiveness of the internal controls laid down by the management. The Audit Committee of the Board of Directors also regularly reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same.

NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2022-23, the Board of Directors had met 4 (four) times. The details of the Board meetings held during the year are given under the Corporate Governance Report.

COMPLIANCE WITH SECRETARIAL STANDARDS

During the year under review, the Company has duly complied with the applicable provisions of the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2), issued by the Institute of Company Secretaries of India.

ANNUAL RETURN

The copy of Annual Return as required under Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, is placed on the Company's website and can be accessed at

https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/AnnualReturn/ANNUALRETURN2021-2022.pdf

LISTING

The Equity Shares of the Company are presently listed at BSE Limited and National Stock Exchange of India Limited and the listing fee, for the year 2023-24, for both the Stock Exchanges is paid.

AUDITORS AND AUDITORS' REPORT

a. Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and Rules made thereunder, M/s. Narendra Singhania & Co., Chartered Accountants, New Delhi (ICAI Firm Registration No. 009781N) were re-appointed as Statutory Auditors of the Company for a second term of 5 (five) consecutive years at 33rd AGM of the Company held on September 30, 2022, to hold office till the conclusion of 38th AGM of the Company. The Auditors have confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

The Statutory Auditors' Report for the financial year 2022-23 does not contain any qualification, reservation or adverse remark or disclaimer.

b. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Board has appointed M/s. S.K. Gupta & Co., Company Secretaries, as Secretarial Auditors, to undertake Secretarial Audit for the financial year 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed herewith as **"Annexure B"**.

The Secretarial Audit Report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remark or disclaimer.

c. Cost Auditors

Pursuant to the Rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Companies Act, 2013 in respect of its products and accordingly such accounts and records are made and maintained.

M/s. R. M. Bansal & Co., Cost Accountants (Firm Regn. No.:000022) and M/s. Rakesh Misra & Co., Cost Accountants (Firm Regn. No.: 000249), have been appointed as Cost Auditors of the Company to conduct the audit of the Cost Accounts of the Company in respect of its products 'Yarn' and 'Recycled Polyester Staple Fibre' respectively, for the financial year 2023-24.

As required under the Companies Act, 2013, the resolutions seeking Members' ratification for the remuneration payable to Cost Auditors form part of the Notice convening the AGM.

d. Internal Auditors

Pursuant to the provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014, your Company engaged the services of M/s. Ashok & Ajai, Chartered Accountants, Kanpur, to conduct the Internal Audit of the functions and activities of the Company for the Financial Year 2022-23. Quarterly Internal Audit Reports are placed before the Audit Committee of the Company for its review.

REPORTING OF FRAUDS

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or the Board under Section 143(12) of Companies Act, 2013 and Rules framed thereunder.

RELATED PARTY TRANSACTIONS

During the year under review, all transactions entered into with Related Parties were approved/ ratified by the Audit Committee and wherever required, were also approved by the Board of Directors of the Company. Omnibus approval from the Audit Committee was obtained for transactions of repetitive nature. During the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the Company's Related Party Transactions Policy. Further, all related party transactions undertaken during the year were at arms' length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 is not applicable.

The related party transactions entered by the Company are disclosed under Note No. 34 of the Notes to the Standalone Financial Statements for the year ended March 31, 2023.

The Company's Policy on Related Party Transactions is disclosed on the website of the Company at **https://www.ganeshaecosphere.com/corporate-governance-policies**.

PARTICULARS OF LOAN, GUARANTEES OR INVESTMENTS BY THE COMPANY

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the SEBI Listing Regulations, disclosure on particulars of loans given, investments made, guarantees and/ or securities provided along with the purpose for which the loan or guarantee or security were proposed to be utilized by the recipient are provided in the notes to the Standalone Financial Statements.

WHISTLE BLOWER POLICY

Pursuant to Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations, the Company has adopted Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The details of the policy are explained in the Corporate Governance Report.

The Policy has been posted on the website of the Company and may be accessed at **https://www.ganeshaecosphere.com/corporate-governance-policies**.

NOMINATION AND REMUNERATION POLICY

Our current Nomination and Remuneration Policy is to have an appropriate mix of Executive and Non-Executive Directors including the independent directors to maintain the diversity and independence of the Board.

The broad parameters covered under the Policy are –Attributes, Qualifications and Remuneration of Executive and Non-Executive Directors including Independent Directors, KMP and Senior Management Personnel. It also covers performance evaluation criteria of the Board, its Committees and individual directors.

The Nomination, Remuneration and Board Diversity Policy of the Company is available on the website of the Company at **https://www.ganeshaecosphere.com/corporate-governance-policies**. We affirm that the remuneration paid to the Directors is as per the terms laid out in the Policy.

BOARD EVALUATION

The Board of Directors at its meeting held on February 4, 2023, has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act & SEBI Listing Regulations. Performance Evaluation of Independent Directors was done by the entire board, excluding the director being evaluated. The Evaluation Process was conducted through a structured questionnaire prepared after taking into consideration the various aspects laid down under the "Nomination, Remuneration and Board Diversity Policy" of the Company. The Board of Directors expressed satisfaction with the evaluation process.

In a separate meeting of Independent Directors held on March 25, 2023, performance of non-independent directors, Chairman of the Company and the Board as a whole was evaluated, taking into account the views of Executive Directors and other Non-Executive Directors. Independent Directors have also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board and recorded their satisfaction with the flow of information.

RISK MANAGEMENT

Risk management is an ongoing process and embedded in the operating framework of the Company. Risk Management & Strategic Planning Committee of the Board has been entrusted for timely identification, evaluation and mitigation of all types of internal and external risks including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks etc. The Committee is responsible for formulating and reviewing the risk management plan/ policy and ensuring its effectiveness across the organization. The Audit Committee of the Board has an additional oversight in the risk management systems prevailing in the Company.

There are no risks which in the opinion of the Board are of the nature that can threaten the existence of the Company. However, the risks inter-se those are generally dealt in regular course of business and have to be taken care of, are fluctuations in foreign exchange rates and prices of raw material as well as finished products.

The Risk Management Policy has been uploaded on the Company's website and may be accessed at the link **https://www.ganeshaecosphere.com/corporate-governance-policies**.

CORPORATE SOCIAL RESPONSIBILITY

Your Company is committed to focus on inclusive growth and improving lives by contributing towards communities around which it operates. In compliance with Section 135 of the Companies Act, 2013, the Company has undertaken CSR activities, projects and programs as provided in the CSR policy of the Company and as identified under Schedule VII to the Companies Act, 2013.

The Composition of CSR Committee along with details of CSR activities undertaken by the Company have been disclosed in the 'Report on CSR activities', set out as **"Annexure C"** and forming an integral part of this Report.

The CSR policy of the Company may be accessed at **https://www.ganeshaecosphere.com/corporate-governance-policies**.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34(2) of SEBI Listing Regulations, a Business Responsibility and Sustainability Report describing the initiatives taken by the Company from an environmental, social and governance perspective is provided in a separate section forming part of the Annual Report.

DEPOSITS

During the year under review, the Company has neither accepted nor renewed any deposit from public in terms of the provisions of Sections 73 and 76 of the Companies Act, 2013, read with the Companies (Acceptance of Deposits) Rules, 2014.

In terms of Rule 2(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014, the Company, during the year, had accepted an amount of ₹1.93 Crore as unsecured loans from the Directors and the balance outstanding as on March 31, 2023 was ₹1.86 Crore.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year 2022-23 and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure D"**.

PARTICULARS OF EMPLOYEES

The Disclosure required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **"Annexure E"** and forms an integral part of this Report. The information showing names and other particulars of employees as per Rule 5(2) and 5(3) of the aforesaid Rules forms part of this report. However, as per first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company and others entitled thereto. The said information is available for inspection by members at the registered office of the Company during business hours on all working days upto the date of ensuing AGM. Any member interested in obtaining a copy thereof, may also write to the Company Secretary.

CORPORATE GOVERNANCE

As required under Schedule V to the SEBI Listing Regulations, a separate section on Corporate Governance together with a Certificate from M/s. S. K. Gupta & Co., Practicing Company Secretaries, confirming compliance of the conditions of Corporate Governance, forms an integral part of this Report.

POLICY ON SEXUAL HARASSMENT

Prevention and control of sexual harassment at workplace constitutes an important part of corporate culture while aligning with best practices and improving management processes. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace with a mechanism of lodging complaints and has constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. No complaints were reported to the Board for sexual harassment of women at work place during the financial year 2022-23.

GENERAL

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- The Company has not issued any shares (including sweat equity shares) to employees of the Company or its subsidiary under any scheme.
- There is no change in the Share Capital Structure of the Company during the year under review.
- There was no revision in the financial statements.
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of the Company's subsidiaries.
- There has been no change in the nature of business of the Company.
- There is no proceeding initiated/ pending against the Company under the Insolvency and Bankruptcy Code, 2016.

- There was no instance of one-time settlement with any Bank or Financial Institution.

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record appreciation for the co-operation and support extended by various departments of the Central and the State Government(s), Bankers and Business associates.

Your Directors also wish to express their deepest appreciation to the employees at all levels, whose dedicated efforts, co-operation and unending support helped the Company in delivering results despite the challenges. We are also grateful to all the shareholders, customers, dealers, agents, suppliers and bankers of the Company for reposing continued trust, support and confidence in the management of the Company.

For and on behalf of the Board

(Shyam Sunder Sharmma)
Chairman
DIN: 00530921

Place : Kanpur
Date : August 3, 2023

Annexure-A

Form AOC-1

(Pursuant to first proviso to sub section (3) of Section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

(₹ in Lakh)

1	S. No.	1	2	3
2	Name of the subsidiary	Ganesha Ecopet Private Limited*	Ganesha Ecotech Private Limited$	Ganesha Overseas Private Limited $
3	The date since when subsidiary was acquired	Incorporated on 19/11/2019	Incorporated on 17/11/2020	Acquired on 15/07/2021
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023	01/04/2022 to 31/03/2023
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees (INR)	Indian Rupees (INR)	Reporting Currency - Nepalese Rupee Exchange Rate 1 INR = 1.60 Nepalese Rupees
6	Share Capital	1500.00#	1500.00	1500.00
7	Reserves and Surplus (Other equity)	(45.52)	1355.14	(105.03)
8	Total Assets	31,209.22	29,138.46	4,639.48
9	Total Liabilities	31,209.22	29,138.46	4,639.48
10	Investments	-	-	-
11	Turnover	-	4889.77	734.87
12	Profit (loss) before taxation	(20.45)	(106.89)	(74.13)
13	Provision for taxation	(3.57)	(26.00)	(1.24)
14	Profit (loss) after taxation	(16.88)	(80.89)	(72.89)
15	Proposed dividend	-	-	-
16	Extent of Holding %	100%	100%	100%

#excludes preference share capital as preference shares are treated as financial liability under IND AS 32.
**not commenced operations till March 31, 2023.*
$ commenced operations on February 1, 2023

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate companies and Joint Ventures.

	Name of Associate/ Joint Ventures	Name 1
1	Latest Audited Balance sheet Date	N. A.
2	Date on which the Associate or Joint Venture was associated or acquired	
3	Shares of Associate/ Joint Ventures held by the company on year end.	
i	No.	
ii	Amount of investments in Associates/ Joint Venture	
iii	Extent of Holding %	
4	Description of how there is significant influence	
5	Reason why the associate/ joint venture is not consolidated	

	Name of Associate/ Joint Ventures	Name 1
6	**Networth attributable to Shareholding as per latest audited Balance Sheet**	N. A.
7	**Profit/Loss for the year**	
i	Considered in consolidation	
ii	Not considered in consolidation	

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
(DIN: 00383178)

Shyam Sunder Sharmma
Chairman
(DIN: 00530921)

Bharat Kumar Sajnani
Company Secretary
FCS: 7344

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Annexure-B

Secretarial Audit Report

For the Financial Year ended on 31st March, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Ganesha Ecosphere Limited,
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ganesha Ecosphere Limited [CIN: L51109UP1987PLC009090]** (hereinafter called the 'Company') for the Financial year ended 31st March, 2023. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has during the Financial year ended on 31st March, 2023 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books and papers, minute books, forms and returns filed and other records maintained by the Company for the Financial year ended on 31st March, 2023, according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder in respect of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable for Foreign Direct Investment and External Commercial Borrowings as there was no reportable event during the financial year under review)**;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **[Not applicable as there was no reportable event during the Audit Period]**;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable as the Company has not issued and listed any debt securities during the Audit Period)**;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Audit period)**;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **[Not applicable as the Company has not delisted / proposed to delist its Equity Shares during the year under review]**;

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 **[Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the year under review]**; and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis and representation made by the Company and its officers, the Company has complied with the provisions of Plastic Waste Management Rules, 2016 specifically applicable to the Company.

We have also examined compliance with the applicable Clauses of the following:

(i) Secretarial Standards with regard to Meetings of Board of Directors (SS-1) and the General Meetings (SS-2) issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors including Woman Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all Directors to schedule Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance except in case of shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting. All the decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that based on the information provided by the Company, its officers and authorised representatives during the conduct of Audit and review of Internal Auditor's Report, periodical Compliance Reports submitted by respective Departmental heads and taken on record by the Audit Committee / Board of Directors of the Company, in our opinion there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines and as informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the Audit Period there were following specific events / actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.:

(a) The Members at the Thirty-third Annual General Meeting of the Company held on 30th September, 2022 passed a Special Resolution approving the alteration of Objects Clause of Memorandum of Association of the Company so as to align with the provisions of Table A of Schedule I to the Companies Act, 2013 and the Rules framed thereunder and addition of the new sub-clause (6) in Clause III (A) of Memorandum of Association of the Company so as to include dealing in all types of plastic products, virgin or recycled, whether primary, intermediate or in final form.

(b) The Company has made investment in both Equity and Preference Shares of Ganesha Ecopet Private Limited, a Wholly Owned Subsidiary as detailed hereunder:-

Sl. No.	Type of Securities	Date of Investment	Particulars of Investment
1.	Equity Shares	04.03.2023	Subscription of 50,00,000 Equity Shares of ₹10/- each at par aggregating to ₹5,00,00,000/- offered on Rights basis.
2.	1% Cumulative Redeemable Preference Shares- ('CRPS Series- IV')	20.03.2023	Subscription of 20,00,000, 1% Cumulative Redeemable Preference Shares ('CRPS Series- IV') of ₹100/- each at par aggregating to ₹20,00,00,000/- offered on Rights basis.
3.	1% Cumulative Redeemable Preference Shares- ('CRPS Series- V')	29.03.2023	Subscription of 15,00,000, 1% Cumulative Redeemable Preference Shares ('CRPS Series- V') of ₹100/- each at par aggregating to ₹15,00,00,000/- offered on Rights basis.

(c) No stock options were granted to the eligible employees of the Company in terms of 'Ganesha Ecosphere Employees' Stock Option Scheme, 2021'. However, the consent of Nomination and Remuneration Committee of the Board of Directors of the Company was accorded in terms of the provisions of Regulation 3(12) of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to extend the time period to appropriate 19,335 Equity Shares of the Company acquired by 'Ganesha Employees' Welfare Trust' during the Financial Year 2021-22 by the end of the second subsequent financial year (i.e. till the end of Financial year 2023-24).

(d) In terms of the Share Subscription and Shareholders' Agreement executed between Amplus Energy Solutions Pte. Limited ('Promoter'), Amplus RJ Solar Private Limited ('Company') and Ganesha Ecosphere Limited ('Captive User') for captive arrangement of its Solar PV Generating Station at its manufacturing facilities for Units situated at Temra and Kanpur, Uttar Pradesh, the Ganesha Ecosphere Limited has made an investment in 59,26,200 Equity Shares of ₹10/- each aggregating to ₹5,92,62,000 of Amplus RJ Solar Private Limited in pursuance of the said Agreement.

(e) The following Wholly-owned Subsidiaries of the Company have commenced commercial production with effect from 1st February, 2023:-

SI. No.	Name of Subsidiary	Nature of Products
1.	Ganesha Ecotech Private Limited	Washed PET Flakes and PPSF
2.	Ganesha Overseas Private Limited, Nepal	Washed PET Flakes / Chips

For **S.K. Gupta & Co.**
Company Secretaries
ICSI Unique Code: P1992UP012800
Peer Review Certificate No. 1088 / 2021

(S.K.GUPTA)
Managing Partner
F.C.S 2589, C.P 1920
UDIN: F002589E000726301

Place: Kanpur
Date: 2nd August, 2023

Note: This Report to be read with our letter of even date which is marked as **Annexure** and forms an integral part of this Report.

Annexure to the Secretarial Audit Report

To,
The Members,
Ganesha Ecosphere Limited
[CIN: L51109UP1987PLC009090]
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

Auditor's Responsibility

Based on Audit, our responsibility is to express an opinion on the compliance with the applicable laws and maintenance of records by the Company. We conducted our audit in accordance with the Auditing Standards CSAS 1 to CSAS 4 ("CSAS") prescribed by the Institute of Company Secretaries of India ("ICSI"). These standards require that the auditor complies with statutory and regulatory requirements and plans and performs the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the CSAS. Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and for which we relied on the report of Statutory Auditor.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **S.K. Gupta & Co.**
Company Secretaries
ICSI Unique Code: P1992UP012800
Peer Review Certificate No. 1088 / 2021

(S.K.GUPTA)
Managing Partner
F.C.S 2589, C.P 1920
UDIN: F002589E000726301

Place: Kanpur
Date: 2nd August, 2023

Annexure-C

Annual Report on CSR Activities for the Financial year ended March 31, 2023

1. Brief outline on CSR Policy of the Company:

In terms of the CSR Policy of the Company, the following areas have been identified:

1. Promotion of Education at pre-school and school level.
2. Providing environmentally sustainable social infrastructure.
3. Providing better health facilities and combating disease.
4. Eradicating hunger, poverty and malnutrition.
5. Training to promote nationally recognized sports.

2. Composition of CSR Committee:

The Corporate Social Responsibility Committee of the Company comprises of 4 (four) directors, out of which 2 (two) directors are Independent. The Composition of CSR committee is as under:

S. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Abhilash Lal (Chairman)	Non- Executive Independent Director	2	2
2	Shri Pradeep Kumar Goenka	Non- Executive Independent Director	2	2
3	Shri Vishnu Dutt Khandelwal	Promoter Executive Director	2	1
4	Shri Sharad Sharma	Promoter Executive Director	2	2

3. Web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.

Composition of CSR committee: https://www.ganeshaecosphere.com/board-committee

CSR Policy : https://www.ganeshaecosphere.com/corporate-governance-policies

CSR projects: https://www.ganeshaecosphere.com/corporate-social-responsibility

4. The executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable

5. (a) **Average net profit of the Company as per Section 135(5):** ₹7373.05 Lakh
   (b) **Two percent of average net profit of the Company as per Section 135(5):** ₹147.46 Lakh
   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
   (d) **Amount required to be set off for the financial year, if any:** NIL
   (e) **Total CSR obligation for the financial year [(b)+(c)-(d)].:** ₹147.46 Lakh (Budget allocated: ₹147.50 Lakh)

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹88,26,831/-
   (b) **Amount spent in Administrative Overheads:** ₹6,01,700/-
   (c) **Amount spent on Impact Assessment, if applicable:** Not Applicable
   (d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** ₹94,28,531/-

(e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
₹94,28,531/-	₹53,21,469/-	April 29, 2023	Not Applicable		

(f) Excess amount for set-off, if any:

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per of Section 135(5)	--
(ii)	Total amount spent for the Financial Year	--
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	--
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	--
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	--

7. Details of Unspent CSR amount for the preceding three financial years:

(Amount in ₹)

S. No.	Preceeding Financial Year(s)	Amount transferred to Unspent CSR Account under Section 135 (6)	Balance Amount in Unspent CSR Account under Section 135(6)	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per second proviso to Section 135(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of Transfer		
1.	2020-21	18,80,391/-	14,01,750/-	14,01,750/-	Not applicable		-	-
2.	2021-22	87,10,807/-	87,10,807/-	10,80,378/-	Not applicable		76,30,429/-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). Not Applicable

Sd/-
(Shyam Sunder Sharmma)
Chairman
DIN:00530921

Sd/-
(Abhilash Lal)
Chairman CSR Committee
DIN: 03203177

Annexure-D

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2023:

I. CONSERVATION OF ENERGY

(a) the steps taken or impact on conservation of energy:

The Company has always been a frontrunner in constantly improving its operational performance in all areas while giving due importance to conservation of energy. Apart from making constant efforts in continuing all previous conservation measures and increasing awareness of energy management amongst its employees, the following specific measures have been taken by the Company, during the year under review:

i) Monitoring of heat patch at the terminals of Control and Power electrical panels to reduce power loss due to heating.

ii) Maintenance activity of Plant Machines as per schedule resulting into improved efficiency and saving in energy consumption.

iii) Insulation covering on extruder barrels to maintain a certain temperature without the use of excess power resulting to power saving and reduction of heating loss.

iv) Installed FD in Air Compressor(s) for maintaining the set air pressure more efficiently to reduce power consumption

v) Installation of Light Diffuser on shed for daylight harvesting and improved cross ventilation.

vi) Setting-up of YCP (Yarn Condition Plant) to increase productivity in machine operation and reduce power consumption.

vii) Periodical monitoring of capacitor panel to maintain power factor and reduce reactive power.

viii) Provided Current Controller unit with Siren for maintaining the set current of Cutter's Motor more efficiently to reduce power consumption.

ix) Use of water level controller in pump motors to maintain water level and prevent dry run of pump to improve the efficiency and resulting to the savings in energy consumption.

x) Water consumption reduced by optimizing water flow for process machines. Re-use of water in washing facility process and machines to reduce overall water consumption.

(b) Steps taken by company for using alternate sources of energy:

The Company is committed to efficiently utilize its resources and ensure minimum consumption in all its processes. The Company is using solar power in its manufacturing facilities with a total installed capacity of 9.1 MWp meeting 17.1% of plants' annual requirement. Augmenting its efforts in using alternate sources of energy, the Company has also partnered with a leading IPP for supplying of 17.43 MWp Solar Power for captive consumption and such supply has been started during the year under review. Efforts are continuing to identify other viable opportunities of using alternate sources of energy.

(c) Capital investment on energy conservation equipments:

Not Significant

II. TECHNOLOGY ABSORPTION

1. Efforts in brief, made towards technology absorption, adaptation and innovation:

The Company is having latest state of the art plant and machinery and has the policy of continuous modernization and upgradation of machines. In our philosophy to continuously upgrade ourselves from a technological standpoint, the following efforts have been made:

a) Product upgradation and customization.

b) Process improvement to reduce power consumption and waste.

c) Technology absorption from Technical Journals and attending of National and International Exhibitions/ Seminars.

2. Benefit derived as a result of the above efforts:

a) Improved market share with premium-class products,

b) Cycle time reduction and productivity boost,

c) Conservation of resources and cost saving,

d) Reduced carbon footprints and environmental protection.

3. In case of Imported Technology (imported during the last three years reckoned from the beginning of Financial Year):

The Company has not imported any technology during the preceding three years.

4. Expenses incurred on Research and Development:

The expenses involved in in-house research and development carried out in a routine manner are insignificant; therefore, the same have not been accounted for separately.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details with regard to Foreign Exchange earnings and out go are as under:

(₹ in lakh)

	Financial Year (2022-23)	Financial Year (2021-22)
A) Foreign Exchange earnings (F.O.B. Value)	**11,010.22**	10,810.68
B) Foreign Exchange outgo	**6137.75**	5,476.91

Annexure 'E' to the Directors' Report

The information as required under Section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2022-23 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2022-23 are as under:

S. No.	Name	Designation	Remuneration in F.Y. 2022-23 (₹ in lakh)	Remuneration in F.Y. 2021-22 (₹ in lakh)	% increase/ (decrease) in remuneration	Ratio of remuneration of each Director to the median remuneration of employees
1.	Mr. Shyam Sunder Sharmma	Non- Executive Chairman*	28.20	27.95	0.89	21.36
2.	Mr. Sharad Sharma	Managing Director & CEO	248.90	135.40	83.83&	188.56
3.	Mr. Vishnu Dutt Khandelwal	Executive Vice-Chairman	248.82	135.32	83.88&	188.50
4.	Mr. Rajesh Sharma	Joint Managing Director	248.90	135.40	83.83&	188.56
5.	Mr. Surendra Kumar Kabra#	Non- Executive/ Independent Director*	5.55	6.40	(13.28)	4.20
6.	Mr. Vishwa Nath Chandak^	Non- Executive/ Independent Director*	1.85	5.60	N.A.	N.A.
7.	Mr. Pradeep Kumar Goenka	Non- Executive/ Independent Director*	7.40	6.40	15.63	5.61
8.	Mr. Abhilash Lal	Non- Executive/ Independent Director*	7.40	4.80	54.17	5.61
9.	Mrs. Shobha Chaturvedi	Non- Executive/ Independent Director*	7.20	6.20	16.13	5.45
10.	Mr. Gopal Agarwal	Chief Financial Officer	31.00	27.83	11.39	N.A.
11.	Mr. Bharat Kumar Sajnani	Company Secretary	13.02	11.22	16.04	N.A.

**The Non-Executive Directors of the Company are paid remuneration by way of sitting fees at the rate of ₹5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting and commission upto 1% of the net profits of the Company, as approved by the shareholders.*

&The increase in remuneration (which includes performance linked remuneration) to the directors is as per the terms of their appointment and within the limits approved by the members.

#Ceased to be an Independent Director of the Company due to his sudden and sad demise on June 1, 2023.

^ Ceased to be an Independent Director of the Company w.e.f September 30, 2022 upon completion of his second term of office, accordingly, his remuneration is not comparable.

ii. During the year 2022-23, there was an increase of 5.60% in median remuneration of employees.

iii. There were 2593 permanent employees on the roll of the Company as on March 31, 2023.

iv. Average percentage increase made in the salaries of employees other than the managerial personnel in the Financial Year 2022-23 was 6.79%, whereas the increase in the managerial remuneration for the same financial year was 73.52% (Refer note above).

v. It is hereby affirmed that the remuneration paid during the Financial Year ended March 31, 2023 is as per the remuneration policy of the Company.

Corporate Governance Report 2022-23

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

At GESL, we believe that as we move towards achieving our growth targets, our Corporate Governance processes must adhere to the globally benchmarked standards. Corporate Governance is an integral element of the Company's value system, management ethos and business practices. Our Corporate Governance practices are driven by timely disclosures, transparent accounting policies and high levels of integrity in decision- making. The Company believes that the governance process should ensure that the resources employed must be utilized optimally so as to meet the stakeholders' aspirations and expectations. This is demonstrated in improving shareholder returns and performance focused work environment. Our customers have benefited from the high quality products made available to them at reasonable prices. Our employee satisfaction is reflected in the stability of our senior management and substantially high productivity. The Company is committed to contribute to the "Triple Bottom Line" i.e. ensuring the conduct of business around social, environmental and economic concerns and this is apparently reflected in the Company's area of business. GESL's governance philosophy revolves around trusteeship, transparency, control, accountability and ethical business conduct. The practice of each of these enables the management to direct and control the affairs of the Company in an efficient manner and in creating the right corporate culture towards emerging as a socially responsible corporate citizen.

2. BOARD OF DIRECTORS

A. Composition and category of Board of Directors, attendance at Board Meetings, at last Annual General Meeting and details of Membership of other Boards / Committees:

The Board has an optimum combination of Executive and Non-Executive Directors as per the Corporate Governance requirements. The composition of the Board of Directors and other relevant details as on March 31, 2023 are as under:

S. No.	Name of Director along with DIN	Category	No. of Board Meetings during tenure		Whether present at the last Annual General Meeting held on September 30, 2022	No. of Boards / Committees of Indian Public Limited Companies (including Ganesha Ecosphere Limited)			Directorship in Other Listed Entities and Category of Directorship
			Held	Attended		Directorship	Committee (only Audit Committee & Stakeholders Relationship Committee) Member	Committee (only Audit Committee & Stakeholders Relationship Committee) Chairman	
1.	Mr. Shyam Sunder Sharmma DIN: 00530921	Promoter Non-Executive Director	4	4	Yes	1	1	--	--
2.	Mr. Vishnu Dutt Khandelwal DIN: 00383507	Promoter Executive Director	4	4	Yes	3	2	--	--
3.	Mr. Sharad Sharma DIN: 00383178	Promoter Executive Director	4	4	Yes	3	1	--	--
4.	Mr. Rajesh Sharma DIN: 02228607	Promoter Executive Director	4	4	No	3	--	--	--
5.	Mr. Surendra Kumar Kabra* DIN: 01280980	Non-Executive/ Independent Director	4	3	No	2	1	--	Aditya Ispat Limited (Non- Executive-Non Independent Director)

S. No.	Name of Director along with DIN	Category	No. of Board Meetings during tenure		Whether present at the last Annual General Meeting held on September 30, 2022	No. of Boards / Committees of Indian Public Limited Companies (including Ganesha Ecosphere Limited)			Directorship in Other Listed Entities and Category of Directorship
						Directorship	Committee (only Audit Committee & Stakeholders Relationship Committee)		
			Held	Attended			Member	Chairman	
6.	Mr. Pradeep Kumar Goenka DIN: 00404746	Non-Executive/ Independent Director	4	4	Yes	1	2	2	--
7.	Mr. Vishwa Nath Chandak$ DIN: 00313035	Non-Executive/ Independent Director	2	1	No	NA	NA	NA	NA
8.	Mr. Abhilash Lal DIN: 03203177	Non-Executive/ Independent Director	4	4	No	3	4	--	• APL Apollo Tubes Limited (Non-Executive-Independent Director) • Apollo Pipes Limited (Non-Executive-Independent Director)
9.	Mrs. Shobha Chaturvedi DIN: 08553800	Non-Executive/ Independent Director	4	4	Yes	1	--	--	--

** Ceased to be an Independent Director of the Company due to his sudden and sad demise on June 1, 2023.*

$Ceased to be an Independent Director of the Company w.e.f September 30, 2022 upon completion of his term of office.

The number of Directorships, Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 (hereinafter referred to as 'Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

Relationship between Directors inter-se:

Mr. Sharad Sharma and Mr. Rajesh Sharma are sons of Mr. Shyam Sunder Sharmma and Mr. Vishnu Dutt Khandelwal is brother of Mr. Shyam Sunder Sharmma.

Shareholding of Non-Executive Directors:

As on March 31, 2023, the shareholding of Non-Executive Director in the Company is as follows:

Name of the Director	Shareholding as on March 31, 2023
Mr. Shyam Sunder Sharmma	19,38,927 Equity Shares

None of the other Non-Executive Directors hold any shares in the Company.

B. Details of Board Meetings held during the year:

The Board met 4 (four) times during the year and the gap between two consecutive meetings did not exceed 120 days. The necessary quorum was present for all the Board Meetings. The details of the Board Meetings are as under:

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	May 21, 2022	9	7
2.	August 4, 2022	9	9
3.	November 14, 2022	8	8
4.	February 4, 2023	8	8

For convenience of all the Board members, the option for participating in the meeting through video conferencing was provided for the above Board meetings.

Information placed before the Board:

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II to Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant.

Key Skills/Expertise/Competencies of the Board:

The list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of Company's business operations for it to function effectively and those actually available with the Board are as follows:

- Leadership / Operational Experience;
- Industry Specific Knowledge and Experience;
- Risk Management & Strategic Planning;
- Legal and Regulatory Matters;
- Knowledge of Finance and related aspects;
- Corporate Governance; &
- Personal Attributes such as Integrity, Accountability etc.

1. Mr. Shyam Sunder Sharmma
2. Mr. Vishnu Dutt Khandelwal
3. Mr. Sharad Sharma
4. Mr. Rajesh Sharma
5. Mr. Pradeep Kumar Goenka
6. Mr. Abhilash Lal
7. Mrs. Shobha Chaturvedi

C. Terms and conditions of appointment of Independent Directors:

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company i.e. **https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/BoardOfDirector/Terms-and-Condition-of-appointment-of-Independent-Directors.pdf**

D. Familiarization Programme for Independent Directors:

The Independent Directors are provided with necessary documents and reports to enable them to familiarise with the Company's procedures and practices. They are also apprised about the business operations, strategies, risks involved and performance of the Company. Quarterly updates on relevant statutory changes encompassing important laws are regularly informed to the Directors at the Board and Board Committee meetings.

The details of Familiarization Programme for Independent Directors are available on the Company's website at the following web link:

https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/FamiliarizationProgrammeforIndependentDirectors2023.pdf

E. Separate Meeting of the Independent Directors:

During the year ended March 31, 2023, 1 (one) meeting of Independent Directors of the Company was held on March 25, 2023. At the meeting, the Independent Directors:

1. Evaluated the performance of Non-Independent Directors and the Board of Directors as a whole;
2. Evaluated performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;
3. Evaluated the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors attended the meeting through video conferencing.

F. Confirmation by the Board:

In the opinion of the Board, the Independent Directors fulfill the conditions specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations and are independent of the management.

Directors and Officers Insurance:

In compliance with the provisions of Regulation 25(10) of the Listing Regulations, the Company has undertaken the Directors and Officers Insurance (D and O Insurance) for all its Directors (including Independent Directors) and Key Managerial Personnel.

G. Code of Conduct:

In compliance with Regulation 17(5) of the Listing Regulations, the Company's Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. All Board members and senior management personnel have affirmed compliance with this Code of Conduct in terms of Regulation 26(3) of the Listing Regulations. A declaration to this effect, signed by Mr. Sharad Sharma, Managing Director & Chief Executive Officer of the Company, forms part of this report. Code of Conduct of the Company is available on the website of the Company at **https://www.ganeshaecosphere.com/code-of-conduct**.

3. COMMITTEES OF THE BOARD:

As on March 31, 2023, the Company has 7 (seven) Board level Committees:

A. Audit Committee,

B. Nomination and Remuneration Committee,

C. Stakeholders Relationship Committee,

D. Risk Management & Strategic Planning Committee,

E. Corporate Social Responsibility Committee,

F. Management Committee and

G. Capital Raising Committee

The composition of the Committees of the Board of Directors is available on the website of the Company at **https://www.ganeshaecosphere.com/board-committee**.

A. AUDIT COMMITTEE

Composition:

The Company has a duly constituted Audit Committee and its composition is in conformity with requirements of the Act and Listing Regulations.

As on March 31, 2023, the Committee consisted of 4 (four) Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Surendra Kumar Kabra, Mr. Vishnu Dutt Khandelwal and Mr. Abhilash Lal. Mr. Vishwa Nath Chandak ceased to be a member of the Committee w.e.f. September 30, 2022 upon completion of his term of office as an Independent Director of the Company. Mr. Surendra Kumar Kabra also ceased to be a member of the Committee due to his demise on June 1, 2023.

All the members of the Audit Committee possess requisite qualifications and expertise. Mr. Pradeep Kumar Goenka is Chartered Accountant. Mr. Vishnu Dutt Khandelwal is Post Graduate in Commerce and has also rich experience in the field of Accounting and Financial Management. Mr. Abhilash Lal is Post Graduate in Management from IIM, Bangalore and has also rich experience in all aspects of financial services.

Mr. Bharat Kumar Sajnani, Company Secretary of the Company also acts as Secretary to the Committee

Terms of Reference:

The terms of reference of the Audit Committee are in conformity with the requirements specified in Regulation 18(3) read with Part C of Schedule II to the Listing Regulations and also comply with the requirements of Section 177 of the Companies Act, 2013.

Brief description of terms of reference:

1. 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.

2. Recommendation for appointment, remuneration and terms of appointment of statutory auditors including cost auditors of the Company.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval, with particular reference to:
    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
    b. Changes, if any, in accounting policies and practices and reasons for the same.
    c. Major accounting entries involving estimates based on the exercise of judgement by the management.
    d. Significant adjustments made in the financial statements arising out of audit findings.
    e. Compliance with listing and other legal requirements relating to financial statements.
    f. Disclosure of related party transactions.
    g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement 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 utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the Company with related parties.
9. Scrutiny of inter- corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, 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.
14. Discussion with Internal Auditors of any significant findings and follow up there on.
15. 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.
16. 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.
17. 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.
18. To review the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate.
20. Reviewing the reports of the Company's Cost Auditors.
21. Reviewing 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) of internal control weaknesses, if any, issued by statutory auditors;
    - Internal Audit Reports relating to internal control weaknesses;
    - Appointment, removal and terms of remuneration of internal auditor and
    - Utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
22. To carry out such other functions as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.

Meetings:

During the financial year ended March 31, 2023, 4 (four) Audit Committee Meetings were held on May 21, 2022, August 4, 2022, November 14, 2022 and February 4, 2023. Chief Financial Officer, Internal Auditors, Cost Auditors, the Statutory Auditors and other Senior Management Personnel were invited to be present at the Audit Committee Meetings.

Details of the Attendance of members of the Committee at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meetings during the year	
			Held	Attended
1.	Mr. Pradeep Kumar Goenka, Chairman	Non- Executive/ Independent Director	4	4
2.	Mr. Surendra Kumar Kabra*	Non- Executive/ Independent Director	4	3
3.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	4	4
4.	Mr. Vishwa Nath Chandak$	Non- Executive/ Independent Director	2	1
5.	Mr. Abhilash Lal	Non- Executive/ Independent Director	4	4

** Ceased to be an Independent Director of the Company due to his sudden and sad demise on June 1, 2023.*
$ Ceased to be the member of the Committee w.e.f. September 30, 2022 upon completion of his term of office as an Independent Director of the Company.

Mr. Pradeep Kumar Goenka, Chairman of the Audit Committee was present at the last Annual General Meeting held on September 30, 2022.

B. NOMINATION AND REMUNERATION COMMITTEE

Composition:

The Company has a duly constituted Nomination and Remuneration Committee and its composition is in conformity with requirements of the Act and Listing Regulations.

The Nomination and Remuneration Committee of the Board consists of 4 (four) Directors as on March 31, 2023, namely, Mr. Surendra Kumar Kabra (Chairman), Mr. Pradeep Kumar Goenka, Mr. Shyam Sunder Sharmma and Mr. Abhilash Lal.

Mr. Vishwa Nath Chandak ceased to be the member of the Committee w.e.f. September 30, 2022 upon completion of his term of office as an Independent Director of the Company. Mr. Surendra Kumar Kabra also ceased to be the member of the Committee due to his demise on June 1, 2023.

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in conformity with the requirements specified in Regulation 19(4) read with Part D of Schedule II to the Listing Regulations and also comply with the requirements of Section 178 of the Companies Act, 2013.

Brief description of terms of reference:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board.
3. Devising policy on Board diversity.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Recommend to the Board, all remuneration, in whatever form, payable to senior management.

Meetings:

During the financial year ended March 31, 2023, 4 (four) Nomination and Remuneration Committee Meetings were held on May 21, 2022, August 4, 2022, November 14, 2022 and February 4, 2023.

Details of Attendance of members of the Committee at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meetings during the year	
			Held	Attended
1.	Mr. Surendra Kumar Kabra, Chairman*	Non- Executive/ Independent Director	4	3
2.	Mr. Pradeep Kumar Goenka	Non- Executive/ Independent Director	4	4
3.	Mr. Vishwa Nath Chandak$	Non- Executive/ Independent Director	2	1
4.	Mr. Shyam Sunder Sharmma	Promoter Non- Executive/ Non-Independent Director	4	1
5.	Mr. Abhilash Lal	Non- Executive/ Independent Director	4	4

** Ceased to be an Independent Director of the Company due to his sudden and sad demise on June 1, 2023.*
$ Ceased to be the member of the Committee w.e.f. September 30, 2022 upon completion of his term of office as an Independent Director of the Company.

Remuneration Policy:

The Company has adopted Policy on Nomination, Remuneration and Board Diversity which is available on the website of the Company at the link **https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/Policy-on-Nomination-Remuneration-And-Board-Diversity.pdf**

Details of Remuneration of the Directors for the financial year 2022-23:

i. Executive Directors:

The Company pays remuneration to the Executive Directors by way of salary, perquisites and allowances (fixed component) and performance linked remuneration (variable component). The amount of performance linked remuneration payable to such Directors is determined by the Board.

The Details of Remuneration are as follows:

Name of Director	Designation	Salary & Allowances (₹)	Perquisites (₹)	Performance Linked Remuneration (₹)	Tenure
Mr. Vishnu Dutt Khandelwal	Executive Vice Chairman	36,00,000/-	32,400/-	2,12,50,000/-	5 years (with effect from June 19, 2023)
Mr. Sharad Sharma	Managing Director	36,00,000/-	39,600/-	2,12,50,000/-	5 years (with effect from February 1, 2019)
Mr. Rajesh Sharma	Joint Managing Director	36,00,000/-	39,600/-	2,12,50,000/-	5 years (with effect from June19, 2023)

ii. Non-Executive Directors:

Non-Executive Directors (NEDs) of the Company play a crucial role to the independent functioning of the Board. They bring in external and wider perspective to the decision-making by the Board. They provide leadership and strategic guidance, while maintaining objective judgement.

The Non-Executive Directors (NEDs) are paid remuneration by way of Sitting Fees and Commission. They are paid sitting fees at the rate of ₹5,000/- per meeting for attending every Board Meeting as well as Audit Committee Meeting. In the light of the services rendered by the NEDs to the Company, the Members, at the 33rd Annual General Meeting of the Company approved payment of remuneration to NEDs of the Company, by way of commission upto 1% of the net profit of the Company. The distribution of commission amongst the NEDs is determined by the Board. The Board decided that such commission shall be distributed in following manner for the year 2022-23 amongst the Non-Executive Directors (except Chairman of the Company) on the basis of their attendance and contribution at the Board and Audit Committee Meetings (subject to maximum limit of ₹7,00,000/- for each such Director, as decided by the Board at its meeting held on August 4, 2022).

The Board at its meeting held on May 25, 2023, decided a remuneration of ₹28,00,000/- as commission payable to Mr. Shyam Sunder Sharmma, Chairman of the Company, for the F.Y. 2022-23 in view of his valuable contribution and entrepreneurial leadership.

The Details of Sitting Fees Paid and Commission payable to such directors for the year 2022-23 are as follows:

Name of Directors	Sitting Fees (₹)	Commission (₹)	Tenure
Mr. Surendra Kumar Kabra *	30,000/-	5,25,000/-	5 years (from September 5, 2019)
Mr. Pradeep Kumar Goenka	40,000/-	7,00,000/-	5 years (from September 5, 2019)
Mr. Abhilash Lal	40,000/-	7,00,000/-	5 years (from September 5, 2019)
Mrs. Shobha Chaturvedi	20,000/-	7,00,000/-	5 years (from September 5, 2019)
Mr. Vishwa Nath Chandak$	10,000/-	1,75,000/-	-
Mr. Shyam Sunder Sharmma	20,000/-	28,00,000/-	N.A.

** Ceased to be an Independent Director of the Company due to his sudden and sad demise on June 1, 2023.*

$ Ceased to be the member of the Committee w.e.f. September 30, 2022 upon completion of his term of office as an Independent Director of the Company.

Apart from the sitting fees and commission provided above, the non-executive directors had no other pecuniary relationship or transaction with the Company.

Performance evaluation criteria for Independent Directors:

The performance of Independent Directors was evaluated by the entire Board on the basis of the criteria laid down under the "Nomination, Remuneration and Board Diversity Policy" of the Company.

Particulars of senior management including the changes therein since the close of the previous financial year:

S.no.	Name of the Personnel*	Designation
1.	Shri B.P. Sultania	Joint President
2.	Shri Gopal Agarwal	Chief Financial Officer
3.	Shri Bharat Kumar Sajnani	Company Secretary
4.	Shri R.K. Khandelwal	Sr. Vice President
5.	Shri Sandeep Khandelwal	Sr. Vice President
6.	Shri Prashant Khandelwal	Sr. Vice President
7.	Shri N.K. Sharma	Vice-President (Commercial)
8.	Shri Rajesh Gupta	Vice-President (Marketing)
9.	Shri K.K. Jain	Vice President (Administration & Legal)
10.	Shri Sanjiv Dua	Vice-President

** There is no change in the particulars of Senior management since the close of the previous financial year*

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

Composition:

The Company has a duly constituted Stakeholders Relationship Committee and its composition is in conformity with requirements of the Listing Regulations.

The Stakeholders Relationship Committee of the Board comprises of 4 (four) Directors namely, Mr. Pradeep Kumar Goenka (Chairman), Mr. Shyam Sunder Sharmma, Mr. Vishnu Dutt Khandelwal and Mr. Sharad Sharma as members of the Committee.

Terms of Reference:

The terms of reference of Stakeholders Relationship Committee shall inter-alia include the following:

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 Company's Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
5. Issuance of certificates of securities upon split/ consolidation/ renewal/ re-materialisation thereof and issuance of duplicate certificates of securities.

The Committee also oversees the working of Registrar and Share Transfer Agent of the Company.

Meetings:

During the financial year ended March 31, 2023, 14 (fourteen) Stakeholders Relationship Committee Meetings were held on April 22, 2022, May 12, 2022, June 11, 2022, July 11, 2022, August 1, 2022, August 10, 2022, September 14, 2022 October 13, 2022, November 11, 2022, December 10, 2022, January 14, 2023, February 9, 2023, March 1, 2023 and March 22, 2023.

Details of the Attendance of members of the Committee at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meetings during the year	
			Held	Attended
1.	Mr. Pradeep Kumar Goenka, Chairman	Non-Executive/ Independent Director	14	14
2.	Mr. Shyam Sunder Sharmma	Promoter Non- Executive Director	14	1
3.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	14	13
4.	Mr. Sharad Sharma	Promoter Executive Director	14	12

Mr. Pradeep Kumar Goenka, Chairman of the Stakeholders Relationship Committee was present at the last Annual General Meeting held on September 30, 2022.

Investor Grievance Redressal:

Number of complaints received and resolved to the satisfaction of investors during the financial year ended March 31, 2023, are as under:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
-	10	10	-

Compliance Officer:

Compliance Officer of the Company: Mr. Bharat Kumar Sajnani, Company Secretary.

D. RISK MANAGEMENT & STRATEGIC PLANNING COMMITTEE

Composition:

The Company has a duly constituted Risk Management & Strategic Planning Committee (RMSPC) and its composition is in conformity with requirements of the Listing Regulations.

The RMSPC of the Board comprises of 5 (five) Directors namely, Mr. Shyam Sunder Sharmma (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma, Mr. Abhilash Lal and Mr. Pradeep Kumar Goenka as members of the Committee.

Terms of Reference:

The terms of reference of Risk Management & Strategic Planning Committee shall inter-alia include the following:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities;

(6) To assist the Board in fulfilling its oversight responsibilities relating to the medium and long-term strategic direction and development.

(7) To assist the Board in fulfilling its corporate governance oversight responsibilities with regard to the identification, evaluation and mitigation of strategic, operational, and external environment risks;

(8) To keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;

(9) To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

(10) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Meetings:

During the financial year ended March 31, 2023, 3 (three) meetings of the Risk Management & Strategic Planning Committee were held on May 21, 2022, November 14, 2022 & March 25, 2023.

Details of the Attendance of members of the Committee at the Meetings are as follows:

S. No.	Name of Director	Category	No. of Committee meetings during the year	
			Held	Attended
1.	Mr. Shyam Sunder Sharmma, Chairman	Promoter Non-Executive/ Non-Independent Director	3	3
2.	Mr. Vishnu Dutt Khandelwal	Promoter Executive Director	3	3
3.	Mr. Sharad Sharma	Promoter Executive Director	3	3
4.	Mr. Pradeep Kumar Goenka	Non-Executive/ Independent Director	3	3
5.	Mr. Abhilash Lal	Non-Executive/ Independent Director	3	2

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Composition:

The Company has duly constituted Corporate Social Responsibility (CSR) Committee in line with provisions of the Section 135 of the Act. The Corporate Social Responsibility (CSR) Committee of the Board comprises of 4 (four) Directors namely, Mr. Abhilash Lal (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma and Mr. Pradeep Kumar Goenka as members of the Committee.

Terms of Reference:

Terms of Reference of the Committee inter alia include the following:

(1) To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;

(2) To formulate and recommend the CSR annual action plan and any modification(s)/ alteration(s) thereto during the financial year, for approval of the Board from time to time, in accordance with the Company's CSR policy and provisions of applicable laws;

(3) To review and recommend the amount of expenditure to be incurred on the CSR activities;

(4) To monitor the CSR policy of the Company from time to time;

(5) To institute a transparent monitoring mechanism for implementation of the CSR projects/programs/ activities undertaken by the Company;

(6) To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

Meetings:

During the financial year ended March 31, 2023, 2 (two) Corporate Social Responsibility (CSR) Committee Meetings were held on May 21, 2022 and February 4, 2023.

F. MANAGEMENT COMMITTEE

Composition:

The Management Committee of the Board comprises of 4 (four) directors namely, Mr. Shyam Sunder Sharmma (Chairman), Mr. Vishnu Dutt Khandelwal, Mr. Sharad Sharma and Mr. Pradeep Kumar Goenka as members of the Committee.

Terms of Reference:

Terms of Reference of the Committee inter alia include the following:

a) To review banking arrangements and cash management,

b) To exercise all powers to borrow money (otherwise than by issue of debentures), and take necessary actions connected therewith, including refinancing for optimization of borrowing costs,

c) To approve opening/ closing and operation of Bank Accounts,

d) To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable,

e) To delegate authorities & operational powers from time to time to the executives/ authorised persons.

f) To review regularly and make recommendations about changes to the charter of the Committee.

Meetings:

During the financial year ended March 31, 2023, 4 (four) Management Committee Meeting were held on April 9, 2022, September 7, 2022, December 19, 2022 and March 7, 2023.

G. CAPITAL RAISING COMMITTEE

Composition:

The Capital Raising Committee of the Board comprises of 3 (three) Directors namely, Mr. Vishnu Dutt Khandelwal (Chairman), Mr. Sharad Sharma and Mr. Abhilash Lal as members of the Committee.

Terms of Reference:

Terms of Reference of the Committee inter alia include the following:

1. To analyze various options for infusion of capital;

2. To decide on the actual size, mode(s), no. of tranches, timing, pricing including discount/ premium, if any, reservation to employees, customers, existing shareholders and / or any other persons as decided by the Board and as provided under SEBI Regulations subject to applicable Rules and Regulations and GOI and RBI approval;

3. To decide all other terms and conditions of the Issue and to accept any amendment(s), modification(s), variation(s) or alteration(s) thereto;

4. To appoint and enter into arrangement with the Book Running Lead Managers ("BRLMs"), escrow agent, legal counsel and any other agencies or persons or intermediaries to the Issue and to negotiate and finalize the terms of their appointment, including but not limited to execution of the placement agreement with the BRLMs;
5. To open and operate bank account(s) of the Company in terms of the escrow agreement and to authorize one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;
6. To authorize any concerned persons on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time in relation to the Issue;
7. To seek, if required, the consent of the third parties such as the Company's lenders, parties with whom the Company has entered into various commercial and other agreements, and any other consents that may be required in connection with the issue, if any;
8. To determine and finalize the Issue opening and Issue closing date, the Issue Price, in consultation with the BRLMs, and to do all such acts and thing as may be necessary and expedient for, and incidental and ancillary to, the Issue;
9. To allot the equity shares/other securities pursuant to the Issue and to do all such acts and things as may be necessary to give effect such allotment;
10. To make applications to the Stock Exchange(s) for listing of the equity shares/ other securities of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the Stock Exchange(s) and to take all such other actions as may be necessary in connection with obtaining such listing;
11. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for the Issue, in consultation with the BRLMs;
12. To settle all questions, difficulties, or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;
13. To take such action, give such directions, as may be necessary or desirable as regards to the Issue and to do all such acts, matters, deeds and things, including but not limited to the allotment of shares against the valid applications received in the Issue, as are in the best interest of the Company;
14. To execute and deliver any and all other documents or instruments and doing or causing to be done any and all act or things as the Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the Committee shall be conclusive evidence of the authority of the Committee in so doing.
15. To delegate any of the powers mentioned hereinabove at point no. 1 to 13, to any of the Director(s) of the Company.

Meetings:

No meeting of the Capital Raising Committee was held during the financial year ended on March 31, 2023.

4. GENERAL BODY MEETINGS

Details of last three Annual General Meetings and the summary of Special Resolutions passed therein are as under:

Year	Date of Meeting	Time	Place	Particulars of Special Resolutions passed at the Meeting
2022	September 30, 2022	9:30 A.M.	Venue: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304.	1) Consent for payment of Remuneration to the Directors of the Company (other than Managing or Whole Time Director). 2) Consent for re-appointment of Shri Vishnu Dutt Khandelwal (DIN: 00383507) as Whole Time Director, designated as Executive Vice-Chairman of the Company. 3) Consent for re-appointment of Shri Rajesh Sharma (DIN: 02228607) as Joint Managing Director of the Company. 4) Consent for alteration of the Objects Clause in the Memorandum of Association of the Company.

Year	Date of Meeting	Time	Place	Particulars of Special Resolutions passed at the Meeting
2021	September 4, 2021	12:15 P.M.	Held through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) Deemed Venue: Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.)-209304.	No Special Resolution was passed in the 32nd Annual General Meeting held on September 4, 2021.
2020	September 22, 2020	9:30 A.M.	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.	No Special Resolution was passed in the 31st Annual General Meeting held on September 22, 2020.

Postal Ballot:

During the year under review, the Company did not pass any special resolution through postal ballot and there is no proposal to pass any resolution through postal ballot as on the date of this report.

5. MEANS OF COMMUNICATION

The quarterly, half yearly and annual financial results of the Company are submitted to the Stock Exchanges and published in 'Business Standard' (in English and Hindi) newspaper in terms of the requirements of Regulation 33(3) & 47(1)(b) of the Listing Regulations. These results are available on the official website of the BSE Limited and National Stock Exchange of India Limited i.e. **www.bseindia.com** & **www.nseindia.com**, respectively.

The Financial Results and Annual Report of the Company, official news releases and presentations made to Institutional Investors and Analysts that are submitted to the stock exchanges, from time to time, are also posted on the Company's official website i.e. **www.ganeshaecosphere.com**.

The 'Management Discussion and Analysis Report' is given separately forming part of the Annual Report.

6. GENERAL SHAREHOLDERS' INFORMATION

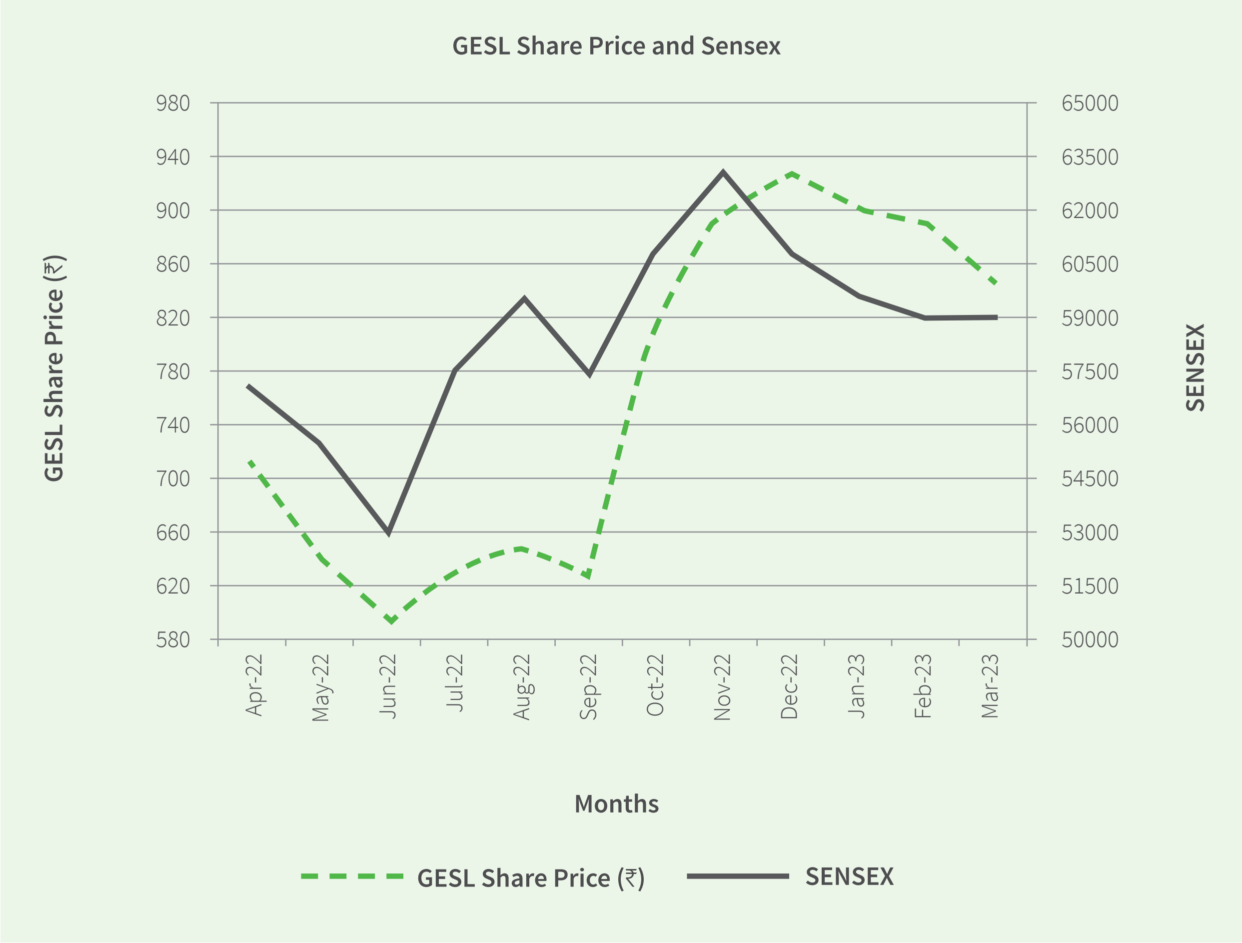
A.	**Corporate Identification Number (CIN):**	L51109UP1987PLC009090
B.	**Annual General Meeting:**	**Date:** September 21, 2023 **Time:** 12:00 Noon **Venue:** Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat.
C.	**Calendar for financial year ended March 31, 2024:**	**Particulars of Quarter** — **On or before*** First Quarter Results — August 14, 2023 Second Quarter Results — November 14, 2023 Third Quarter Results — February 14, 2024 Fourth Quarter & Annual Results — May 30, 2024 ***or such other date as may be extended by SEBI.**
D.	**Date of Book Closure:**	From Friday, September 15, 2023 to Thursday, September 21, 2023 (both days inclusive).
E.	**Dividend Payment Date:**	On and after September 26, 2023
F.	**Listing on Stock Exchanges:**	The Company's Equity Shares are listed at following Stock Exchanges: • BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400 001 • National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai-400051 The Annual Listing Fee to these stock exchanges has been paid up-to-date.
G.	**Stock Codes – Equity Shares:**	• BSE Limited, Mumbai: **514167** • National Stock Exchange of India Limited: **GANECOS**

H. Stock Market Price Data for the year 2022-23:

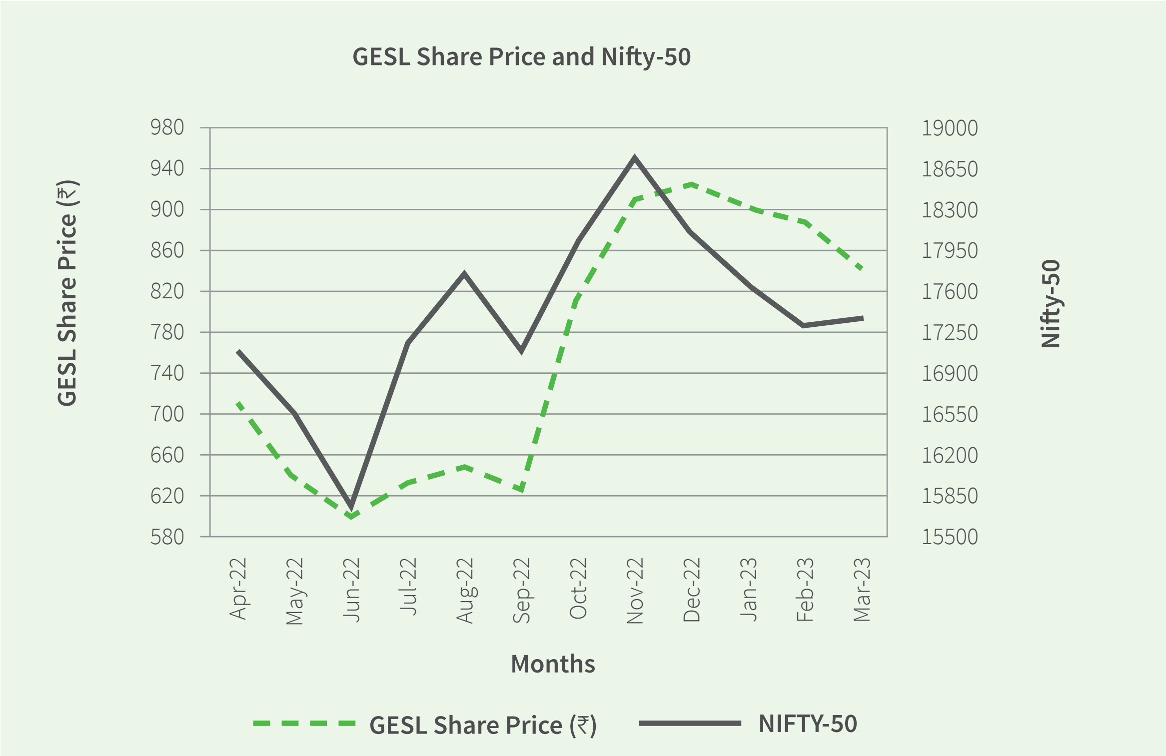
Month	BSE PRICES				NSE PRICES			
	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded	High (₹)	Low (₹)	Close (₹)	No. of Shares Traded
April, 2022	788.00	687.00	712.00	1,92,361	788.40	682.25	712.95	1,151,923
May, 2022	730.10	610.00	638.35	76,553	720.00	610.75	636.75	8,05,693
June, 2022	655.15	543.25	593.75	67,515	655.40	543.00	598.55	7,04,498
July, 2022	652.70	575.80	631.35	62,287	655.80	575.95	633.05	4,77,396
August, 2022	676.90	592.00	649.30	72,748	678.00	609.05	649.60	6,75,478
September, 2022	688.95	595.00	627.40	76,434	688.00	597.05	627.60	9,65,829
October, 2022	824.00	620.00	817.85	1,52,733	823.05	615.25	818.80	19,09,493
November, 2022	929.00	817.05	903.95	2,56,841	930.00	811.25	908.60	20,93,955
December, 2022	985.05	846.30	927.90	1,87,459	970.95	842.40	924.40	14,56,350
January, 2023	950.00	854.75	903.70	67,855	950.00	820.00	901.15	7,44,968
February, 2023	911.50	821.85	891.90	47,354	905.90	822.25	889.35	4,64,822
March, 2023	893.95	796.05	846.80	43,880	897.90	799.00	844.35	4,20,650

The information is downloaded from official website of the BSE Limited & National Stock Exchange of India Limited.

Performance of the Share Price of the Company in comparison to the BSE Sensex:



Performance of the Share Price of the Company in comparison to the NSE Nifty 50:



I. **Registrar and Share Transfer Agent (RTA):**

Skyline Financial Services Pvt. Ltd.
D-153/A, First Floor,
Okhla Industrial Area, Phase-I,
New Delhi-110020
Tel: 011- 40450193-97, 011- 26812682-83,
E-mail: admin@skylinerta.com
Website: www.skylinerta.com

J. **Share Transfer System:**

The Board of Directors of the Company have delegated the power of approval of transmission, transposition, dematerialization and other related matters to M/s. Skyline Financial Services Private Limited, the Registrar and Share Transfer Agent of the Company, subject to review by Stakeholders Relationship Committee of the Board on quarterly basis.

The shareholders may note that SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 1, 2019. Accordingly, Members are advised to dematerialize the physical shares held by them.

Further, SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, has made it mandatory for the listed companies to issue shares/ securities, within the prescribed time, in demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/ splitting/ consolidation of securities, transmission/ transposition of securities etc. Accordingly, shareholders are advised to open their demat account with any Depository Participant (DP) having registration with SEBI or seek guidance on demat procedure from Company's RTA to avoid any inconvenience at later stage.

Freezing of Folios:

SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March, 2023, has made it **mandatory for all the shareholders holding shares in physical form to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen Signature** for their corresponding folio numbers and had stipulated that the **folios in which any of the above details are not available on or after 1st October, 2023 shall be frozen by Company's Registrar and Share Transfer Agents (RTA)**.

Therefore, all the shareholders holding shares in physical form are advised to update PAN, Nomination, Contact details, Bank A/c details and Specimen Signature with Company/ its RTA by September 30, 2023.

The forms required for updating the details are available at the Company's website at **http://www.ganeshaecosphere.com/formats-for-shareholders-correspondence**

K. Distribution of Share Holding as on March 31, 2023:

No. of Shares	Shareholders		Shareholding	
	Number	% of total	Number	% of total
1- 500	25,994	95.15	16,21,466	7.43
501 - 1000	605	2.21	4,64,309	2.13
1001 - 2000	325	1.19	4,78,463	2.19
2001 - 3000	121	0.44	3,05,736	1.40
3001 - 4000	58	0.21	2,08,392	0.95
4001 - 5000	36	0.13	1,65,871	0.76
5001 - 10000	79	0.29	5,61,004	2.57
10000 and Above	105	0.38	1,80,24,156	82.57
Total	**27,323**	**100**	**2,18,29,397**	**100**

Shareholding Pattern as on March 31, 2023:

S. No.	Category of Shareholder	Number of Shareholders	Total Number of Shares	As a Percentage of (A+B+C)
(A)	**Shareholding of Promoter and Promoter Group**			
(1)	Indian	21	92,37,013	42.31
(2)	Foreign	-	-	-
	Total Shareholding of Promoter and Promoter Group	**21**	**92,37,013**	**42.31**
(B)	**Public Shareholding**			
(1)	Institutions	17	36,71,660	18.20
(2)	Non-Institutions	27284	85,81,530	39.31
	Total Public Shareholding	**27,301**	**1,25,53,190**	**57.51**
(C)	**Non-Promoter- Non Public Shareholding**			
(1)	Shares underlying DRs	-	-	-
(2)	Shares held by Employee Trusts	1	39,194	0.18
	Total Non-Promoter- Non Public Shareholding	**1**	**39,194**	**0.18**
	Total (A+B+C)	**27,323**	**2,18,29,397**	**100.00**

L. Dematerialisation of shares and liquidity:

ISIN Code- Equity Shares: INE 845 D01014

As on March 31, 2023, 98.20% of the total Equity Shares of the Company have been dematerialised. Trading in Equity Shares of the Company is permitted only in dematerialised form w.e.f. January 1, 2002 as per the notification issued by Securities and Exchange Board of India (SEBI).

M. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments:

There were no GDRs/ ADRs/ Warrants or any convertible instruments outstanding for conversion as on March 31, 2023.

N. Commodity price risk or foreign exchange risk and hedging activities:

The Company is exposed to the risk of price fluctuation of raw material as well as finished goods. In the absence of alternate use of raw material, its price fluctuations are directly linked to the price fluctuations of finished products. Accordingly, Company passes on any adverse movement in prices of finished goods to raw material suppliers. The Company's reputation for quality, product differentiation and service coupled with robust marketing network mitigates the impact of price risk on finished goods.

The Company is also exposed to foreign exchange risk due to borrowings in foreign currency, import of raw materials, colour/ chemicals, stores and spares etc. and export of its finished products to various countries. The Company evaluates exchange rate exposure arising from these transactions and takes required hedging from time to time, which minimizes the impact of fluctuations in exchange rate movement.

O. Plant Location:

1.	Kanpur Unit :	Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat, Uttar Pradesh- 209304.
2.	Rudrapur Unit :	Plot No. 6, Sector-2, Integrated Industrial Estate, Pantnagar, Uttarakhand- 263153.
3.	Bilaspur Units :	a) Khata No. 96 and 97, Arazi Village Kotha, Ali Nagar, Pargana and Tehsil Bilaspur, Distt. Rampur, Uttar Pradesh-244923. b) Gata No. 112, Village Temra, Tehsil Bilaspur, Distt. Rampur Uttar Pradesh- 244923.

P. Address for Correspondence:

With the Registrar and Share Transfer Agent:	With the Company:
Skyline Financial Services Pvt. Ltd. D-153/A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel:, 011- 40450193-96, 011- 26812682-83 **E-mail:** ***admin@skylinerta.com***	The Company Secretary, Ganesha Ecosphere Limited 113/216-B, First Floor, Swaroop Nagar, Kanpur- 208002. Tel: 0512-2555505-06 Fax: 0512-2555293 **E-mail:** ***secretarial@ganeshaecosphere.com*** ***bharat@ganeshaecosphere.com***

Q. E-mail for Investors:

The Company has designated ***complaints@ganeshaecosphere.com*** as email address especially for investor grievance(s).

R. Nomination Facility:

As per the provisions of Section 72 of the Act and circular(s) issued by SEBI, the facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in physical form and who have not yet registered their nomination are required to register the same by submitting **Form No. SH-13** with Company or its RTA. The format of SH-13 can be downloaded from Company's website at ***http://www.ganeshaecosphere.com/formats-for-shareholders-correspondence***

The Members holding shares in demat mode are requested to submit their nomination mandate with their Depository participant.

S. Dates for Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF):

During the financial year 2022-23, pursuant to Section 124 of the Companies Act, 2013, dividend for the financial year 2014-15 amounting to ₹9.26 Lakh which remained unpaid / unclaimed for a period of seven years from the date it was lying in the unpaid dividend account, has been transferred by the Company to the Investor Education and Protection Fund (IEPF) of the Central Government.

The dividend for following years, which remains unclaimed for seven years from the date it is lying in the unpaid dividend account, will be transferred to the IEPF in accordance with the schedule given below. Shareholders who have not claimed their dividend are requested to immediately lodge their claim with the Company or its Registrar and Share Transfer Agent, M/s. Skyline Financial Services Private Limited. The details of dividends specified below are available on the website of the Company at link ***www.ganeshaecosphere.com/unclaimed-dividends/*** .

Once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company. However, shareholders may claim their unclaimed amount as per the procedures/ guidelines issued by the Ministry of Corporate Affairs (MCA). For details, investors can visit the website of IEPF Authority viz. **www.iepf.gov.in**.

The due dates for transfer of unclaimed dividend(s) to IEPF for subsequent years are given below:

Financial Year	Dividend Per Share (₹)	Date of Declaration	Due Date for transfer to IEPF
2015-16	1.20	September 8, 2016	October 10, 2023
2016-17	1.20	September 25, 2017	October 27, 2024
2017-18	1.50	September 15, 2018	October 16, 2025
2018-19	2.00	September 5, 2019	October 7, 2026
2019-20	2.00	September 22, 2020	October 26, 2027
2020-21	2.00	September 4, 2021	October 6, 2028
2021-22	2.00	September 30, 2022	November 1, 2029

Mandatory Transfer of Shares to Demat Account of Investor Education and Protection Fund Authority (IEPFA):

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) all shares in respect of which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of IEPFA. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules.

During the financial year, 19,538 Equity Shares of the Company were transferred to the IEPFA. Relevant details of such shares are available on the website of the Company ***https://www.ganeshaecosphere.com/unclaimed-dividends***

7. DISCLOSURES

a) **Related Party Transactions:**

During the financial year, all transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations, were placed before the Audit Committee and also before the Board for approval, wherever required. All related party transactions undertaken during the year were at arms' length basis. Omnibus approval from the Audit Committee was obtained on annual basis for transactions which are of repetitive nature. None of the transactions with any of the related parties were in conflict with the interests of the Company. During the year, the Company had not entered into any contract/ arrangement / transaction with related parties which could be considered material in accordance with the Company's Related Party Transactions Policy.

The Company's Policy on Related Party Transactions is disclosed on the website of the Company at the link ***https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/related-party-transaction.pdf***

b) **Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authorities on matters relating to Capital Markets during the last three years:**

None

c) **Vigil Mechanism /Whistle Blower Policy:**

Pursuant to Section 177 of the Companies Act, 2013 and Regulation 22 of Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behavior, actual or suspected fraud, violation of Code of Conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports etc. The vigil mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee.

The Policy has been posted on the website of the Company and may be accessed at the link ***https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/whistle-blower-policy.pdf***

d) **Adoption of Mandatory and Non-Mandatory Requirements:**

The Company has complied with all mandatory requirements of Listing Regulations. However, the Company has not adopted the non-mandatory requirements.

e) **Policy for determining 'material' subsidiaries:**

The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations. As on March 31, 2023, the Company had no material subsidiary as per the thresholds laid down under the Listing Regulations.

The Company's Policy for determining Material Subsidiaries is disclosed on the website of the Company at the link ***https://ganeshaecosphere.com/admin/UploadedFiles/ContentImages/PoliciesAttachment/Policy-for-determining-Material-Subsidiares.pdf***

f) **Details of utilization of funds raised through Preferential Allotment or Qualified Institutions Placement as specified under Regulation 32 (7A).**

Not Applicable.

g) **Certificate from a Company Secretary in Practice:**

A Certificate from M/s. S. K. Gupta & Co., Practicing Company Secretaries, Kanpur, that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or such other statutory authority, is annexed herewith as a part of this report.

h) Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the financial year:

During the financial year, there have been no instances when the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required.

i) Total fees for all services paid by the Company to the statutory auditor:

Details relating to fees paid to the Statutory Auditors are given in Note 23 to the Standalone Financial Statements of the Company.

j) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a)	Number of Complaints filed during the financial year	NIL
b)	Number of Complaints disposed of during the financial year	NIL
c)	Number of Complaints pending at the end of the financial year	NIL

k) Disclosure by the Company and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount':

During the year under review, the Company and its subsidiaries have not given any Loans and advances in the nature of loans to any firms/companies in which directors are interested.

l) Disclosure on compliance with Corporate Governance Requirements specified in Listing Regulations:

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

8. CEO AND CFO CERTIFICATION:

The Chief Executive Officer and the Chief Financial Officer of the Company provide annual certification on financial reporting and internal controls to the Board in terms of Regulation 17(8) of the Listing Regulations. They also provide quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2)(a) of the Listing Regulations.

DECLARATION

Pursuant to Regulation 26(3) of Listing Regulations, I, Sharad Sharma, Managing Director & Chief Executive Officer of Ganesha Ecosphere Limited, declare that all Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Code of Conduct for the financial year 2022-23.

(Sharad Sharma)
Place : Kanpur — *Managing Director& Chief Executive Officer*
Date : August 3, 2023 — DIN: 00383178

Certificate of Non- Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C, Clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members,
Ganesha Ecosphere Limited,
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

We have examined the following documents:

i) Declaration of non-disqualification as required under Section 164 of Companies Act, 2013 ('the Act');

ii) Disclosure of concern or interests as required under Section 184 of the Act; (hereinafter referred to as 'relevant documents'),

as submitted by the Directors of **Ganesha Ecosphere Limited** ('the Company') bearing **CIN: L51109UP1987PLC009090** and having its Registered Office at Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.) to the Board of Directors of the Company ('the Board') for the Financial years 2022-23 and 2023-24 and relevant registers, records, forms and returns maintained by the Company and as made available to us for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have considered non-disqualification to include non-debarment by Regulatory / Statutory Authorities.

It is the responsibility of Directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

Based on our examination as aforesaid and such other verifications carried out by us as deemed necessary and adequate (including Director Identification Number (DIN) status at the MCA Portal (www.mca.gov.in), in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, we hereby certify that none of the Directors on the Board of the Company, as listed hereunder for the Financial year ended 31st March, 2023, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

SI. No.	Name of Director	Director Identification Number (DIN)	Date of Appointment*	Date of Cessation
1.	Shri Shyam Sunder Sharmma	00530921	19.06.1989	N.A.
2.	Shri Sharad Sharma	00383178	30.10.1987	N.A.
3.	Shri Vishnu Dutt Khandelwal	00383507	30.10.1987	N.A.
4.	Shri Surendra Kumar Kabra	01280980	19.07.1994	01.06.2023**
5.	Shri Pradeep Kumar Goenka	00404746	29.07.2006	N.A.
6.	Shri Rajesh Sharma	02228607	19.06.2008	N.A.
7.	Shri Vishwanath Chandak	00313035	28.02.2009	30.09.2022***
8.	Shri Abhilash Lal	03203177	29.09.2014	N.A.
9.	Smt. Shobha Chaturvedi	08553800	05.09.2019	N.A.

** The date of appointment is as per the Authorised Signatories details displayed on MCA Portal.*

*** Ceased to be Non-Executive Independent Director of the Company consequent upon sad demise on 1st June, 2023.*

****Ceased to hold office as Non-Executive Independent Director of the Company with effect from 30th September, 2022 consequent upon completion of his second term of appointment.*

This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This Certificate has been issued at the request of the Company to make disclosure in its Corporate Governance Report for the Financial year ended 31st March, 2023.

For **S.K. Gupta & Co.**
Company Secretaries
ICSI Unique Code: P1992UP012800
Peer Review Certificate No. 1088 / 2021

(S.K.GUPTA)
Managing Partner
F.C.S 2589, C.P 1920
UDIN: F002589E000726444

Place: Kanpur
Date: 2nd August, 2023

Certificate Regarding Compliance of Conditions of Corporate Governance

To,
The Members,
Ganesha Ecosphere Limited,
Raipur (Rania), Kalpi Road,
Distt. Kanpur Dehat (U.P.)

We have examined the compliance of the conditions of the Corporate Governance by **Ganesha Ecosphere Limited** ("the Company") for the Financial Year ended 31st March, 2023, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as "SEBI Listing Regulations"].

The compliance of the conditions of the Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither audit nor an expression of the opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management and considering the relaxation granted by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') from time to time, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned "SEBI Listing Regulations" as applicable during the Financial year ended 31st March, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **S.K. Gupta & Co.**
Company Secretaries
ICSI Unique Code: P1992UP012800
Peer Review Certificate No. 1088 / 2021

(S.K.GUPTA)
Managing Partner
F.C.S 2589, C.P 1920
UDIN: F002589E000726510

Place: Kanpur
Date: 2nd August, 2023

Business Responsibility and Sustainability Report

[Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL DISCLOSURES

I) DETAILS OF THE ENTITY

Serial no.	Particulars	Response
1.	Corporate identity Number (CIN) of the Entity	L51109UP1987PLC009090
2.	Name of the Listed Entity	Ganesha Ecosphere Limited
3.	Year of incorporation	1987
4.	Registered office address	Village Raipur Rania, Kalpi Road, Kanpur Dehat, Uttar Pradesh-209304
5.	Corporate address	113/216 B, First Floor, Swaroop Nagar, Kanpur, Uttar Pradesh- 208002
6.	E-mail	secretarial@ganeshaecosphere.com
7.	Telephone	0512- 2555505-06
8.	Website	www.ganeshaecosphere.com
9.	Financial year for which reporting is being done	2022-2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited; and National Stock Exchange of India Limited.
11.	Paid-up Capital	INR 21,82,93,970 (Divided into 2,18,29,397 equity shares of ₹10 each)
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Sharad Sharma Designation: Managing Director Email: secretarial@ganeshaecosphere.com Telephone: 0512-2555505-06
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under this report is on standalone basis, unless otherwise specified.

II) PRODUCTS/SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Manufacturing of Recycled Polyester Staple Fibre, Spun Yarn and Dyed Texturized Yarn	96.15

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Polyester Staple Fibre	20302	81.05
2.	Spun Yarn	13114	12.34
3.	Dyed Texturized Yarn	20303	2.44

III) OPERATIONS

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of offices	Total
National	4	3	7
International	0	0	0

17. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	20
International (No. of Countries)	19

b) Contribution of exports:

What is the contribution of exports as a percentage of the total turnover of the entity?	10.66

c) Type of Customers

A brief on types of customers	The company's customer base includes a diverse set of industries including OEMs to automobile industry, spinning mills, geo-textiles, medical and packaging, textiles and non-woven applications. Main customers are B2B clients. Our products find application in the manufacture of textiles (T-Shirts, body warmers etc.), functional textiles (non-woven air filter fabric, geo textiles, carpets, car upholstery) and fillings (for pillows, duvets, toys) etc.

IV. EMPLOYEES

18. Details as at the end of the Financial year:

a) Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Employees			
1.	Permanent (D)	529	522	98.68%	7	1.32%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	529	522	98.68%	7	1.32%
			Workers			
4.	Permanent (F)	2064	1616	78.29%	448	21.71%
5.	Other than Permanent (G)	174	174	100%	0	0
6.	Total workers (F + G)	2238	1790	79.98%	448	20.02%

b) Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			Differently Abled Employees			
1.	Permanent (D)	Nil	Nil	-	Nil	-
2.	Other than Permanent (E)	Nil	Nil	-	Nil	-
3.	Total employees (D + E)	Nil	Nil	-	Nil	-
			Differently Abled Workers			
4.	Permanent (F)	Nil	Nil	-	Nil	-
5.	Other than Permanent (G)	Nil	Nil	-	Nil	-
6.	Total workers (F + G)	Nil	Nil	-	Nil	-

19. Participation/Inclusion/Representation of women:

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.5
Key Management Personnel	2*	0	-

** excluding the members of the Board.*

20. **Turnover rate for permanent employees and workers:**

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.88	0	11.68	15.82	42.86	16.20	10.82	12.50	10.85
Permanent Workers	41.83	40.85	41.62	60	81.95	63.99	48.96	67.44	52.42

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. **Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Ganesha Ecopet Private Limited	Subsidiary	100 %	No
2.	Ganesha Ecotech Private Limited	Subsidiary	100 %	No
3.	Ganesha Overseas Private Limited	Subsidiary	100 %	No

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS

22.

S. No.	Requirement	Response
I	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
II	Turnover (₹ in Lakh)	1,13,285.92
III	Net worth (₹ in Lakh)	65,335.13

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

23. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	Nil	Nil	-	Nil	Nil	-
Investors (other than shareholders)	Yes	Nil	Nil	-	Nil	Nil	-
Shareholders	Yes	10	Nil	Resolved during the year	13	1	*
Employees and workers	Yes	10	Nil	Resolved during the year	1	Nil	Resolved during the year
Customers	Yes	Nil	Nil	-	Nil	Nil	-
Value Chain Partners	Yes	Nil	Nil	-	Nil	Nil	-

** Responded by the company on 25th March, 2022 & closed by BSE on 5th April, 2022.*

The policy can be accessed at **https://ganeshaecosphere.com/corporate-governance-policies**

24. Overview of the entity's material responsible business conduct issues:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy Consumption	Risk and Opportunity	**Risk:** The operational activities of the company necessitate a substantial quantity of energy, particularly in relation to the recycling process. **Opportunity:** Ganesha has the potential to transition to the utilization of energy-efficient technologies like solar panels, resulting in reduced operational expenses and a diminished carbon footprint.	The Company is committed to efficiently utilize its resources and ensure minimum consumption in all its processes. With energy saving initiatives, process optimisation and overall operations efficiency, the Company shall be able to optimise its energy consumption and reduce carbon emissions. Augmenting its efforts in using alternate sources of energy, the Company has also partnered with a leading IPP for supplying of 17.43 MWp Solar Power for captive consumption and such supply has been started during the year under review.	**Negative:** High energy demands, especially in recycling, can burden operational costs, decrease profitability, and weaken competitiveness due to higher expenses. **Positive:** Integrating energy-efficient technologies leads to significant cost savings over the long term.
2.	Waste Management	Opportunity	Ganesha's core emphasis is on processing of Polyethylene Terephthalate (PET) waste. Go Rewise, launched by the Company, envisions to close the plastic recycling loop, fulfilling the demand for quality recycled packaging products.	-	**Positive:** Efforts are being made to grasp the opportunity of recycling other plastic waste in view of its accelerated demand. Moreover, managing waste at each stage of the manufacturing process has direct impact on achieving the resource efficiency and may result to positive financial impact.

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3.	Materials Sourcing & Efficiency	Risk and Opportunity	From a risk perspective, Ganesha may encounter difficulties in procuring an adequate supply of PET waste for recycling purposes. Inefficient material sourcing can result in escalated costs and diminished profit margins, exerting a negative impact on the company's financial well-being. Conversely, enhancing material sourcing and efficiency can yields superior-quality recycled products, curtail production costs, and minimize environmental footprints.	Ganesha maintains an extensive PET waste collection network, ensuring cost-effective material acquisition. In its subsidiaries, it has established rPET chips plant and washing plant in South India and Nepal to further strengthen its raw material sourcing platform.	**Negative:** Ineffective material sourcing methods might lead to increased expenses and reduced profit margins, ultimately affecting the financial health. **Positive:** Enhancing material sourcing and efficiency benefits the company financially by reducing costs, improving product quality and minimizing environmental impact.
4.	Business Model Resilience	Opportunity	Business Model Resilience represents a notable opportunity for Ganesha, enabling it to adapt and thrive amidst evolving market conditions and challenges, such as regulatory changes and shifts in consumer preferences.	-	**Positive:** Ganesha can expand its market share, bolster sales revenue, and attract a broader customer base.
5.	Growing Demand for Sustainable Products	Opportunity	Ganesha recognizes the changing consumer trend towards sustainability and the increasing desire for eco-friendly products. To leverage this opportunity, Ganesha has positioned itself as a premier PET recycling and processing leader. This allows Ganesha to supply high-quality, sustainable materials to the textile and packaging sectors, addressing the rising demand for environmentally conscious alternatives.	-	**Positive:** Ganesha's focus on providing high-quality, sustainable materials like recycled polyester fibres and yarns aligns with the rising demand for eco-friendly choices. This strategy can lead to positive financial outcomes through increased sales, premium pricing, market leadership, enhanced brand reputation.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a) Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Particulars of the Policies	Anti-corruption or anti-bribery policy, Ethical Policy	Supplier Code of conduct and Policy on Producer Responsibility	Social policy, Complaint Policy	Stakeholder Management Policy	Human Rights Policy and Social Policy	Environmental Policy	Policy on Responsible Advocacy	Corporate Social Responsibility Policy	Cyber Security and Data Privacy Policy
	b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
		All policies have been approved by the Risk Management & Strategic Planning Committee of the Board.								
	c) Web Link of the Policies, if available	**https://ganeshaecosphere.com/corporate-governance-policies**								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	No								
4.	Name of the national and international codes /certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	• ISO 9001:2015 (Quality Management System), • ISO 14001:2015 (Environmental Management System), • ISO 45001:2018 (OH&S), • OEKO-TEX Standard 100 • Global recycled standard								
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	In the current year, we are setting commitments, goals and targets for environment, social and governance parameters to develop our ESG roadmap.								
6.	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	Not applicable.								

<table>
<tr><th>S. No</th><th>Disclosure Questions</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td colspan="11">Governance, leadership and oversight</td></tr>
<tr><td>7.</td><td>Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements</td><td colspan="9">“As the Director responsible for Business Responsibility, I am delighted to share our organization’s strides in tackling significant Environmental, Social, and Governance (ESG) challenges. Being a plastic waste recycler, we recognize our accountability towards the environment, society and the communities we serve.

Our unwavering commitment to sustainability is a cornerstone of our business strategy, and we are proud to state that we are making remarkable strides in achieving our goals.

We have accomplished significant milestones, such as reducing our carbon footprint and investing in local communities, through diverse initiatives. We remain committed to enhancing our ESG performance continually and are setting new benchmarks for the future. Our ultimate objective is to be a pioneer in sustainability, not only within our industry but also across all sectors.”

Sharad Sharma,
(Managing Director)
DIN: 00383178</td></tr>
<tr><td>8.</td><td>Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).</td><td colspan="9">Risk Management & Strategic Planning Committee is responsible for implementation and oversight of the Business Responsibility policy(ies) with overall supervision of the Board.</td></tr>
<tr><td>9.</td><td>Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details</td><td colspan="9">Risk Management & Strategic Planning Committee has been tasked with decision-making authority on all aspects related to sustainability issues.

Composition of Risk Management & Strategic Planning Committee:
<table>
<tr><th>Name</th><th>Designation</th><th>Role</th></tr>
<tr><td>Mr. Shyam Sunder Sharmma
DIN: 00530921</td><td>Non-Executive Chairman</td><td>Chairman</td></tr>
<tr><td>Mr. Vishnu Dutt Khandelwal
DIN: 00383507</td><td>Executive Vice Chairman</td><td>Member</td></tr>
<tr><td>Mr. Sharad Sharma
DIN: 00383178</td><td>Managing Director & CEO</td><td>Member</td></tr>
<tr><td>Mr. Pradeep Kumar Goenka
DIN: 00404746</td><td>Non- Executive Independent Director</td><td>Member</td></tr>
<tr><td>Mr. Abhilash Lal
DIN: 03203177</td><td>Non- Executive Independent Director</td><td>Member</td></tr>
</table></td></tr>
</table>

10. Details of Review of NGRBCs by the Company:

<table>
<tr><th rowspan="2">Subject for Review</th><th colspan="9">Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</th><th colspan="9">Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</th></tr>
<tr><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td rowspan="2">Performance against above policies and follow up action</td><td colspan="9">Risk Management & Strategic Planning Committee</td><td colspan="9">Annually</td></tr>
<tr><td colspan="9">BR Head</td><td colspan="9">Quarterly</td></tr>
<tr><td>Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances</td><td colspan="9">The Company is in compliance with all the statutory requirements of principles to the extent applicable and review was undertaken by the Risk Management & Strategic Planing Committee.</td><td colspan="9">Annually</td></tr>
</table>

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	J. Sundharesan & Associates, specialising in Compliance, Governance and Sustainability advisory has provided a 'limited assurance' on certain Identified Sustainability Indicators based on NGBRC.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Not Applicable

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the principles and core element with key processes and decisions. The Company has disclosed all mandatory disclosures under the BRSR framework. The Company is in the process of disclosing leadership indicators from upcoming financial years.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

ESSENTIAL INDICATORS:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4 (as part of Board Meetings)	Updates relating to regulatory changes are given to the Board of Directors & KMP. The topics include: • Corporate Governance; • Companies Act & SEBI Listing Regulations; • Business Process Improvements; • Code of Conduct; • Director's Independence criterion; • Insider Trading Regulations.	100%
Key Managerial Personnel			100%
Employees other than BOD and KMPs	25	• PPE, machine handling and electrical safety • Firefighting use of cylinders • Awareness training on quality management, • Health and safety • Environmental management, industrial pollution & protection • Hazardous & non- hazardous waste, chemical waste handling	100%
Workers	24	• PPE, machine handling and electrical safety • Firefighting use of cylinders • Awareness training on quality management • Health and safety, GRS, environmental management systems, Industrial pollution & protection • Good housekeeping system • Hazardous & non- hazardous waste, chemical waste handling.	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:**

MONETARY

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	None	NA	NA	NA	NA
Settlement	None	NA	NA	NA	NA
Compounding fee	None	NA	NA	NA	NA

NON-MONETARY

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	None	NA	NA	NA
Punishment	None	NA	NA	NA

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

Not applicable.

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**	Yes, Ganesha has developed a comprehensive Anti-Corruption or Anti-Bribery Policy. The Policy serves as a testament to the Ganesha's unwavering dedication towards upholding the ethical standards in all its business dealings. The Policy can be accessed at the given link: **https://ganeshaecosphere.com/corporate-governance-policies**

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. **Details of complaints with regard to conflict of interest:**

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

7. **Corrective Actions:**

Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest	Not applicable

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS:

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	100%	100%	-
Capex	100%	-	Efforts are taken to reduce the environmental impact by the installation of rooftop solar, energy efficient pumps, etc.

2. **Sustainable sourcing:**

Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Ganesha, as a plastic waste recycler, prioritizes environmental and social factors in its procurement process. The raw material sourcing is primarily being done domestically through road transport. Vendors and service providers are encouraged to adopt practices based on generally accepted standards regarding Environment, Health, and Safety. Adequate steps are taken for safety during transportation and optimization of logistics to mitigate the impact on climate.
If yes, what percentage of inputs were sourced sustainably?	

3. **Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life:**

Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.	With recycling plastic waste into useful products, we bring a real difference to businesses, environment & communities. The packaging waste, hazardous waste and e-waste are sold to authorised vendors for safe disposal. The Company has set up an Effluent Treatment Plant (ETP) for the responsible discharge of waste. Regarding other types of waste, such as ash and sludge, we employ a sustainable practice of landfilling for disposal.

4. **Extended Producer Responsibility (EPR) plan:**

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.	Ganesha is registered as plastic waste processor under Extended Producer Responsibility (EPR) regulations.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS:

1. A) Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	522	522	100%	522	100%	0	-	0	-	0	-
Female	7	7	100%	7	100%	0	-	0	-	0	-
Total	**529**	**529**	**100%**	**529**	**100%**	**0**	**-**	**0**	**-**	**0**	**-**
Other than Permanent employees											
Male	Nil	-	-	-	-	-	-	-	-	-	-
Female	Nil	-	-	-	-	-	-	-	-	-	-
Total	**Nil**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

B) Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1616	1616	100%	1616	100%	0	-	0	-	0	-
Female	448	448	100%	448	100%	448	100%	0	-	448	100%
Total	**2064**	**2064**	**100%**	**2064**	**100%**	**448**	**21.71%**	**0**	**-**	**448**	**21.71%**
Other than Permanent workers											
Male	174	174	100%	174	100%	0	-	0	-	0	-
Female	0	0	-	0	-	0	-	0	-	0	-
Total	**174**	**174**	**100%**	**174**	**100%**	**0**	**-**	**0**	**-**	**0**	**-**

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	57.48%	84.23%	Yes	53.58%	83.04%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	34.89%	93.45%	Yes	42.48%	96.89%	Yes
Others, please specify	-	-	-	-	-	-

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.	The Company provides access to all offices and premises for all employees, including those with disabilities. We seek input from employees to improve and manage the mobility needs of individuals with disabilities and strive to ensure that our buildings, rooms, toilets, and recreational areas are securely accessible.

4. Equal Opportunity Policy:

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.	Our organization's "Social Policy" is committed to upholding and promoting equal opportunity for all, in accordance with the Rights of Persons with Disabilities Act 2016. The policy can be accessed at **https://ganeshaecosphere.com/corporate-governance-policies**

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NIL	NIL	NIL	NIL
Female	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes, Ganesha is committed to providing an inclusive and supportive work environment for all employees. It encourages employees to share their concerns with their reporting heads and HR. The Company has adopted a Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The Policy also outlines the provision of adequate safeguards for the employees.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	529	Nil	Nil	500	Nil	Nil
Male	522	Nil	Nil	493	Nil	Nil
Female	7	Nil	Nil	7	Nil	Nil
Total Permanent Workers	2064	Nil	Nil	2087	Nil	Nil
Male	1616	Nil	Nil	1738	Nil	Nil
Female	448	Nil	Nil	349	Nil	Nil

8. **Details of training given to employees and workers:**

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On Health and safety		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	522	420	80.46%	373	71.46%	493	380	77.08%	326	66.13%
Female	7	5	71.43%	4	57.14%	7	4	57.14%	7	100%
Total	**529**	**425**	**80.34%**	**377**	**71.27%**	**500**	**384**	**76.8%**	**333**	**66.6%**
Workers										
Male	1616	1360	84.16%	1190	73.64%	1738	1412	81.24%	1096	63.06%
Female	448	351	78.35%	285	63.62%	349	266	76.22%	205	58.74%
Total	**2064**	**1711**	**82.90%**	**1475**	**71.46%**	**2087**	**1678**	**80.40%**	**1301**	**62.34%**

9. **Details of performance and career development reviews of employees and worker:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	522	522	100%	493	487	98.78%
Female	7	7	100%	7	7	100%
Total	**529**	**529**	**100%**	**500**	**494**	**98.8%**
Workers						
Male	1616	1616	100%	1738	1738	100%
Female	448	448	100%	349	349	100%
Total	**2064**	**2064**	**100%**	**2087**	**2087**	**100%**

10. **Health and safety management system:**

S. no	Particulars	Response
a)	**Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**	Yes, an Occupational Health and Safety Management System has been implemented which includes ISO 45001:2018 (OHSAS) and ISO 14001:2015 (EMS) certifications. The same extends to the entire organization.
b)	**What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**	Ganesha recognizes identifying work-related hazards and assessing risks is critical for ensuring the safety and well-being of employees. To achieve this, Unit wise trainings are conducted to mitigate the risk and processes are periodically reviewed to ensure safety at workplace.
c)	**Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Yes/No)**	Yes, Ganesha has processes in place for workers to report work-related hazards and to remove themselves from such risks. These processes include clear reporting channels and procedures for employees to report hazards, near-misses, and incidents, as well as the provision of training and resources to enable workers to identify and report potential hazards.
d)	**Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**	Ganesha offers its employees access to a range of non-occupational medical and healthcare services. These services encompass 24/7 ambulance availability, the establishment of clinics across various units and routine health check-ups.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.14	Nil
	Workers	0.36	0.26
Total recordable work-related injuries	Employees	1	Nil
	Workers	11	13
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

12. Measures to ensure a safe and healthy workplace:

Describe the measures taken by the entity to ensure a safe and healthy workplace.	Ganesha prioritizes the health and safety of employees, clients, and visitors and have implemented various policies & procedures that comply with relevant regulations and standards. These measures include regular risk assessments, providing appropriate training and personal protective equipment, strict protocols for hazardous materials, regular cleaning and disinfection and encouraging employee reporting of any concerns. Ganesha will continue to review and improve its policies and procedures to maintain the highest standards of health and safety.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	3	0	All complaints were resolved	Nil	Nil	-
Health & Safety	7	0	All complaints were resolved	1	0	All complaints were resolved

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Corrective Actions:

Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	No significant risks or concerns were highlighted in the assessment.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

A) ESSENTIAL INDICATORS:

1. Identification of stakeholders group:

Describe the processes for identifying key stakeholder groups of the entity	The stakeholder identification process at Ganesha include the following scope in identifying the stakeholders: • ***Dependency*** – groups or individuals who are directly or indirectly dependent on the Company's activities, products/services or on whom the Company is dependent in order to operate. • ***Responsibility*** – groups or individuals to whom the Company has, or in the future may have, legal, commercial, operational or ethical/moral responsibilities. • ***Attention*** – groups or individuals who need immediate attention from the Company about financial, wider economic, social or environmental issues. • ***Influence*** – groups or individuals who can have an impact on the Company or a stakeholder's strategic or operational decision-making.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	• Annual General Meeting & Shareholder meetings • Emails, Stock Exchange (SE) intimations, • Annual report & media releases etc.	Quarterly	Dividends, profitability and financial stability, growth prospects
Customers	No	• Customer feedback, • Grievance redressal mechanism • Brochures and catalogues	Daily	Product – related information, Grievance Redressal, Customer feedback
Employees and workers	No	• Regular performance review and feedback. • Programmes catered around overall wellbeing. • Emails, Notice Board, Meetings	Daily	Employee concerns, communication, and feedback mechanisms
Government/ Regulatory Authorities	No	• E-mails and letters. • Regulatory filings.	Periodically	Regulatory compliance, workforce development, employment policies, and skill-building initiatives.
Community	No	• Collaboration with non-governmental organisations (NGOs). • CSR and sustainability initiatives.	Periodically	Water and natural resource management, community development, education/ skill development, livelihood support, and sustainability reporting.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Professionals/ Consultants	No	• Emails. • Need based meetings. • Periodical Reports.	Quarterly and Requirement basis	Compliance to legal requirements, advice on business, legal, tax and other issues.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS:

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	529	479	90.55%	500	437	87.40%
Other than permanent	0	0	-	0	0	-
Total Employees	**529**	**479**	**90.55%**	**500**	**437**	**87.40%**
Workers						
Permanent	2064	1548	75%	2087	1500	71.87%
Other than permanent	174	134	77.01%	197	121	61.42%
Total Workers	**2238**	**1682**	**75.16%**	**2284**	**1621**	**70.97%**

2. **Details of minimum wages paid to employees and workers:**

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	%(E/D)	No.(F)	% (F/D)
Employees										
Permanent										
Male	522	0	-	522	100%	493	0	-	493	100%
Female	7	0	-	7	100%	7	0	-	7	100%
Other than Permanent										
Male	0	0	-	0	-	0	0	-	0	-
Female	0	0	-	0	-	0	0	-	0	-
Workers										
Permanent										
Male	1616	450	27.85%	1166	72.15%	1738	420	24.17%	1318	75.83%
Female	448	118	26.34%	330	73.66%	349	92	26.36	257	73.64%

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	%(E/D)	No.(F)	% (F/D)
Other than Permanent										
Male	174	0	-	174	100%	197	0	-	197	100%
Female	0	0	-	0	-	0	0	-	0	-

3. **Details of remuneration/salary/wages:**

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in lakh)	Number	Median remuneration/ salary/ wages of respective category (₹ in lakh)
Board of Directors (BoD)	7	28.20	1	7.20
Key Managerial Personnel	2	22.01	-	-
Employees other than BoD and KMP	520	3.10	7	2.88
Workers	1616	1.28	448	1.25

4. **Focal point for addressing human rights:**

Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Mr. Kamal Kumar Jain currently serving as the Vice- President (Admin & Legal) has been designated as the person responsible for addressing all aspects and practices related to Human Rights.

5. **Internal mechanisms in place to redress grievances related to human rights issues:**

Describe the internal mechanisms in place to redress grievances related to human rights issues.

Ganesha has implemented various internal mechanisms to address human rights grievances. Firstly, the company has established a confidential and accessible complaint system that allows individuals to report any concerns regarding human rights violations. These complaints are thoroughly investigated and necessary remedial action is taken to address the grievances.

6. **Number of Complaints on the following made by employees and workers:**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour/Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. **Prevention of discrimination and harassment cases:**

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases
Ganesha prevents workplace harassment through a comprehensive mechanism of policies, guidelines, and a code of conduct. This includes a confidential reporting system for incidents, followed by thorough investigations and corrective actions. Employees receive ongoing training to recognize and prevent harassment.

8. **Human rights requirements forming part of your business agreements and contracts:**

Do human rights requirements form part of your business agreements and contracts? (Yes/No)
Yes, wherever, there is a requirement of the business arrangement, the suitable conditions related to human rights requirement are incorporated in such contract/agreement.

9. **Assessments for the year:**

Category	**% of your plants and offices that were assessed (by entity or statutory authorities or third parties)**
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	NA

10. **Corrective Actions to address significant risks / concerns arising from the assessments:**

Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.
No such significant risk has been identified during the assessment.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS:

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

Parameter	**FY 2022-23 (Current Financial Year)**	**FY 2021-22 (Previous Financial Year)**
Total electricity consumption (A)	225017.36 GJ	167535.16 GJ
Total fuel consumption (B)	3015.00 GJ	3913.76 GJ
Energy consumption through other sources (C)	103279.95 GJ	154294.11 GJ
Total energy consumption (A+B+C)	331312.32 GJ	325743.03 GJ
Energy intensity per rupee of turnover (Total energy consumption (GJ) / turnover in INR Lakh)	2.92	3.19

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ganesha has not conducted any independent assessment/ evaluation by an external agency.

2. **Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India:**

This particular section is not applicable, as Ganesha has not been identified as designated consumer under Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. **Provide details of the following disclosures related to water:**

Parameter	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	219548.2	205764.3
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**219548.2**	**205764.3**
Total volume of water consumption (in kilolitres)	**219548.2**	**205764.3**
Water intensity per rupee of turnover (Water consumed / turnover in INR Lakh)	1.94	2.01
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. **Mechanism for Zero Liquid Discharge:**

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.	Ganesha is endeavouring to introduce a Zero Liquid Discharge system within a water treatment process, ensuring that all wastewater undergoes purification and is subsequently reused. To achieve this, sewage and effluent treatment plants have been set up to effectively cleanse the waste water. Each individual unit is outfitted with state-of-the-art Effluent Treatment Plants and pollution control devices.

5. **Please provide details of air emissions (other than GHG emissions) by the entity:**

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	mg/m^3	6103628.18	3733336.67
SOx	mg/m^3	291757.92	1809850.42
Particulate matter (PM)	mg/m^3	1151840.08	1366934.31
Persistent organic pollutants (POP)	NA	-	-
Volatile organic compounds (VOC)	NA	-	-
Hazardous air pollutants (HAP)	NA	-	-
Others – please specify	NA	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Ganesha has conducted independent assessment/ evaluation by Enviro-tech Services and Devansh Testing & Research Laboratory Private Limited & ITL Labs Pvt. Ltd

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:**

Parameter	Units	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	Ganesha is currently exploring frameworks to measure greenhouse gas emissions.	
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of CO2 equivalent		
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO2 equivalent		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ganesha has not conducted any independent assessment/ evaluation by an external agency.

7. **Project related to reducing Green House Gas emission:**

Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.	Ganesha recognizes the importance of reducing greenhouse gas emissions to mitigate environmental risks associated with excessive energy consumption. Ganesha uses energy-efficient technologies and renewable energy sources, such as solar panels, to reduce its carbon footprint and promote long-term sustainability. These measures not only reduce greenhouse gas emissions but also result in cost savings.

8. **Provide details related to waste management by the entity:**

Parameter	FY 2022-23	FY 2021-22
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	6.39	0.02
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	NA	NA
Radioactive waste (F)	NA	NA
Other Hazardous waste. Please specify, if any. (G)	17.51	33.66
Total (A+ B + C + D + E + F + G + H)	**23.90**	**33.68**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	**0**	**0**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	23.90	33.68
Total	**23.90**	**33.68**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Ganesha has not conducted any independent assessment/ evaluation by an external agency.

9. **Waste management practices adopted in the establishment:**

Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.	The main area of focus for Ganesha is centred on the processing of PET plastic waste. Consequently, Ganesha has taken measures to ensure that 100% of this category of waste is deemed suitable for recycling. This approach guarantees that there is negligible residual waste generated from the PET plastic processing activities. Additionally, it follows a practice of processing all incoming materials to ensure that they are recyclable. Any waste generated during the processing of PET plastic is subjected to recycling as part of the company's operational procedures. Furthermore, Ganesha conducts its operations without employing any hazardous chemicals during the PET plastic processing phase. This aspect aligns with the nature of Ganesha 's business and its commitment to operating in an environmentally conscious manner.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:**

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
		-	

Ganesha does not have any offices or operational sites in the vicinity of any ecologically sensitive area.

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Considering the nature of the Business, this particular section is not applicable to Ganesha .

12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:**

Yes.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS:

1. A) **Affiliations with trade and industry chambers/ associations:**

Number of affiliations with trade and industry chambers/ associations.
Ganesha is affiliated with Five trade and industry chambers/associations.

B) **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Indian Industries Association (IIA)	National
2.	All India Plastics Manufactures' Association (AIPMA)	National
3.	All India Recycled Fibre and Yarn Manufactures Association	National
4.	Material Recycling Association of India (MRAI)	National
5.	The Synthetic & Rayon Textiles Export Promotion Council (SRTEPC)	National

2. **Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:**

   Not applicable.

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS:

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable as there were no projects that required SIA to be undertaken under Law.					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable as there were no projects that required Rehabilitation and Resettlement (R&R)						

3. **Community redressal mechanism:**

   Describe the mechanisms to receive and redress grievances of the community.

   Ganesha closely collaborates with the community in key areas such as education, sustainable infrastructure, healthcare, hunger eradication, poverty alleviation, and training. It employs effective strategies to assess project success, including beneficiary consultations. Ganesha ensures beneficiary feedback through a robust grievance redressal mechanism in partnership with its CSR team, maintaining a strong record of addressing concerns and no significant grievances reported to date.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	Not significant	
Sourced directly from within the district and neighbouring districts	~25%	

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS:

1. **Consumer Complaints and feedback:**

   Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

   Ganesha has put in place mechanisms to receive and respond to consumer complaints and feedback. The Marketing and Sales department is responsible for managing all complaints and can be contacted through both email and other informal communication channels. Upon receiving a complaint, the department assesses its credibility and nature before proceeding with appropriate action. If there is a mistake in the supply of the wrong-coloured recycled material or any other general supply issue, the department takes prompt action to resolve the complaint. Although quality concerns are infrequent, we take them seriously and work quickly to address and resolve them.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable*
Safe and responsible usage	
Recycling and/or safe disposal	

** The Company's products confirm to all applicable statutory parameters.*

3. **Number of consumer complaints in respect of the following:**

Category	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	-	Nil	Nil	-
Advertising	Nil	Nil	-	Nil	Nil	-
Cyber-security	Nil	Nil	-	Nil	Nil	-
Delivery of essential services	Nil	Nil	-	Nil	Nil	-
Restrictive Trade Practices	Nil	Nil	-	Nil	Nil	-
Unfair Trade Practices	Nil	Nil	-	Nil	Nil	-

4. **Details of instances of product recalls on account of safety issues:**

Particulars	Number	Reasons for recall
Voluntary recalls	Nil	-
Forced recalls	Nil	-

5. **Cyber security policy:**

Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The cyber security policy at Ganesha Ecosphere is crucial for safeguarding its digital assets against cyber threats. It encompasses information systems, networks, and data security, roles and responsibilities, and incident response procedures. All employees, contractors, and interns are required to comply with this policy, which includes protecting confidential data, securing devices, adhering to safe email practices, properly managing passwords, ensuring secure data transfer, and reporting security breaches. The IT Team is responsible for installing security measures, providing training, and investigating breaches.

Ganesha Ecosphere's cyber security policy establishes the framework and guidelines for cyber security and risks associated with data privacy. The same can be accessed at : **https://ganeshaecosphere.com/corporate-governance-policies**

6. **Corrective Actions:**

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not Applicable

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Ganesha Ecosphere Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Ganesha Ecosphere Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2023, and its profit (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition (as described in note 2.d of the standalone financial statements)	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.
Evaluation of pending litigations (as described in note 30.2 of the standalone financial statements)	
The Company has pending litigations for demand in dispute under various statutes which involves significant judgment to determine the possible outcome of these disputes.	We have obtained the details of litigations under various statutes for the year ended March 31, 2023 from the management. We have reviewed the management's underlying assumptions in estimating the provisions in respect to the disputed matters and the possible outcome of the disputes. We have also reviewed the legal precedence, where available, and other documents provided for review by the management in evaluating its position in these matters. We have also reviewed the assumptions made by the management as at March 31, 2023 and evaluated whether any change was required on account of information and updates made available during the year.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the standalone financial statements by the Directors of the Company, as aforesaid.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures,

and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. Further to our comments in Annexure A, as required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the cash flow statement and the statement of changes in equity dealt with by this report are in agreement with the books of accounts.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

    (g) With respect to the other matters to be included in auditor's report in accordance with the requirements of Section 197(16) of the Act:

        In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its director's during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act.

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - refer note 30.2;

        ii. the Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023;

        iv. (a) the management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - refer note 46.0;

(b) the management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries - refer note 46.0;

(c) based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement;

v. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25, 2023

UDIN - 23087931BGQHNF5514

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Ganesha Ecosphere Limited ("the Company") on the standalone financial statements as of and for the year ended March 31, 2023)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) A) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment and right of use assets on the basis of available information.

B) The Company has maintained proper records showing full particulars of intangible assets.

(b) As explained to us, the property, plant and equipment are physically verified by the management, according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to the programme, a portion of property, plant and equipment has been physically verified by the management during the year and as informed to us, no material discrepancies were noticed on such physical verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) as disclosed in the standalone financial statements and included in the property, plant and equipment are held in the name of the Company except the following:

Description of item of property	Gross carrying value (₹ in Lakh)	Held in the name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in the name of the Company
Office Building	277.84	Vatika IT Parks Private Limited	No	March 18, 2023	The possession and original agreement to sale of the property is in the name of the Company. Title deed registration is held up due to some local regulations.

(d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year.

(e) According to the information and explanations given to us, no proceedings have been initiated during the year, or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended) and rules made thereunder.

(ii) (a) As explained to us, the physical verification of inventory, except goods in transit, has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by management is appropriate having regard to the size of the Company & nature of its operations. For stock held with third parties at the year end, if any, written confirmations have been obtained. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verifications of inventories.

(b) The Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks in which there are few differences when compared with the unaudited books of accounts (refer note 44.0).

(iii) The Company has made investments and granted unsecured loans and guarantees to its wholly owned subsidiaries and other parties. However, the Company has not provided any advances in the nature of loans or security to any other party during the year.

a) The aggregate amount during the year and balance outstanding at the balance sheet date with respect to such loans, guarantees and securities to subsidiaries and other party are as per the table given below:

(₹ in Lakh)

Particulars	Loans	Guarantees
Aggregate amount granted/ provided during the year:		
- subsidiaries	14,707.00	36,490.94
- others	190.00	-
Balance outstanding as at the balance sheet date:		
- subsidiaries	10,525.00	36,490.94
- others	217.00	-

b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided and the terms and conditions of the grant of all loans and guarantees provided (including in earlier years) are, prima facie, not prejudicial to the interest of the Company.

c) The schedule of repayment of principal and payment of interest on the above loans has been stipulated and the repayments are regular.

d) There were no overdue amounts remaining outstanding as at the balance sheet date in respect of the above loans.

e) There were no loans granted which has fallen due during the year and which have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans which are repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect to the investments made by it during the year.

(v) According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

(vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us, and the records of the Company examined by us, in our opinion, the Company has generally been regular in depositing with the appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees state insurance, income-tax, duty of customs and other material statutory dues applicable to it. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the records of the Company, and as per the information and explanations given to us, there are no dues of provident fund, employees state insurance, duty of customs and goods and services tax, which have not been deposited on account of any dispute, the particulars of dues of income-tax, goods and services tax and value added tax as at March 31, 2023, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount of demand (₹ in Lakh)	Amount paid under protest (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
Uttarakhand Value Added Tax Act, 2005	Value Added Tax	2.61	0.48	FY 2010-11 to FY.2011-12	Joint Commissioner (Appeals) (First) Commercial Tax Haldwani Uttarakhand
Integrated Goods and Service Tax Act, 2017	Goods and Service Tax	188.96	0.00	FY 2020-21	Joint Commissioner, Moradabad, Uttar Pradesh
Income Tax Act, 1961	Income Tax Demand u/s 143(3)	35.92	7.50	FY 2015-16	Commissioner of Income Tax (Appeals), Kanpur

(viii) According to the information and explanations given to us, and based on our examination of the records of the Company, there are no transactions which have not been recorded in the books of account and which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

(ix) (a) Based on our audit procedures, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) Based on our audit procedures, and according to the information and explanations given to us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.

(d) Based on our audit procedures, and according to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company during the year.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company doesn't have any associate or joint venture.

(f) Based on our audit procedures, and according to the information and explanations given to us, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the said Order is not applicable to the Company during the year.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partly or optionally convertible debentures during the year under audit. Accordingly, the reporting under Clause 3(x)(b) of the said Order is not applicable to the Company during the year.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, we report that no report under sub-section (12) of Section 143 of the Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given to us, there are no whistle-blower complaints received by the Company during the year.

(xii) In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions of Clause 3(xii) of the said Order are not applicable to the Company.

(xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Ind AS 24, Related Party Disclosures specified under Section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the internal auditor for the period under audit have been considered by us.

(xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its Directors or persons connected with them covered under Section 192 of the Act. Accordingly, the reporting under Clause 3(xv) of the said Order is not applicable to the Company during the year.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi)(a) of the said Order are not applicable to the Company.

(b) The Company has not conducted any non-banking financial/ housing finance activities during the year.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the provisions of Clause 3(xvi)(c) of the said Order are not applicable to the Company.

(d) According to the information and explanations given to us, there is one Core Investment Company as a part of the Group.

(xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the said Order is not applicable to the Company during the year.

(xix) According to the information and explanations given to us and on the basis of financial ratios (refer note 40.0), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, as at balance sheet date, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of Section 135 of the Act.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under Section 135(5) of the Act pursuant to ongoing projects, to a special account in compliance with the provisions of Section 135(6) of the Act (refer note 32.0).

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of the audit of standalone financial statements.

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25, 2023

UDIN - 23087931BGQHNF5514

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Ganesha Ecosphere Limited on the standalone financial statements as of and for the year ended March 31, 2023)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ganesha Ecosphere Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information, and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25, 2023

UDIN - 23087931BGQHNF5514

Standalone Balance Sheet as at March 31, 2023

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	25,770.15	26,401.06
(b) Capital work-in-progress	3.2	995.10	644.96
(c) Right of use assets (ROU)	3.3	120.14	121.75
(d) Intangible assets	4.1	46.34	91.77
(e) Financial assets:			
(i) Investment in subsidiaries	5.1	14,716.11	10,534.55
(ii) Investment in others	5.2	592.62	-
(iii) Loans	5.3	9,660.24	3,844.63
(iv) Others	5.4	744.17	772.79
(f) Other non-current assets	6.0	13.92	301.71
Sub-total		**52,658.79**	**42,713.22**
(2) Current assets			
(a) Inventories	7.0	22,090.77	18,908.65
(b) Financial assets:			
(i) Investment	8.1	4,858.95	6,887.51
(ii) Trade receivables	8.2	9,200.57	11,622.69
(iii) Cash and cash equivalents	8.3	112.14	57.50
(iv) Bank balances other than (iii) above	8.4	193.66	90.98
(v) Loans	8.5	1,090.38	6.51
(vi) Others	8.6	443.66	314.80
(c) Current tax assets (net)	10.0	348.04	577.19
(d) Other current assets	9.0	3,657.61	4,546.09
(3) Assets held for sale/ disposal	11.0	-	126.15
Sub-total		**41,995.78**	**43,138.07**
TOTAL ASSETS		**94,654.57**	**85,851.29**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12.1	2,182.94	2,182.94
(b) Other equity	12.2	63,152.19	56,220.77
Sub-total		**65,335.13**	**58,403.71**
(2) Liabilities			
(2A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.0	1,711.36	2,624.75
(b) Deferred tax liabilities (net)	18.1	1,838.32	1,769.62
(c) Government grants	14.2	426.39	433.60
(d) Provisions	17.1	595.73	677.14
Sub-total		**4,571.80**	**5,505.11**
(2B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.0	13,971.06	11,253.50
(ii) Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	15.1	199.74	301.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.1	6,252.07	5,934.57
(iii) Other financial liabilities	15.2	3,228.63	3,547.58
(b) Government grants	14.1	54.73	52.69
(c) Other current liabilities	16.0	650.80	578.21
(d) Provisions	17.2	390.61	274.38
Sub-total		**24,747.64**	**21,942.47**
TOTAL EQUITY AND LIABILITIES		**94,654.57**	**85,851.29**
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25,2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Standalone Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I	**INCOME**			
	Revenue from operations	19.0	1,13,285.92	1,02,235.46
	Other income	20.0	1,643.67	1,149.44
	Total income		**1,14,929.59**	**1,03,384.90**
II	**EXPENSES**			
	Cost of materials consumed		73,441.23	65,501.77
	Purchases of stock-in-trade		3,559.39	2,101.42
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	21.0	(2,825.22)	(1,881.60)
	Employee benefits expenses	22.0	6,584.20	5,783.71
	Finance costs	25.0	1,412.02	975.85
	Depreciation and amortization expense	24.0	2,702.21	2,837.01
	Other expenses	23.0	20,141.54	18,993.00
	Total expenses		**1,05,015.37**	**94,311.16**
III	**Profit before tax (I-II)**		**9,914.22**	**9,073.74**
IV	**Tax expense:**	26.0		
	Current tax		2,525.72	2,263.57
	Deferred tax charge/ (credit)		56.57	(144.48)
	Total tax expense		**2,582.29**	**2,119.09**
V	**Profit for the year (III-IV)**		**7,331.93**	**6,954.65**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement gain on defined benefit obligations		48.22	4.07
	Less: Income-tax relating to above item	26.0	(12.14)	(1.02)
			36.08	**3.05**
VII	**Total comprehensive income for the year (V+VI)**		**7,368.01**	**6,957.70**
VIII	**Earnings per share**			
	Basic (face value of ₹10 per equity share)	28.0	33.59	31.86
	Diluted (face value of ₹10 per equity share)		33.59	31.86
	Significant accounting policies	2.0		
	The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25,2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Standalone Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flow from operating activities:**			
	Profit before tax as per statement of profit and loss		9,914.22	9,073.74
	Adjustments for:			
	Depreciation and amortization expense		2,702.21	2,837.01
	(Profit)/ loss on sale/ discard of property, plant and equipment (net)		(72.68)	3.29
	Allowance for doubtful trade receivables and advances		32.64	(22.61)
	Bad debts/ advances written off/ (recovered)		-	(4.94)
	Liabilities no longer required written back		(16.27)	(26.65)
	Loss/(gain) on foreign currency fluctuations and translations (net)		5.54	(153.06)
	Interest expense		1,269.71	886.80
	Interest income		(1,271.23)	(613.05)
	Profit on sale of investments		(21.73)	(147.91)
	Fair value loss/(gain) on financial assets		11.71	(106.44)
	Fair value gain on preference shares		(181.56)	(168.17)
	Dividend on preference shares		(30.78)	(30.00)
	Amortization of Government grants		(53.56)	(44.90)
	Operating profit before working capital changes		**12,288.22**	**11,483.11**
	Movements in working capital:			
	Decrease/(increase) in trade receivables		2,391.56	(1,048.32)
	Decrease/(increase) in other receivables and prepayments		943.72	(2,485.73)
	Increase in inventories		(3,182.13)	(1,656.69)
	Increase in trade payables		211.25	2,714.68
	(Decrease)/ increase in other payables		(275.94)	818.99
	Increase in provisions		83.05	78.03
	Cash generated from operations		**12,459.73**	**9,904.07**
	Direct taxes paid (net of refunds)		(2,296.57)	(2,330.12)
	Net cash flow generated from operating activities (A)		**10,163.16**	**7,573.95**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment		(2,006.85)	(1,715.72)
	Purchase of intangible assets		(5.48)	(5.77)
	Proceeds from sale of property, plant and equipment and fixed assets held for sale		135.56	345.33
	Investment made in subsidiaries		(4,000.00)	(4,795.74)
	Loan to subsidiaries		(6,780.00)	(2,387.00)
	Loan to body corporates		(122.50)	(73.50)
	Fixed deposits made		(49.67)	(253.69)
	Fixed deposits matured		31.58	277.74
	Interest received		1,139.54	422.41
	Investments made		(677.23)	(6,125.51)
	Proceeds from sale of investments		2,123.20	6,705.49
	Net cash flow used in investing activities (B)		**(10,211.85)**	**(7,605.96)**

Standalone Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
C.	**Cash flow from financing activities**			
	Proceeds from non-current borrowings (other than related parties)		2,282.32	5,286.64
	Repayment of non-current borrowings (other than related parties)		(3,255.13)	(5,678.73)
	Proceeds from current borrowings (net) (other than related parties)		3,576.84	1,082.77
	(Repayment of)/proceeds from related parties as borrowings (net)		(822.50)	514.00
	Dividend paid to equity shareholders		(436.59)	(436.59)
	Interest paid		(1,241.61)	(888.88)
	Net cash flow generated from/ (used in) financing activities (C)		**103.33**	**(120.79)**
	Net increase/ (decrease) in cash and cash equivalents (A+B+C)		**54.64**	**(152.80)**
	Cash and cash equivalents at the beginning of the year		57.50	210.30
	Cash and cash equivalents at the end of the year	8.3	**112.14**	**57.50**
	Notes:			
	The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash Flows'.			
	Significant accounting policies	2.0		
	The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25,2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Standalone Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(₹ in Lakh)

As at April 1, 2021	**2,182.94**
Changes in equity share capital during the year	-
As at March 31, 2022	**2,182.94**
Changes in equity share capital during the year	-
As at March 31, 2023	**2,182.94**

B. Other equity

(₹ in Lakh)

Particulars	Reserves and surplus					Total
	Capital redemption reserve	Capital reserve	Securities premium	General reserve	Retained earnings	
Balance as at April 1, 2021	**450.00**	**225.28**	**13,952.72**	**264.13**	**34,807.53**	**49,699.66**
Profit for the year	-	-	-	-	6,954.65	6,954.65
Other comprehensive income for the year	-	-	-	-	3.05	3.05
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**6,957.70**	**6,957.70**
Dividend paid	-	-	-	-	(436.59)	(436.59)
Balance as at March 31, 2022	**450.00**	**225.28**	**13,952.72**	**264.13**	**41,328.64**	**56,220.77**
Profit for the year	-	-	-	-	7,331.93	7,331.93
Other comprehensive income for the year	-	-	-	-	36.08	36.08
Total comprehensive income for the year	-	-	-	-	**7,368.01**	**7,368.01**
Dividend paid	-	-	-	-	(436.59)	(436.59)
Balance as at March 31, 2023	**450.00**	**225.28**	**13,952.72**	**264.13**	**48,260.06**	**63,152.19**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25,2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Notes to the Standalone Financial Statements for the year ended March 31, 2023

1.0 Corporate information

Ganesha Ecosphere Limited ("the Company") is a public limited company, incorporated and domiciled in India, listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The address of the registered office is Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.). The Company is a leading PET Waste recycling company in India and is mainly engaged in the manufacturing of Recycled Polyester Staple Fibre (RPSF), Spun Yarn and Dyed Texturised Yarn.

2.0 Significant Accounting Policies

a) Basis of preparation

(i) Compliance with Indian Accounting Standards

These financial statements have been prepared in accordance with the Indian Accounting Standards ('IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The accounting policies have been applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on an accrual basis under historical cost convention with the exception of certain financial assets and liabilities that are required to be carried at fair values at the end of each reporting period by Ind AS.

(iii) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criterion set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reported period. Actual results may differ from those estimates. Any difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

c) Foreign currency translation

(i) Functional and presentation currency

The financial statements are presented in Indian rupee ('₹'), which is Company's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the statement of profit and loss. Exchange differences, in respect of foreign currency borrowings taken for acquiring qualifying assets included in property, plant and equipment, to the extent it is an adjustment to interest cost, has been capitalized. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2017 which are related to the acquisition of qualifying assets are adjusted in the carrying cost of such assets.

d) Revenue recognition

The Company derives revenues primarily from sale of manufactured goods, traded goods and related services.

The specific criterion for each of the Company's activities has been stated below:

(i) Sale of goods

Revenue is recognized upon transfer of control of promised goods to customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products. The Company does not expect to have any contracts where the period between the transfer of promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the value of money.

Revenue is measured based on transaction price, which is the consideration, adjusted for trade discounts such as cash discounts, volume discounts or any other price concession as may be agreed with the customers. Revenues also excludes Goods and Services Tax (GST) or any other tax collected from customers.

(ii) Job work receipts

Revenue from job work is recognized at the time of dispatch of material.

(iii) Export incentives

Export incentives under various schemes are accounted for in the year of export.

(iv) Recycling certification income

Income is recognized in the year in which the certificate is issued.

(v) Interest income

Interest income is recognized on time proportion accrual basis using the applicable/ effective interest rate.

(vi) Insurance claims

Insurance claims are accounted only when there is reasonable certainty of its ultimate collection. Insurance claim receivable is recognized as a separate asset, but only when the ultimate recovery is reasonably certain.

(vii) Dividend income on preference shares

Dividend income on investment in preference shares of subsidiary company is recognized on a time proportion accrual basis using the applicable coupon rate.

e) Government grants

Grants from the Government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight line basis over the expected lives of related assets and are presented within other income. Government grants relating to an expense item is recognised as income on a systematic basis over the periods and it is classified under other operating income.

Export Promotion Capital Goods ('EPCG') scheme allows import of certain capital goods at zero/ concessional duty subject to an export obligation for the duty saved. The duty saved on capital goods under EPCG scheme is treated as a Government grant and is recognised as income spread equally over the expected useful life of the related asset.

In case of interest free/ concessional loan provided by Government, the loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial fair value of the loan and the proceeds received. The loan or assistance is subsequently measured as per the accounting policy applicable to financial liabilities.

f) Taxes

(i) Current income-tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

(ii) Deferred income-tax

Deferred income-tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income-tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax assets are realised or the deferred income-tax liabilities are settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to off set current tax assets and liabilities. Current tax assets and tax liabilities are off set where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

g) Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered as highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Asset classified as held for sale are presented separately in the Balance Sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

h) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for their intended use are disclosed under capital work-in-progress. Expenditure during construction period (including borrowing cost relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects/ assets, including trial run expenses (net of revenue) are treated as pre-operative expenses, pending allocation to the assets, and are included under capital work-in-progress. These expenses are apportioned to related property, plant and equipment on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of the balance sheet.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on Written Down Value Method ('WDV') except in respect of buildings and plant & equipment of Kanpur Unit and Temra (Bilaspur) Unit (excluding Rooftop Solar Panels, which are depreciated on WDV method) where depreciation is provided on Straight Line Method ('SLM').

The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and management believes that the useful life of assets are same as those prescribed in Schedule II to the Act, except for certain plant & equipment, wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets	Useful life
Buildings	30 – 60 years
Roads (capitalised under buildings)	10 years
Continuous process plant (plant & equipment)	18 years
Rooftop solar panels (part of plant & equipment)	10 years
Other plant & equipment	5-15 years
Furniture and fixtures	5-10 years
Office equipment (including computers, computers equipment and servers)	3-10 years
Vehicles	8-10 years

Residual value of tangible assets is considered to be not more than 5% of the cost of the asset.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

i) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairments, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Intangible assets which are not ready for their intended use are disclosed as intangible assets under development and are stated at the amount expended up to the date of the balance sheet.

The Company amortizes computer software and technical know-how using the straight line method over the period of 5 years.

The amortization period and the amortization method for an intangible asset are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

k) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets, which takes substantial period of time to get ready for its intended use, are capitalized. All other interest and borrowing costs are charged to the statement of profit and loss. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Lease

The Company assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases (that do not contain purchase option) and leases of low value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation/ amortization and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated/ amortized on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets, as estimated by the management. Leasehold land has been amortized over the lease term of 90 years.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate is implicit in the lease not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The lease payments on short-term leases and lease of low-value assets are recognized as expense on a straight-line basis over the lease term.

m) Inventories

(i) Measurement of Inventory

Inventories of raw material, stores & spares, work-in-progress, finished goods and stock-in-trade (including goods-in-transit) are stated at cost or net realizable value, whichever is lower. Waste & scrap is valued at net realizable value.

(ii) Cost of Inventories

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase of inventories comprise the purchase price, import duties and other non-recoverable taxes, and transport, handling and other costs directly attributable to the acquisition of inventory items. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting material into finished goods.

Cost of inventories is ascertained on the 'weighted average' basis except stock-in-trade, where cost is ascertained on first-in-first-out (FIFO) basis.

(iii) Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is ascertained for each item of inventories with reference to the selling prices of related finished products. Estimate of net realizable value of finished goods and stock-in-trade are based on the most reliable evidence, available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of the inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Amount of write down of the inventories below cost is recognized as an expense as and when the event occurs.

n) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, if any, are recognized in the statement of profit and loss. Non-financial assets that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

o) Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resource is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit

The liabilities for earned leave, that are not expected to be settled wholly within 12 months, are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund, family pension fund and employee's state insurance

(a) Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expenses in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

(b) Defined contribution plans

Defined contribution plans such as contributions to provident fund, family pension fund and employee's state insurance are made to the funds administered by the Government of India, and are recognized as an expense when employees have rendered service entitling them to the contributions.

q) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at banks and on hand, bank overdrafts and short-term deposits with an original maturities of three months or less, which are subject to an insignificant risk of changes in value.

r) Investment in subsidiaries

Non-current investment in equity shares of subsidiaries is recognized at cost, unless there are indications of a permanent diminution in the value of investment, as per Ind AS 27. Non-current investments in preference shares and compulsory convertible debentures of subsidiaries is recognized at fair value through profit and loss.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed to statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date on which the Company commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Financial assets at FVTOCI (debt instrument)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

In the case of equity instruments which are not held for trading and where the Company has taken irrevocable election to present the subsequent changes in fair value in other comprehensive income, these elected investments are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Equity instruments through other comprehensive income' under the head 'Other Equity'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. The Company makes such election on an instrument -by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at FVTPL (equity instruments)

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

In case of equity instruments which are held for trading are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized in the statement of profit and loss when the right of payment has been established.

Investment in Subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables, the Company follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Company to track changes in credit risk.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities at amortized cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the Company and weighted average number of equity shares outstanding during the year are adjusted for the effect of all potentially dilutive equity shares.

u) Recent pronouncements

The Ministry of Corporate Affairs (“MCA”) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the ‘Rules’), vide notification dated March 31, 2023, which amends existing standards, and are effective from April 1, 2023. The Rules predominantly amends Ind AS 1, Presentation of financial statements and Ind AS 12, Income taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications only. The Company does not expect the amendment to have any significant impact in the current or future reporting periods and on foreseeable future transactions.

3.1 Property, plant and equipment

(₹ in Lakh)

Particulars	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total
Gross block							
As at April 1, 2021	**1,256.61**	**8,722.71**	**37,383.65**	**121.79**	**350.96**	**353.78**	**48,189.50**
Additions	-	858.30	1,187.53	1.44	31.61	93.98	2,172.86
Disposals	-	(215.00)	(2,097.41)	(0.50)	(23.80)	(34.09)	(2,370.80)
As at March 31, 2022	**1,256.61**	**9,366.01**	**36,473.77**	**122.73**	**358.77**	**413.67**	**47,991.56**
Additions	-	357.45	1,547.85	8.18	54.91	65.51	2,033.90
Disposals	-	(3.26)	(41.82)	-	(34.82)	(0.49)	(80.39)
As at March 31, 2023	**1,256.61**	**9,720.20**	**37,979.80**	**130.91**	**378.86**	**478.69**	**49,945.07**
Accumulated depreciation							
As at April 1, 2021	-	3,005.56	16,327.84	95.26	269.64	235.98	19,934.28
Charge for the year	-	325.95	2,366.46	6.55	37.39	49.11	2,785.46
Disposals	-	(51.81)	(1,026.56)	(0.48)	(19.68)	(30.71)	(1,129.24)
As at March 31, 2022	**-**	**3,279.70**	**17,667.74**	**101.33**	**287.35**	**254.38**	**21,590.50**
Charge for the year	-	321.00	2,233.17	5.91	36.45	53.16	2,649.69
Disposals	-	(3.10)	(28.49)	-	(33.22)	(0.46)	(65.27)
As at March 31, 2023	**-**	**3,597.60**	**19,872.42**	**107.24**	**290.58**	**307.08**	**24,174.92**
Net block							
As at March 31, 2022	**1,256.61**	**6,086.31**	**18,806.03**	**21.40**	**71.42**	**159.29**	**26,401.06**
As at March 31, 2023	**1,256.61**	**6,122.60**	**18,107.38**	**23.67**	**88.28**	**171.61**	**25,770.15**

3.2 Capital work-in-progress (CWIP)

(₹ in Lakh)

CWIP ageing schedule	Amount of CWIP for the period				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
As at March 31, 2022					
Projects in progress	430.78	146.93	67.25	-	**644.96**
As at March 31, 2023					
Projects in progress	915.82	79.28	-	-	**995.10**

3.3 Right of use assets (ROU)

(₹ in Lakh)

Leasehold land	
Gross block:	
As at April 1, 2021	**126.59**
Additions	-
Disposals	-
As at March 31, 2022	**126.59**
Additions	-
Disposals	-
As at March 31, 2023	**126.59**

3.3 Right of use assets (ROU) *(Contd.)*

(₹ in Lakh)

Accumulated amortization	
As at April 1, 2021	3.23
Charge for the year	1.61
Disposals	-
As at March 31, 2022	**4.84**
Charge for the year	1.61
Disposals	-
As at March 31, 2023	**6.45**
Net block as at March 31, 2022	**121.75**
Net block as at March 31, 2023	**120.14**

3.4 All property, plant and equipment as well as ROU assets are charged as security for the term loan and working capital loan facilities from banks, to secure their respective dues (refer notes 13.1 and 27).

3.5 Refer note 30.1 for contractual commitment for the acquisition of property, plant and equipment.

3.6 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.

3.7 All the title deeds for the immovable properties are in the name of the Company except the following:

Relevant line item in the balance sheet	Description of item of property	Gross carrying value (₹ in Lakh)	Held in the name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Office building	277.84	Vatika IT Parks Private Limited	No	March 18, 2023	The possession and original agreement to sale of the property is in the name of the Company. Title deed registration is held up due to some local regulations.

3.8 Capital work-in-progress does not include any project work which is overdue or has exceeded its cost compared to its original plan.

3.9 There is no project which has temporarily been suspended.

4.0 Intangible assets

(₹ in Lakh)

Particulars	Technical Knowhow	Software	Total
Gross block			
As at April 1, 2021	**14.63**	**307.19**	**321.82**
Additions	-	5.76	5.76
Disposals	-	-	-
As at March 31, 2022	**14.63**	**312.95**	**327.58**
Additions	-	5.48	5.48
Disposals	-	-	-
As at March 31, 2023	**14.63**	**318.43**	**333.06**
Accumulated amortization			
As at April 1, 2021	**14.63**	**171.24**	**185.87**
Amortization for the year	-	49.94	49.94
Disposals	-	-	-
As at March 31, 2022	**14.63**	**221.18**	**235.81**

4.0 Intangible assets *(Contd.)*

(₹ in Lakh)

Particulars	Technical Knowhow	Software	Total
Amortization for the year	-	50.91	50.91
Disposals	-	-	-
As at March 31, 2023	**14.63**	**272.09**	**286.72**
Net block			
As at March 31, 2022	**-**	**91.77**	**91.77**
As at March 31, 2023	**-**	**46.34**	**46.34**

Net book value

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
4.1 Intangible assets	**46.34**	**91.77**

4.2 There is no intangible asset under development and hence, related disclosures are not applicable.

4.3 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.

5.0 Non-current financial assets

5.1 Investment in subsidiaries*

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
Investment in equity instrument of subsidiary companies (unquoted, valued at cost)				
In equity shares of ₹10 each fully paid up of Ganesha Ecopet Private Limited	1,50,00,000	1,500.00	1,00,00,000	1,000.00
In equity shares of ₹10 each fully paid up of Ganesha Ecotech Private Limited	1,50,00,000	1,500.00	1,50,00,000	1,500.00
In equity shares of Nepali rupee 100 each fully paid up of Ganesha Overseas Private Limited	24,00,000	1,495.74	24,00,000	1,495.74
Investment in preference shares of subsidiary company (unquoted, valued at fair value through profit and loss)				
In 1% preference shares of ₹100 each fully paid up of Ganesha Ecopet Private Limited	65,00,000	6,920.37	30,00,000	3,238.81
Investment in compulsory convertible debentures of subsidiary company (unquoted, valued at cost)				
In zero coupon compulsory convertible debentures of ₹100 each fully paid of Ganesha Ecotech Private Limited	33,00,000	3,300.00	33,00,000	3,300.00
Total		**14,716.11**		**10,534.55**

** Aggregate amount of unquoted investments in subsidiaries ₹14,716.11 Lakh (March 31, 2022: ₹ 10,534.55 Lakh). There is no impairment loss in the value of investment.*

5.0 Non-current financial assets *(Contd.)*

5.2 Investment in others*

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
Investment in equity instrument of others (unquoted, valued at fair value through other comprehensive income)				
In equity shares of ₹10 each fully paid up of Amplus R.J. Solar Private Limited (under solar power purchase arrangement for captive consumption)	59,26,200	592.62	-	-
Total		**592.62**		**-**

** Aggregate amount of unquoted investments in others ₹592.62 Lakh (March 31, 2022: Nil). There is no impairment loss in the value of investment.*

5.3 Loans

(₹in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
Loans to related parties				
Loan to subsidiaries*				
- Ganesha Ecopet Private Limited	2,443.25		765.00	
(Maximum amount outstanding during the year ₹6,522.00 Lakh (March 31, 2022: ₹2,500 Lakh)				
- Ganesha Ecotech Private Limited	6,996.50	9,439.75	2,980.00	3,745.00
(Maximum amount outstanding during the year ₹11,290.00 Lakh (March 31, 2022: ₹2,980 Lakh)				
Loan to Ganesha Employees' Welfare Trust ^		217.00		94.50
(Maximum amount outstanding during the year ₹284.50 Lakh (March 31, 2022: ₹125 Lakh)				
Loans to others				
Loans to employees		3.49		5.13
Total		**9,660.24**		**3,844.63**
Break-up:				
Loans considered good - secured		-		-
Loans considered good - unsecured		9,660.24		3,844.63
Loans which have significant increase in credit risk		-		-
Loans - credit impaired		-		-
		9,660.24		**3,844.63**
Less: Allowance for doubtful loans		-		-
Total		**9,660.24**		**3,844.63**

** Loans have been given for setting up of projects and meeting business requirements.*

^ Loan has been given for buying equity shares of the Company under Employees' Stock Option Scheme.

Refer note 36.0 for information about credit risk and market risk of loans.

5.4 Others

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with remaining maturity of more than twelve months*	274.54	363.09
Security deposits	395.95	366.80
Accrued dividend on preference shares	73.68	42.90
Total	**744.17**	**772.79**

held as lien by banks against letter of credits, bank guarantees & other credit facilities amounting to ₹270.72 Lakh (March 31, 2022: ₹363.09 Lakh).

6.0 Other non-current assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	1.20	286.34
Prepaid expenses	12.72	15.37
Total	**13.92**	**301.71**

7.0 Inventories

(at lower of cost and net realisable value)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	9,319.22	9,093.72
Raw materials (in-transit)	16.44	-
Work-in-progress	915.26	953.26
Finished goods	7,656.93	5,153.76
Finished goods (in-transit)	1,092.06	1,383.93
Stock-in-trade	1,191.59	578.51
Stock-in-trade (in-transit)	47.23	8.40
Stores and spares	1,852.04	1,737.07
Total	**22,090.77**	**18,908.65**

Cost of inventories amounting to ₹497.57 Lakh (March 31, 2022: ₹94.34 Lakh) in respect of write-downs of inventory to net realisable value has been expensed out in the statement of profit and loss.

8.0 Current financial assets

8.1 Investments

(carried at fair value through profit and loss)

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Units	Amount (₹)	No. of Units	Amount (₹)
a) Investment in mutual funds (unquoted):				
ICICI Pru Long Short Fund Series I - Class B42 (units of ₹100 each)	-	-	9,99,950.002	1,012.74
SBI Equity Hybrid Fund Direct Growth (units of ₹10 each)	2,70,140.493	582.22	2,70,140.493	593.93
Sub-total		**582.22**		**1,606.67**
b) Investment in bonds & debentures (unquoted):				
9.56% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	88.000	931.64	88.000	931.64
10.5% Indusind Bank Series III-2019 NCD Perpetual (units of ₹10,00,000 each)	35.000	350.00	35.000	350.00

8.1 Investments

(carried at fair value through profit and loss) *(Contd.)*

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Units	Amount (₹)	No. of Units	Amount (₹)
9.15% PNB Perpetual Bond (units of ₹10,00,000 each)	25.000	238.61	25.000	238.61
7.74% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	40.000	401.71	40.000	401.71
9.5% UBI Series XX Perpetual Bond (units of ₹10,00,000 each)	30.000	308.57	30.000	308.57
8.50% SBI Series II perpetual Bond (units of ₹10,00,000 each)	22.000	229.72	22.000	229.72
8.85% HDFC Bank Series I Perpetual Bond (units of ₹10,00,000 each)	-	-	100.000	1,003.89
9.55% Canara Bank Perpetual Bond (units of ₹10,00,000 each)	50.000	522.35	50.000	522.35
8.50% Canara Bank Series III Perpetual Bond (units of ₹10,00,000 each)	50.000	510.35	50.000	510.35
9.04% Bank of India Series VI Perpetual Bond (units of ₹10,00,000 each)	50.000	509.56	50.000	509.55
8.30% Canara Bank Series II Perpetual Bond (units of ₹10,00,000 each)	27.000	274.22	27.000	274.45
Sub-total		**4,276.73**		**5,280.84**
Total		**4,858.95**		**6,887.51**

Refer note 35.0 and 36.0 for information about fair value measurement, credit risk and market risk of investments.

8.2 Trade receivables

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	9,290.12	11,681.10
Less: Allowance for doubtful trade receivables	(89.55)	(58.41)
Total	**9,200.57**	**11,622.69**
Break-up:		
Receivables considered good - secured	879.27	1,323.30
Receivables considered good - unsecured	8,321.30	10,299.39
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
Receivables considered doubtful - unsecured	89.55	58.41
	9,290.12	**11,681.10**
Less: Allowance for doubtful trade receivables	(89.55)	(58.41)
Total	**9,200.57**	**11,622.69**

Notes:

1) Trade receivable represents the amount of consideration, in exchange for goods or services transferred to the customers, that is unconditional. There are no contract assets and contract liabilities.

2) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies in which any director of the Company is a partner, a director or a member.

3) Trade receivables include ₹0.04 Lakh (March 31, 2022: Nil) due from a subsidiary company.

4) Refer note 35.0 & 36.0 for information about fair value measurement, credit risk and market risk of trade receivables.

5) Refer note 38.0 for ageing schedule of trade receivables.

8.3 Cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
- On current accounts	102.66	47.97
Cheques on hand	-	-
Cash on hand	9.48	9.53
Total	**112.14**	**57.50**

8.4 Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend (Earmarked)	55.43	59.40
Deposits with original maturity of more than three months*	138.23	31.58
Total	**193.66**	**90.98**

**held under lien with banks against letter of credits and with power distribution boards amounting to ₹118.28 Lakh (March 31, 2022: ₹31.58 Lakh)*

8.5 Loans

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
Loans to related parties				
Loans to subsidiaries*				
- Ganesha Ecopet Private Limited^	231.75		-	
- Ganesha Ecotech Private Limited^	853.50	1,085.25	-	-
Loans to others				
Loans to employees		5.13		6.51
Total		**1,090.38**		**6.51**
Break-up:				
Loans considered good - secured		-		-
Loans considered good - unsecured		1,090.38		6.51
Loans which have significant increase in credit risk		-		-
Loans - credit impaired		-		-
Total		**1,090.38**		**6.51**
Less: Allowance for doubtful loans		-		-
Total		**1,090.38**		**6.51**

** Loans have been given for setting up of projects and meeting business requirements.*

^ For maximum amount outstanding during the year, please refer Note 5.3 above.

Refer note 36.0 for information about credit risk and market risk of loans.

8.6 Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Interest receivable on fixed deposits and others	432.28	300.60
Security deposits	11.38	13.21
Mark To market of derivative financial instruments	-	0.99
Total	**443.66**	**314.80**

9.0 Other current assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances to suppliers	323.49	772.48
Advances to employees and others	26.08	26.14
Prepaid expenses	185.52	261.79
Balances with Government authorities	446.31	194.30
Insurance claim receivable (refer note 41.0)	2,500.21	3,099.85
Export incentives receivable	176.00	191.53
Sub-total	**3,657.61**	**4,546.09**
Unsecured, considered doubtful		
Advances to suppliers	26.03	24.53
Less: Allowance for doubtful advances	(26.03)	(24.53)
Sub-total	**-**	**-**
Total	**3,657.61**	**4,546.09**

10.0 Current tax assets (net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Income-tax	348.04	577.19
Total	**348.04**	**577.19**

11.0 Assets held for sale/ disposal

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Discarded fixed assets held for sale/ disposal	-	47.76
Discarded inventory held for disposal	-	78.39
Total	**-**	**126.15**

12.1 Share capital

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
3,40,00,000 (March 31, 2022: 3,40,00,000) equity shares of ₹10 each	3,400.00	3,400.00
21,50,000 (March 31, 2022: 21,50,000) preference shares of ₹100 each	2,150.00	2,150.00
Total	**5,550.00**	**5,550.00**
Issued, subscribed and fully paid up		
2,18,29,397 (March 31, 2022: 2,18,29,397) equity shares of ₹10 each	2,182.94	2,182.94
Total	**2,182.94**	**2,182.94**

Notes:

i) Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2023 (Nos.)	As at March 31, 2022 (Nos.)
Equity shares		
As at the beginning of the year	2,18,29,397	2,18,29,397
Add: Shares issued during the year	-	-
As at the end of the year	**2,18,29,397**	**2,18,29,397**

ii) The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

iii) Shares in the Company held by each shareholder holding more than five per cent:

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹10/- each fully paid up				
GPL Finance Limited	22,13,809	10.14	22,13,809	10.14
Shyam Sunder Sharmma	19,38,927	8.88	19,38,927	8.88
DSP Equity Fund	17,65,462	8.09	14,95,952	6.85
SBI Mutual Fund	13,94,163	6.39	15,16,934	6.95
Rajesh Sharma	10,95,529	5.02	10,95,529	5.02

12.1 Share capital *(Contd.)*

iv) Shares held by the promoters at the end of the year:

Name of the Promoters	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Shyam Sunder Sharmma	19,38,927	8.88	0.00	19,38,927	8.88	0.00
Rajesh Sharma	10,95,529	5.02	0.00	10,95,529	5.02	0.00
Sharad Sharma	8,75,583	4.01	0.00	8,75,583	4.01	0.00
Vishnu Dutt Khandelwal	7,20,200	3.30	0.00	7,20,200	3.30	0.00
Vimal Sharma	4,91,738	2.25	0.00	4,91,738	2.25	0.00
Seema Sharma	3,03,560	1.39	0.00	3,03,560	1.39	0.00
Ratna Sharma	2,67,871	1.23	0.00	2,67,871	1.23	0.24
Shyam Sunder Sharmma HUF	1,07,000	0.49	0.00	1,07,000	0.49	0.00
Sandeep Khandelwal	2,04,501	0.94	0.00	2,04,501	0.94	0.36
Yash Sharma	1,32,445	0.61	0.00	1,32,445	0.61	0.00
Sharad Sharma HUF	94,731	0.43	0.00	94,731	0.43	0.00
Nirmal Khandelwal	46,875	0.21	0.00	46,875	0.21	0.00
Vishnu Dutt Khandelwal HUF	41,940	0.19	0.00	41,940	0.19	0.36
Rajesh Sharma HUF	23,250	0.11	0.00	23,250	0.11	0.00
Harsh Sharma	1,17,498	0.54	0.00	1,17,498	0.54	16.92
Hemant Sharma	77,568	0.36	0.00	77,568	0.36	1.97
Charu Khandelwal	21,449	0.10	0.00	21,449	0.10	8.99
Naveen Sharma	10,002	0.05	0.00	10,002	0.05	100.00
Kunjika Kaushal	6,237	0.03	0.00	6,237	0.03	100.00
GPL Finance Ltd.	22,13,809	10.14	0.00	22,13,809	10.14	0.00
Sandeep Yarns Pvt Ltd	4,46,300	2.04	0.00	4,46,300	2.04	0.00
Total	**92,37,013**	**42.31**		**92,37,013**	**42.31**	

v) The Company has neither issued shares for a consideration other than cash/ bonus shares nor bought back any shares during the period of five years immediately preceding the reporting date.

12.2 Other equity

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	450.00	450.00
Capital reserve	225.28	225.28
Securities premium	13,952.72	13,952.72
General reserve	264.13	264.13
Retained earnings	48,260.06	41,328.64
Total	**63,152.19**	**56,220.77**
(a) Capital redemption reserve		
Opening balance	450.00	450.00
Adjustment during the year	-	-

12.2 Other equity *(Contd.)*

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Closing balance	**450.00**	**450.00**
(b) Capital reserve		
Opening balance	225.28	225.28
Adjustment during the year	-	-
Closing balance	**225.28**	**225.28**
(c) Securities premium		
Opening balance	13,952.72	13,952.72
Adjustment during the year	-	-
Closing balance	**13,952.72**	**13,952.72**
(d) General reserve		
Opening balance	264.13	264.13
Adjustment during the year	-	-
Closing balance	**264.13**	**264.13**
(e) Retained earnings		
Opening balance	41,328.64	34,807.53
Adjustment during the year:		
Net profit for the year	7,331.93	6,954.65
Other comprehensive income (net) for the year	36.08	3.05
Dividend paid	(436.59)	(436.59)
Closing balance	**48,260.06**	**41,328.64**
Total (a to e)	**63,152.19**	**56,220.77**

Nature and purpose of reserves

Capital redemption reserve

Capital redemption reserve was created for redemption of preference share capital and it is a non-distributable reserve.

Capital reserve

Capital reserve represent capital subsidy received and amount received on forfeiture of shares of the Company. Capital reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is used to transfer profits from retained earnings for general purposes. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

13.0 Borrowings

(₹ in Lakh)

Particulars	Non-current		Current maturities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current borrowings				
Term loans (secured):				
- from banks	1,449.22	413.11	782.69	413.03
- from State Government (refer footnote (iv) below)	248.20	247.56	22.00	-
- from others	13.94	-	6.06	-
Foreign currency loan from bank (secured)	-	1,964.08	-	434.50
Total	**1,711.36**	**2,624.75**	**810.75**	**847.53**
Current borrowings				
Working capital loans from banks				
- Rupee loans (secured)	12,906.81	9,329.97		
Current maturities of long-term borrowings	810.75	847.53		
Loans repayable on demand (unsecured):				
- from directors	185.50	892.00		
- from directors' relatives	-	63.00		
- from related parties & others	68.00	121.00		
Total	**13,971.06**	**11,253.50**		

Notes:

i) Refer note 13.1 for the details of effective interest rate, repayment terms and security details for the borrowings.

ii) The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 27.0.

iii) Refer note 36.0 for liquidity risk.

iv) Loans discounted to their present value using the average interest rate on borrowings and the differential loan amount has been disclosed as government grant.

v) **Net debt reconciliation:**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current and non-current borrowings (including current maturities)	15,682.42	13,878.25
Less: Cash and cash equivalents	(112.14)	(57.50)
Interest payable	22.36	16.91
Net debt	**15,592.64**	**13,837.66**

(₹ in Lakh)

Particulars	Current and non-current borrowings (including current maturities)	Cash and cash equivalents	Interest payable	Total
Net debt as at April 1, 2021	**12,704.05**	**(210.30)**	**35.01**	**12,528.76**
Cash flows	1,204.68	152.80	-	1,357.48
Other non-cash movements:				
- foreign exchange adjustments	(1.42)	-	-	(1.42)
- fair value adjustments	(29.06)	-	(16.02)	(45.08)

13.0 Borrowings *(Contd.)*

Interest expense	-	-	886.80	886.80
Interest paid	-	-	(888.88)	(888.88)
Net debt as at March 31, 2022	**13,878.25**	**(57.50)**	**16.91**	**13,837.66**
Cash flows	1,781.53	(54.64)	-	1,726.89
Other non-cash movements:				
- foreign exchange adjustments	-	-	-	-
- fair value adjustments	22.64	-	(22.64)	-
Interest expense	-	-	1,269.70	1,269.70
Interest paid	-	-	(1,241.61)	(1,241.61)
Net debt as at March 31, 2023	**15,682.42**	**(112.14)**	**22.36**	**15,592.64**

13.1 a) Nature of security and terms of repayment for non-current borrowings (including their current maturities):

	Nature of security	Terms of repayment
1	Term loan from bank, balance outstanding amounting to ₹471.72 Lakh (including foreign currency loan balance outstanding of ₹ Nil) (March 31, 2022: ₹611.16 Lakh including foreign currency loan outstanding of ₹599.65), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of the Company. The loan is further secured by way of extension of pari passu second charge on current assets of the Company, fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of the Company and others.	Repayable in 21 quarterly installments starting from March, 2022 and last installment falling due in March, 2027. Rate of interest 9.40% p.a. as at the year end (March 31, 2022: 7.95% p.a.).
2	Term loan from bank, balance outstanding amounting to ₹1,426.78 Lakh (including foreign currency loan balance outstanding of ₹ Nil) (March 31, 2022: ₹1867.12 Lakh including foreign currency loan outstanding of ₹1798.93 Lakh), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of the Company. The loan is further secured by way of extension of pari passu second charge on current assets of the Company, fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of the Company and others.	Repayable in 17 quarterly installments starting from April 2022 and last installment falling due in April 2026. Rate of interest 9.40% p.a. as at the year end (March 31, 2022: 7.95% p.a.).
3	Term loan from bank, balance outstanding amounting to ₹333.41 Lakh (March 31, 2022: ₹746.44 Lakh), is secured by way of exclusive charge on assets financed by loan. The loan is further secured by way of personal guarantees of the executive directors of the Company and others.	Repayable in 12 quarterly installments starting from March, 2021 and last installment falling due in March, 2024. Average rate of interest 9.73% p.a. as at the year end (March 31, 2022: 6.78% p.a.).
4	Loan from U.P. Government, balance outstanding amounting to ₹111.72 Lakh (March 31, 2022: ₹111.72 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in March, 2029. The loan is interest free.

	Nature of security	Terms of repayment
5	Loan from U.P. Government, balance outstanding amounting to ₹23.04 Lakh (March 31, 2022: ₹23.04 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in 2 installments during August 2023 and December 2023. The loan is interest free.
6	Loan from U.P. Government, balance outstanding amounting to ₹29.42 Lakh (March 31, 2022: ₹29.42 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in January 2025. The loan is interest free.
7	Loan from U.P. Government, balance outstanding amounting to ₹194.90 Lakh (March 31, 2022: ₹194.90 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in December 2025. The loan is interest free.
8	Term loan from other, balance outstanding amounting to ₹20.00 Lakh (March 31, 2022: ₹ Nil), is secured by way of exclusive charge on assets financed by loan.	Repayable in 36 monthly installments starting from April, 2023 and last installment falling due in March, 2026. Rate of interest 9.0% p.a. as at the year end (March 31, 2022: Nil).

13.1 b) Nature of security and terms of repayment for current borrowings:

	Nature of security	Terms of repayment
1	Working capital loans from banks, balance outstanding amounting to ₹12,906.81 Lakh (March 31, 2022: ₹9,329.97 Lakh) are secured by hypothecation of current assets of the Company (both present and future), ranking pari passu inter-se. These loans are further secured by way of extension of pari-passu second charge on property, plant and equipment of the Company, fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of the Company and others.	Repayable on demand. Rate of interest is ranging from 7.25% to 9.85% p.a. (March 31, 2022: Rate of interest ranging from 5.35% to 8.25% p.a.)
2	Unsecured loans from directors and other related parties amounting to ₹253.50 Lakh (March 31, 2022: ₹1,076.00 Lakh).	Repayable on demand. Rate of interest 6.50% p.a. as at the year end (March 31, 2022: 5.50% p.a.).

13.2 The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of the loans.

14.0 Government grants

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	486.30	444.77
Received during the year*	48.38	86.42
Released to the statement of profit and loss	(53.56)	(44.90)
At the end of the year	**481.12**	**486.29**
14.1 Current	54.73	52.69
14.2 Non-current	426.39	433.60

**There is unfulfilled export commitments of ₹96.93 Lakh (March 31, 2022: Nil) as at the balance sheet date related to government grant received under the EPCG Scheme.*

15.1 Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	199.74	301.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises	6,252.07	5,934.57
Total	**6,451.81**	**6,236.11**

Note:

a) Refer note 36.0 for information about liquidity risk and market risk of trade payables.

b) Refer note.39.0 for ageing schedule of trade payables.

c) Dues to micro and small enterprises:

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	199.74	301.54
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of payable to vendors as defined under the MSMED Act, 2006 is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

15.2 Other current financial liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Creditors for capital expenditure	62.95	19.31
Interest accrued	22.36	16.91
Unclaimed dividends*	55.43	59.41
Mark to market of derivative financial instruments	0.17	-
Other payables	3,087.72	3,451.95
Total	**3,228.63**	**3,547.58**

** During the year, the Company has transferred ₹9.26 Lakh (March 31, 2022: ₹10.56 Lakh) to Investor Education and Protection Fund towards unclaimed dividend and there are no overdue amounts as at the balance sheet date.*

16.0 Other current liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Advances from customers	221.86	92.09
Statutory dues payables	428.94	486.12
Total	**650.80**	**578.21**

17.0 Provisions

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Employee benefits		
17.1 Non-current		
Leave obligations	78.20	90.39
Gratuity (refer note 29.1)	517.53	586.75
Total	**595.73**	**677.14**
17.2 Current		
Leave obligations	72.42	53.69
Gratuity (refer note 29.1)	318.19	220.69
Total	**390.61**	**274.38**

18.1 Deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	(328.22)	(401.71)
Deferred tax liabilities	2,166.54	2,171.33
Total	**1,838.32**	**1,769.62**

18.1.a Movement of deferred tax liabilities (net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities (net)		
As at the beginning of the year	1,769.62	1,913.08
Charge/ (credit) to statement of profit and loss*	68.70	(143.46)
Total	**1,838.32**	**1,769.62**

**Deferred tax on remeasurement of defined benefit obligation of ₹12.14 Lakh has been charged to other comprehensive income (March 31, 2022: ₹1.02 Lakh).*

18.1.b Components of deferred tax (assets)/ liabilities

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liability		
Property, plant and equipment	1,996.34	2,048.41
Others	170.20	122.92
Sub-total	**2,166.54**	**2,171.33**

18.1.b Components of deferred tax (assets)/ liabilities *(Contd.)*

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
Deferred tax asset			
Expenses allowed in the year of payment		(299.13)	(380.83)
Provision for doubtful trade receivables and advances		(29.09)	(20.88)
	Sub-total	**(328.22)**	**(401.71)**
Deferred tax liabilities (net)	**Total**	**1,838.32**	**1,769.62**

19.0 Revenue from operations

(₹ in Lakh)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products			
Finished goods (including process waste)		1,08,562.56	98,457.40
Stock-in-trade		3,202.78	2,313.26
	Sub-total	**1,11,765.34**	**1,00,770.66**
Other operating revenues			
Sale of waste and scrap		360.83	360.95
Job work receipts		4.97	8.44
Insurance claims received		5.42	74.42
Export incentives		384.17	461.95
Allowance for doubtful trade receivables written back (net)		3.25	35.21
Income from recycling certification		677.76	399.42
Liabilities no longer required written back		16.27	26.65
Others		67.91	97.76
	Sub-total	**1,520.58**	**1,464.80**
	Total	**1,13,285.92**	**1,02,235.46**

The Company offers, performance based discounts and other discounts as per the prevailing trade practices at the time of sale. A sale invoice is the de facto contract agreement with the Customers. Any credit notes for discounts issued thereafter are reduced from gross sales and net sales is shown in the statement of profit and loss. Details of the revenue from contracts with customers as it appears in the invoices raised on them and credit notes issued therafter are as under:

Particulars		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from contracts with Customers		1,11,876.84	1,00,882.05
Less:			
Performance and price discounts		100.09	59.39
Other discounts		11.41	52.00
Revenue from sale of products	**Total**	**1,11,765.34**	**1,00,770.66**

20.0 Other income

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest income	1,271.23	613.05
Government grants	53.56	44.90
Gain on foreign currency fluctuations and translations (net)	-	28.34
Profit on sale of investments	21.73	147.91
Fair value gain on financial assets	-	106.44
Fair value gain on preference shares	181.56	168.17
Dividend on preference shares (accrued)	30.78	30.00
Profit on sale/ discard of property, plant and equipment (net)	72.68	-
Miscellaneous income	12.13	10.63
Total	**1,643.67**	**1,149.44**

21.0 Changes in inventories of finished goods, stock-in -trade and work-in-progress

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Inventories at the end of the year*		
Finished goods	8,748.99	6,537.69
Stock-in-trade	1,238.83	586.91
Work-in-progress	915.26	953.26
Sub-total	**10,903.08**	**8,077.86**
Inventories at the beginning of the year*		
Finished goods	6,537.69	5,929.78
Stock-in-trade	586.91	310.25
Work-in-progress	953.26	791.24
Sub-total	**8,077.86**	**7,031.27**
Less: Loss of finished & process goods inventory due to fire.	-	835.01
Total	**(2,825.22)**	**(1,881.60)**

**including goods in transit*

22.0 Employee benefits expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries and wages	6,050.24	5,302.82
Contribution to provident and other funds (refer note 29.2)	275.28	246.19
Gratuity expense (refer note 29.1)	131.52	126.61
Staff welfare expenses	127.16	108.09
Total	**6,584.20**	**5,783.71**

23.0 Other expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Manufacturing expenses		
Consumption of stores and spares	2,666.14	2,369.52
Power and fuel	9,786.46	8,485.28
Processing charges	-	796.98
Repairs and maintenance		
- Plant and machinery	475.52	451.72
- Buildings	50.84	104.03
Sub-total	**12,978.96**	**12,207.53**
Administrative expenses		
Rent (refer note 31.0)	110.44	106.32
Rates and taxes	13.64	9.65
Insurance	312.61	164.27
Repairs and maintenance - others	123.17	93.15
CSR expenditure (refer note 32.0)	147.50	158.60
Travelling and conveyance	193.76	132.11
Communication costs	50.57	40.82
Printing and stationery	44.99	38.76
Legal and professional fee	61.23	85.53
Cost auditors' remuneration	1.20	1.10
Directors' sitting fee	1.60	1.85
Payment to auditor (refer details below)	23.66	12.78
Allowances for doubtful trade receivables and advances	35.88	12.60
Loss on sale/ discard of property, plant and equipment (net)	-	3.29
Fair value loss on financial assets	11.71	-
Miscellaneous expenses	164.49	115.87
Vehicle running and maintenance	102.65	89.45
Commission to non-executive directors	56.00	55.50
Security service charges	171.47	152.70
Loss on foreign currency fluctuations and translations (net)	32.73	-
Insurance claim settlement loss written off (refer note no. 41.0)	509.64	-
Sub-total	**2,168.94**	**1,274.35**
Selling expenses		
Freight and forwarding charges	4,402.73	5,055.68
Other selling and distribution expenses	590.91	455.44
Sub-total	**4,993.64**	**5,511.12**
Total	**20,141.54**	**18,993.00**
Break up of payment to auditor:		
As auditor:		
- Audit fee	16.00	8.50
- Tax audit fee	2.50	1.00
- Limited review fee	4.50	3.00
In other capacity		
- Other services (certification fee)	0.05	0.20
- Reimbursement of expenses	0.61	0.08
Total	**23.66**	**12.78**

24.0 Depreciation and amortization expense

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on property, plant and equipment	2,649.69	2,785.46
Amortization of intangible assets	50.91	49.94
Amortization of ROU assets	1.61	1.61
Total	**2,702.21**	**2,837.01**

25.0 Finance costs

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest	1,269.71	886.80
Exchange differences regarded as an adjustment to borrowing cost	49.70	-
Other borrowing costs (including bank charges)	92.61	89.05
Total	**1,412.02**	**975.85**

26.0 Tax expense

26.1The major components of income-tax expense are as under:

(₹ in Lakh)

Particulars		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A) Profit and loss section			
Current tax			
In respect of current year		2,481.61	2,270.08
In respect of earlier years		44.11	(6.51)
	Sub-total	2,525.72	2,263.57
Deferred tax			
Relating to origination and reversal of temporary differences		56.57	(144.48)
	Sub-total	56.57	(144.48)
Income tax expense reported in the statement of profit and loss	**Total**	**2,582.29**	**2,119.09**
B) Other comprehensive income ('OCI') section			
Deferred tax related to items recognized in OCI during the year:			
Re-measurement gain on defined benefit obligations		(12.14)	(1.02)
Income-tax charged to OCI	**Total**	**(12.14)**	**(1.02)**

26.2 Reconciliation of tax expense and the accounting profit multiplied by applying the statutory income-tax rate to the profit before tax is as under:

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Accounting profit before income-tax	9,914.22	9,073.74
Enacted income-tax rate applicable to the Company	25.168%	25.168%
Current tax expense on profit before tax at the enacted income-tax rate	2,495.21	2,283.68
Adjustments in respect of current income-tax of earlier years	44.11	(6.51)
Permanent disallowances	37.89	40.36
Remeasurement of net deferred tax liabilities	-	(226.90)
Others	5.08	28.46
Total income-tax expense	**2,582.29**	**2,119.09**

Consequent to reconciliation items shown above, the effective tax rate is 26.046% (March 31, 2022: 23.350%).

27.0 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
First charge		
Non-current assets		
Property, plant and equipment	25,770.15	26,401.06
Capital work-in-progress	995.10	644.96
Right of use assets	120.14	121.75
Non-current financial assets	10,330.73	4,574.52
Other non-current assets	13.92	301.71
Total non-current assets pledged as security	**37,230.04**	**32,044.00**
Second charge		
Current assets		
Financial assets		
Trade receivables	9,200.57	11,622.69
Cash and cash equivalents	112.14	57.50
Bank balances	138.23	31.58
Others	1,534.04	321.31
Non financial assets		
Inventories	22,090.77	18,908.65
Current tax assets	348.04	577.19
Others	3,657.61	4,672.24
Total current assets pledged as security	**37,081.40**	**36,191.16**
Total assets pledged as security	**74,311.44**	**68,235.16**

28.0 Earnings per share

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Earning per share has been computed as under:		
Profit for the year (₹ in Lakh)	7,331.93	6,954.65
Weighted average number of equity shares outstanding (Numbers)	2,18,29,397	2,18,29,397
Earnings per share (₹) - Basic (face value of ₹10 per share)	33.59	31.86
Earnings per share (₹) - Diluted (face value of ₹10 per share)	33.59	31.86

29.0 Gratuity and other post-employment benefit plans

29.1 Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the numbers of years of services. The gratuity plan is an unfunded plan.

29.0 Gratuity and other post-employment benefit plans *(Contd.)*

Movement in the present value of the defined benefit obligation for gratuity are as follows:

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening defined benefit obligation	**807.44**	**748.72**
Liability transferred to subsidiary company	(0.29)	(4.61)
Current service cost	85.90	88.54
Interest expense	45.62	38.07
Benefits paid	(54.73)	(59.21)
Actuarial (gains) / losses arising from changes in demographic assumptions	(15.39)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(28.32)	(12.85)
Actuarial (gains) / losses arising from experience adjustments	(4.51)	8.78
Closing defined benefit obligation	**835.72**	**807.44**

Net liability recognized in balance sheet:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	835.72	807.44
Fair value of plan assets	-	-
Funded status (deficit)	(835.72)	(807.44)
Net liability recognized in balance sheet	**835.72**	**807.44**
Break-up of defined benefit obligation		
Current liability	318.19	220.69
Non-current liability	517.53	586.75
Total	**835.72**	**807.44**

Net defined benefit expense recognized in employee benefit expenses in the statement of profit and loss:

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current service cost	85.90	88.54
Net interest cost	45.62	38.07
Total	**131.52**	**126.61**

Remeasurement (gain) / loss recognized in other comprehensive income:

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Actuarial (gains) / losses arising from changes in demographic assumptions	(15.39)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(28.32)	(12.85)
Actuarial (gains) / losses arising from experience adjustments	(4.51)	8.78
Total	**(48.22)**	**(4.07)**

29.0 Gratuity and other post-employment benefit plans *(Contd.)*

The principal assumptions used in determining gratuity as shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20%	5.65%
Salary escalation rate	7.00%	7.00%
Withdrawal rate (upto 58 years)	40.00%	30.00%
Withdrawal rate (above 58 years)	10.00%	10.00%
Mortality	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the key assumptions is as under: (₹ in Lakh)

Particulars	Year	Change in assumption	Change due to increase in assumption	Change due to decrease in assumption
Discount rate	March 31, 2023	1.00%	(16.65)	17.44
	March 31, 2022	1.00%	(22.30)	23.69
Salary escalation rate	March 31, 2023	1.00%	16.18	(15.85)
	March 31, 2022	1.00%	21.65	(21.02)
Mortality rate	March 31, 2023	1.00%	negligible	negligible
	March 31, 2022	1.00%		

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period. There is no change in the method of valuation for the prior periods.

Maturity profile of demand of defined benefit obligation is as under: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	311.50	220.69
1 - 2 Year	194.89	162.35
2 - 3 Year	124.68	124.34
3 - 4 Year	72.13	94.00
4 - 5 Year	57.50	61.80
Above 5 years	75.02	144.26
Total	**835.72**	**807.44**

Fair value and changes in fair value of plan assets during the year ended March 31, 2023:

Gratuity obligations are not funded.

As per the policy of the Company, no gratuity is payable to the executive directors of the Company.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

29.0 Gratuity and other post-employment benefit plans *(Contd.)*

29.2 Defined contribution plans

The Company also has certain defined contribution plans, such as provident fund, family pension fund and employee's state insurance for benefit of employees. Contributions are made to funds administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the year towards contribution to defined contribution plans is ₹275.28 Lakh (March 31, 2022: ₹246.19 Lakh).

29.3 Leave obligation

The Company provides for leave obligations based on actuarial valuation carried at the year end using the projected unit credit method.

30.0 Commitments and contingencies (to the extent not provided for)

30.1 Commitments

(₹ in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Estimated amount of contracts remaining to be executed on capital account (net of advances)	6.47	-
b)	Corporate guarantees given to banks for securing the amounts lent by them to the subsidiary companies	36,490.94	37,075.00
c)	Undertaking given by the Company to fulfil quantified exports in respect of capital goods imported under the Export Promotion Capital Goods Scheme of the Government of India.	10.63	-
	Total	**36,508.04**	**37,075.00**

30.2 Contingent liabilities

(₹ in Lakh)

	Particulars	As at March 31, 2023	As at March 31, 2022
a)	Matters with tax authorities		
	- Income-tax matters	35.92	35.92
	- GST matters	188.96	-
	- VAT matters	2.61	2.61
b)	Demand as environmental compensation has been raised by Uttarakhand Pollution Control Board ('UPCB') on Company's Rudrapur Unit in pursuance of a general order of Hon'ble National Green Tribunal ('NGT') dated November 14, 2019 ('Order'). The operation of the said Order has been stayed by the Hon'ble Supreme Court vide its order dated March 18, 2020. The management believes that this demand has erroneously been raised on the Company by UPCB and not suistanable.	100.00	100.00
c)	Bills discounted under letters of credit and outstanding	81.35	234.48
d)	Claims against the Company not acknowledged as debt (interest thereon not ascertainable at present)	52.96	49.23
	Total	**461.80**	**422.24**

31.0 Leases - short term leases

The Company has certain operating leases primarily consisting of leases for office premises, guest houses and warehouses having different lease terms. Such leases are generally with the option of renewal against increased rent and premature termination clause. Rental expense recorded for short-term leases and low value asset leases is ₹110.44 Lakh for the year ended March 31, 2023 (March 31, 2022: ₹106.32 Lakh).

The Company has taken certain land on long term lease for factory purposes (disclosed under “Right of use assets”). Since entire lease payments have been prepaid, the Company does not have any future lease liability towards the same.

For details pertaining to the carrying value of right of use asset and amortization charged thereon during the year, refer note 3.3 of the financial statements.

The Company does not have any lease liability and thus there are no liquidity risks.

32.0 Details of corporate social responsibility (CSR) expenditure

(₹in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Gross amount required to be spent by the Company during the year	147.50	158.60
Amount spent during the year on:		
a. Promoting Education among children, women & differently abled	23.07	30.85
b. Promoting Healthcare including preventive healthcare	61.21	34.16
c. Rural development	4.00	-
d. Ensuring Environmental Sustainability	-	10.72
e. Training to promote nationally recognized sports*	53.21	76.34
f. Administrative Overheads	6.01	6.53
Total	**147.50**	**158.60**
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	Not Applicable	Not Applicable
Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard	-	-

**Includes ₹53.21 Lakh of CSR expense pertaining to the ongoing projects as at March 31, 2023 (March 31, 2022: ₹87.11 Lakh) which was transferred to the Unspent Corporate Social Responsibility Account of the Company within 30 days from end of financial year.*

Note: The Company has not incurred any expenditure on construction/ acquisition of any asset.

33.0 Segment information

33.1 Primary segment (by business segment):

Ind AS 108 establishes standards for the way that the Company report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Company’s operations comprises of only one segment i.e. sale of polyester staple fibre and polyester yarn which are mainly having similar risks and returns. Based on the “management approach” as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment (synthetic textile). In view of the same, separate primary segment information is not required to be given as per the requirements of Ind AS 108 on “Operating Segments”.

33.2 Secondary segment (by geographical demarcation):

Considering the nature of the business in which the Company operates, the Company deals with various customers in multiple geographies. The details of segment revenue based on geographical demarcation is as under:

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from sale of products		
- India	99,690.26	87,799.62
- Outside India	12,075.08	12,971.04
Total	**1,11,765.34**	**1,00,770.66**

34.0 Related party disclosures

Name of related parties and nature of relationship:

34.1	**Subsidiaries**	
	Ganesha Ecopet Private Limited	Wholly owned subsidiary, incorporated in India (w.e.f. November 19, 2019)
	Ganesha Ecotech Private Limited	Wholly owned subsidiary, incorporated in India (w.e.f. November 17, 2020)
	Ganesha Overseas Private Limited	Wholly owned subsidiary, incorporated in Nepal (w.e.f. July 15, 2021)

34.2 A. Key management personnel		
	Shri Shyam Sunder Sharmma	Non-Executive Chairman
	Shri Vishnu Dutt Khandelwal	Executive Vice Chairman
	Shri Sharad Sharma	Managing Director
	Shri Rajesh Sharma	Joint Managing Director
	Shri Surendra Kumar Kabra	Independent Director
	Shri Pradeep Kumar Goenka	Independent Director
	Shri Vishwa Nath Chandak	Independent Director (till September 30, 2022)
	Shri Abhilash Lal	Independent Director
	Smt. Shobha Chaturvedi	Independent Director
	Shri Gopal Agarwal	Chief Financial Officer
	Shri Bharat Kumar Sajnani	Company Secretary & Compliance Officer

B. Relatives of key management personnel		
	Smt. Vimal Sharma	Wife of Shri Shyam Sunder Sharmma
	Smt. Nirmal Khandelwal	Wife of Shri Vishnu Dutt Khandelwal
	Shri Sandeep Khandelwal	Son of Shri Vishnu Dutt Khandelwal
	Shri Yash Sharma	Son of Shri Sharad Sharma
	Shyam Sunder Sharmma HUF	Shri Shyam Sunder Sharmma is Karta
	Vishnu Dutt Khandelwal HUF	Shri Vishnu Dutt Khandelwal is Karta
	Sharad Sharma HUF	Shri Sharad Sharma is Karta
	Rajesh Sharma HUF	Shri Rajesh Sharma is Karta

C. Entities controlled by key management personnel or their relatives	
	Sandeep Yarns Private Limited
	GPL Finance Limited
	GESL Spinners Private Limited

D. Entities over which key management personnel are able to exercise significant influence	
	Ganesha Employees' Welfare Trust
	Ganesh Memorial Trust

34.3 Summary of transactions during the year

(₹ in Lakh)

Particulars	Year ended	Subsidiaries	Key management personnel	Relatives of key management personnel	Entities controlled by key management personnel or their relatives	Entities over which key management personnel are able to exercise significant influence
Investment in share capital	March 31, 2023	4,000.00	-	-	-	-
	March 31, 2022	1,495.74	-	-	-	-
Investment in zero coupon compulsory convertible debentures	March 31, 2023	-	-	-	-	-
	March 31, 2022	3,300.00	-	-	-	-
Unsecured loan given	March 31, 2023	14,707.00	-	-	-	190.00
	March 31, 2022	14,330.00	-	-	-	125.00
Unsecured loan repaid	March 31, 2023	7,927.00	-	-	-	67.50
	March 31, 2022	11,943.00	-	-	-	30.50
Interest income	March 31, 2023	837.18	-	-	-	-
	March 31, 2022	259.82	-	-	-	-
Accrued dividend and fair value gain on preference shares	March 31, 2023	212.34	-	-	-	-
	March 31, 2022	198.17	-	-	-	-
Expenses incurred on reimbursable basis	March 31, 2023	-	-	-	-	-
	March 31, 2022	3.94	-	-	-	-
Sale of capital goods, general stores and management services	March 31, 2023	205.24	-	-	5.63	-
	March 31, 2022	137.12	-	-	-	-
Purchase of goods and job charges paid	March 31, 2023	3,395.47				
	March 31, 2022	-				
Transfer of employees super annuation benefits on transfer of employees to subsidiaries	March 31, 2023	0.39	-	-	-	-
	March 31, 2022	5.05	-	-	-	-
Corporate guarantees given to banks (refer note 43.0)	March 31, 2023	36,490.94	-	-	-	-
	March 31, 2022	37,075.00	-	-	-	-
Managerial remuneration	March 31, 2023	-	746.62	-	-	-
	March 31, 2022	-	406.12	-	-	-
Commission and sitting fee	March 31, 2023	-	57.60	-	-	-
	March 31, 2022	-	57.35	-	-	-
Salary and allowances	March 31, 2023	-	45.56	26.65	-	-
	March 31, 2022	-	39.05	39.44	-	-
Interest paid	March 31, 2023	-	42.05	0.34	4.77	-
	March 31, 2022	-	54.17	3.78	5.87	-
Contribution to trust for CSR expenditure	March 31, 2023	-	-	-	-	54.74
	March 31, 2022	-	-	-	-	-
Unsecured loan accepted	March 31, 2023	-	192.50	-	-	-
	March 31, 2022	-	877.00	-	47.00	-
Unsecured loan repaid	March 31, 2023	-	899.00	63.00	91.00	-
	March 31, 2022	-	410.00	-	-	-
Amount outstanding at balance sheet date						
Unsecured loan payable	March 31, 2023	-	185.50	-	30.00	-
	March 31, 2022	-	892.00	63.00	121.00	-
Unsecured loan receivable	March 31, 2023	10,525.00	-	-	-	217.00
	March 31, 2022	3,745.00	-	-	-	94.50
Amounts payable	March 31, 2023	53.53	162.33	0.97	0.43	-
	March 31, 2022	-	402.34	1.87	1.48	-
Amounts receivable	March 31, 2023	462.33	-	-	-	-
	March 31, 2022	255.88	-	-	-	-

34.4 No amount has been written off or written back during the year in respect of debts due from or to related parties.

35.0 Financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values

A. The fair values of derivatives such as forward/ derivative contracts are on mark to market basis as per bank.

B. The Company has adopted effective interest rate for calculating interest expense. Processing fees and transaction costs relating to each loan has been considered for calculating effective interest rate. The fair values of non-current borrowings are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs including own credit risk.

C. Loans, investments and other non-current financial assets are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for expected losses of these receivables. The fair value of loans, investments and other non-current financial assets has been considered as equal to their carrying amount. These fair values are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

D. Fair values of cash and cash equivalents, trade receivables, bank balances, current investments, current loans, other current financial assets, trade payables, current borrowings and other financial liabilities are considered to be the same as their carrying amount due to short-term maturities of these instruments.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial assets

(₹ in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial assets designated at fair value through profit and loss (FVTPL)						
Current investments	D	Level 2	4,858.95	4,858.95	6,887.51	6,887.51
Investment in subsidiaries (non-current)	C	Level 3	6,920.37	6,920.37	3,238.81	3,238.81
2. Financial assets designated at fair value through other comprehensive income (FVTOCI)						
Other investments	C	Level 3	592.62	592.62	-	-
3. Financial assets designated at amortized cost						
a) Trade receivables	D	Level 3	9,200.57	9,200.57	11,622.69	11,622.69
b) Cash and cash equivalents	D	Level 3	112.14	112.14	57.50	57.50
c) Other bank balances	D	Level 3	193.66	193.66	90.98	90.98
d) Loans	C, D	Level 3	10,750.62	10,750.62	3,851.14	3,851.14
e) Investment in subsidiaries	C	Level 3	7,795.74	7,795.74	7,295.74	7,295.74
f) Other financial assets	C, D	Level 3	1,187.83	1,187.83	1,087.59	1,087.59
Total			**41,612.50**	**41,612.50**	**34,131.96**	**34,131.96**

35.0 Financial instruments *(Contd.)*

Financial liabilities (₹ in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial liabilities designated at fair value through profit and loss						
Mark to market of derivative financial instruments	A	Level 2	0.17	0.17	-	-
2. Financial liabilities designated at fair value through other comprehensive income			-	-	-	-
3. Financial liabilities designated at amortized cost						
a) Borrowings	B, D	Level 3	15,682.42	15,682.42	13,878.25	13,878.25
b) Trade payables	D	Level 3	6,451.81	6,451.81	6,236.11	6,236.11
c) Other financial liabilities	D	Level 3	3,228.46	3,228.46	3,547.58	3,547.58
Total			**25,362.86**	**25,362.86**	**23,661.94**	**23,661.94**

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

36.0 Financial risk management

The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's senior management oversees the management of these risks.

The Company has exposure to the following risks (arising from financial instruments):

- Credit risk
- Liquidity risk
- Market risk

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Company is exposed to credit risk mainly from trade receivables, loans given and other financial assets.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition.

Trade receivables are typically unsecured and derived from revenue earned from customers located in India and abroad. Credit risk is managed by the Company through customer assessment, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company measures the expected credit loss of trade receivables based on historical trend, industry practice and the business environment in which the entity operates. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, loans given and other financial assets.

36.0 Financial risk management *(Contd.)*

The allowance for lifetime expected credit loss on trade receivables is as under: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Allowance for expected credit loss		
Opening balance	58.41	170.38
Impairment loss recognized (net of reversals)	31.14	(111.97)
Closing balance	**89.55**	**58.41**

Loans given and other financial assets are considered to be of good quality and there is no significant credit risk.

B. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

a) Financing arrangements

The Company believes that it has sufficient working capital to meet its current requirements. Accordingly, no liquidity risk is perceived. Further, the Company is having cash credit facilities from banks of ₹16,000.00 Lakh (March 31, 2022: ₹12,500.00 Lakh), repayable on demand which carry floating rate of interest.

b) Contractual maturities of financial liabilities

(₹ in Lakh)

As at March 31, 2023	0-1 years	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	810.75	652.95	986.63	71.78	2,522.11
Current borrowings	13,160.31	-	-	-	13,160.31
Trade payables	6,451.81	-	-	-	6,451.81
Other financial liabilities	3,228.63	-	-	-	3,228.63
Total	**23,651.50**	**652.95**	**986.63**	**71.78**	**25,362.86**

As at March 31, 2022	0-1 years	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	847.53	875.41	1,655.38	93.96	3,472.28
Current borrowings	10,405.97	-	-	-	10,405.97
Trade payables	6,236.11	-	-	-	6,236.11
Other financial liabilities	3,547.58	-	-	-	3,547.58
Total	**21,037.19**	**875.41**	**1,655.38**	**93.96**	**23,661.94**

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include borrowings, loans given, deposits, foreign currency receivables and payables and derivative financial instruments such as forward contracts. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

36.0 Financial risk management *(Contd.)*

i) Foreign currency risk

The Company is exposed to foreign currency risk through operating and financing activities in foreign currency. The Company uses derivative financial instruments, such as foreign currency sale and purchase forward contracts and currency and interest rate swap contracts, to reduce foreign currency risk exposure and follows its risk management policies.

Derivative financial instruments outstanding as at the reporting date (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Nominal value of forward contracts		
Forward contracts to sell USD	440.27	1259.19
Forward contracts to sell EURO	133.05	-
Forward contracts to buy USD	-	2,440.24
	573.32	**3,699.43**

Foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

The currency profile of financial assets and financial liabilities (unhedged foreign currency exposure) as at the balance sheet date is as under:

(₹ in Lakh)

Particulars	As at March 31, 2023			As at March 31, 2022		
	USD	EURO	Total	USD	EURO	Total
Financial assets						
Trade receivables	308.63	235.35	543.98	808.74	584.17	1,392.91
Financial liabilities						
Trade and other payables	(130.69)	(116.75)	(247.44)	(135.47)	(32.85)	(168.32)
Net assets/ (liabilities)	**177.94**	**118.60**	**296.54**	**673.27**	**551.32**	**1,224.59**

Foreign currency risk sensitivity

1% increase and decrease in foreign exchanges rate will have the following impact on profit before tax: (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
USD	1.78	(1.78)	6.73	(6.73)
EURO	1.19	(1.19)	5.51	(5.51)
Increase / (decrease) in profit before tax	**2.97**	**(2.97)**	**12.24**	**(12.24)**

ii) Interest rate risk

The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligation at floating interest rates.

Exposure to interest rate risk

Particulars	As at March 31, 2023		As at March 31, 2022	
	(₹ in Lakh)	% of total	(₹ in Lakh)	% of total
Fixed rate borrowings	543.70	3.47%	1,323.56	9.54%
Variable rate borrowings	15,138.72	96.53%	12,554.69	90.46%
Total	**15,682.42**	**100.00%**	**13,878.25**	**100.00%**

Note: The above amounts include current maturities of non-current borrowings

36.0 Financial risk management *(Contd.)*

Interest rate sensitivity on variable rate borrowings

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for whole of the year.

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
50 basis points increase would decrease the profit before tax by	(75.69)	(62.77)
50 basis points decrease would Increase the profit before tax by	75.69	62.77

37.0 Capital risk management

The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Company considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor's, creditor's and market's confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure in consonance with its long term strategic plans.

The gearing ratio at the end of the reporting period is as under:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current and non-current borrowings (including current maturities)	15,682.42	13,878.25
Debt (A)	**15,682.42**	**13,878.25**
Total equity (B)	65,335.13	58,403.71
Equity and debt (C =A+B)	**81,017.55**	**72,281.96**
Gearing ratio (A/C)	**19.36%**	**19.20%**

38.0 Trade receivables ageing schedule

a. As at March 31, 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade rceivables							
- considered good	6790.56	2,365.31	44.70	-	-	-	9,200.57
- considered doubtful	-	-	-	34.68	1.80	53.07	89.55
	6,790.56	**2,365.31**	**44.70**	**34.68**	**1.80**	**53.07**	**9,290.12**
Less: Allowance for doubtful debts							89.55
Total							**9,200.57**

38.0 Trade receivables ageing schedule *(Contd.)*

b. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade rceivables							
- considered good	9220.34	2,332.30	50.84	18.76	0.45	-	11,622.69
- considered doubtful	-	-	1.32	0.78	21.82	34.49	58.41
	9,220.34	**2,332.30**	**52.16**	**19.54**	**22.27**	**34.49**	**11,681.10**
Less: Allowance for doubtful debts							58.41
Total							**11,622.69**

39.0 Trade payables ageing schedule

a. As at March 31, 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	199.74	-	-	-	-	199.74
ii) Other than MSME	688.60	5,502.28	58.12	2.22	0.85	6,252.07
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
Total	**888.34**	**5,502.28**	**58.12**	**2.22**	**0.85**	**6,451.81**

b. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	301.54	-	-	-	-	301.54
ii) Other than MSME	592.43	5,339.91	0.98	1.25	-	5,934.57
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
Total	**893.97**	**5,339.91**	**0.98**	**1.25**	**-**	**6,236.11**

40.0 Analytical ratios

Ratios		Numerator	Denominator	FY 2022-23	FY 2021-22	% variance	Reason for variance
a.	Current ratio	Current assets	Current liabilities	1.70	1.96	-13%	
b.	Debt-equity ratio	Total debt (borrowings)	Total Equity	0.24	0.24	1%	
c.	Debt-service coverage ratio	Profit after tax + depreciation and amortization + finance costs + loss on sale/ discard of PPE	Finance costs + repayment of non-current borrowings	2.45	1.62	52%	Basis lower debt repayments and higher profits
d.	Return on equity	Profit after tax	Average total equity	11.85%	12.61%	-6%	
e.	Inventory turnover ratio	Sale of products	Average inventory	5.45	5.57	-2%	
f.	Trade receivables turnover ratio	Sale of products	Average trade receivables	10.73	9.09	18%	
g.	Trade payables turnover ratio	Consumption of materials#	Average trade payables	12.64	14.62	-14%	
h.	Net capital turnover ratio	Revenue from operations	Net working capital (Current assets - current iabilities)	6.57	4.85	35%	Basis higher turnover and lower net capital
i.	Net profit ratio	Profit after tax	Revenue from operations	6.47%	6.80%	-5%	
j.	Return on capital employed	Profit before tax and exceptional items + finance costs	Average capital employed (total equity + total borrowings)	14.78%	14.69%	1%	
k.	Return on investment	Income from treasury investments	Average funds invested in treasury investments	7.26%	7.75%	-6%	

 # Cost of materials consumed + Purchases of stock-in-trade + manufacturing expenses (excluding power & fuel)

41.0 Company's claim to the insurance company against damage due to fire of ₹3,009.85 lakh at its Kanpur Polyester Staple Fibre (PSF) manufacturing unit on June 4, 2021 has been settled by the insurance company at ₹2,500.21 lakh during May, 2023. Accordingly, the Company has provided for the short recovery of insurance claim of ₹509.64 lakh.

42.0Ganesha Ecosphere Employees' Stock Option Scheme-2021

Pursuant to the "Ganesha Ecosphere Employees' Stock Option Scheme - 2021", Ganesha Emplyees' Welfare Trust purchased 19,859 equity shares of the Company during the year from the secondary open market at cost of ₹597.63 per share (March 31, 2022: 19,335 equity shares at cost of ₹485.42 per share). However, no offer was made to eligible employees under the scheme till March 31, 2023.

43.0 Disclosures as per Section 186(4) of the Companies Act, 2013

The details of the loans, guarantees and investments under Section 186 of the Companies Act, 2013 are as follows:

(i) Details of investments made and loans given are provided under the respective heads.

(ii) The Company has given corporate guarantees of ₹36490.94 Lakh (March 31, 2022: ₹37,075.00 Lakh) to various banks for securing the amounts lent by them to Subsidiaries of the Company.

44.0 Borrowings based on security of current assets

The Company has obtained borrowings from banks on the basis of security of current assets wherein the quarterly returns/ statements of current assets as filed with banks are in agreement with the books except the followings:

(₹in Lakh)

Name of the Bank	Quarter ended	Securities	As per the books of accounts	As reported in quarterly returns	Difference	Reasons for material discrepancies
State Bank of India consortium	June 30, 2022	Inventories and trade receivables	32,687.68	32,690.33	-2.65	Negligible
State Bank of India consortium	September 30, 2022	Inventories and trade receivables	31,704.26	31,703.96	0.30	Negligible
State Bank of India consortium	December 31, 2022	Inventories and trade receivables	30,413.17	30,412.82	0.35	Negligible
State Bank of India consortium	March 31, 2023	Inventories and trade receivables	31,380.89	31,380.84	0.05	Negligible

45.0 Events occurring after the balance sheet date

The Board of Directors of the Company have recommended dividend of ₹2.00 per fully paid up equity share of ₹10 each, aggregating to ₹436.59 Lakh for the financial year 2022-23 (March 31, 2022: ₹2.00 per fully paid up equity share of ₹10 each, aggregating ₹436.59 Lakh). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and the actual dividend amount will be dependent on the share capital outstanding as on the relevant record date/ book closure.

46.0 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property. under the Benami Transactions(Prohibition) Act 1988 and rules made thereunder.

(ii) The Company does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companues Act, 1956.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether reorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Company has no such transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).

46.0 Other statutory information *(Contd.)*

(viii) The Company is regular in paying its dues and has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordaance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(ix) The Company is in compliance with the number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restrictions on number of Layers) Rules, 2017.

(x) The Company has not entered into any scheme of arrangement, during the year, which has any impact on financial results or position of the company.

(xi) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

(xii) The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

(xiii) The Company has used the borrowings from banks for the purpose for which it was taken.

47.0 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25, 2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date : May 25, 2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Ganesha Ecosphere Limited

Report on the audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Ganesha Ecosphere Limited ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") comprising of the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate audited financial statements of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2023, their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their report referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition (as described in note 2.e of the consolidated financial statements)	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion insofar as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls, automated and manual, around dispatches/deliveries, inventory reconciliations and circularization of receivable balances, testing of cut-offs and performing analytical review procedures.

Key Audit Matter	How our audit addressed the key audit matter
Evaluation of pending litigations (as described in note 30.2 of the consolidated financial statements)	
The Group has pending litigations for demand in dispute under various statutes which involves significant judgment to determine the possible outcome of these disputes.	We have obtained the details of litigations under various statutes for the year ended March 31, 2023 from the management. We have reviewed the management's underlying assumptions in estimating the provisions in respect to the disputed matters and the possible outcome of the disputes. We have also reviewed the legal precedence, where available, and other documents provided for review by the management in evaluating its position in these matters. We have also reviewed the assumptions made by the management as at March 31, 2023 and evaluated whether any change was required on account of information and updates made available during the year.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Parent's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance of the Parent with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance of the Parent, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statement of two subsidiaries included in the Statement, whose financial statement (before eliminating inter-company transactions) reflect total assets of ₹60,268.03 Lakh as at March 31, 2023 and total income of ₹4,971.64 Lakh, total net loss after tax of ₹97.77 Lakh, total comprehensive loss of ₹97.99 Lakh and cash outflows (net) of ₹1,445.42 Lakh for the year ended on that date, as considered in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in term of section 143(3)(i) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report of other auditors.

   Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

b) We also did not audit the financial statements of a subsidiary included in the Statement which is located outside India, whose financial statement (before eliminating inter-company transaction) reflect total assets of ₹4,638.58 Lakh as at March

31, 2023 and total income of ₹734.90 Lakh, net loss after tax of ₹72.89 Lakh, total comprehensive loss of ₹72.89 Lakh and cash outflows (net) of ₹397.24 Lakh for the year ended on that date, as considered in the Statement. These financial statements are not audited by the auditor of the aforesaid subsidiary and are certified by the management of the Parent. According to the information and explanations given to us by the management of the Parent, these financial statements are not material to the Group. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid Subsidiary, and our report in terms of Section 143(3)(i) of the Act, is based solely on such unaudited financial statements.

We also did not audit the financial statement of a Trust controlled by the Parent included in the Statement, whose financial statement (before eliminating inter-company transaction) reflect total assets of ₹217.67 Lakh as at March 31, 2023 and total income of ₹0.68 Lakh, total net profit after tax of ₹0.53 Lakh, total comprehensive profit of ₹0.53 Lakh and cash inflows (net) of ₹4.43 Lakh for the year ended on that date, as considered in the Statement. These financial statement have not been reviewed by the auditor of the aforesaid trust and are certified by the management of the Parent. According to the information and explanations given to us by the management of the Parent, these financial statements are not material to the Group. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of aforesaid Trust, and our report in terms of Section 143(3)(i) of the Act, is based solely on such unaudited financial statements.

Our opinion on the Consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the financial statement certified by the management of the parent.

Report on Other Legal and Regulatory Requirements

1. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in Other Matters paragraph above, of companies included in the consolidated financial statements for the year ended March 31, 2023 and covered under the Act we report that:

Following are the observations reported by the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended March 31, 2023 for which such Order reports have been issued till date and made available to us:

S. No.	Name	CIN	Relation	Clause number of the CARO report of other auditors
1.	Ganesha Ecopet Pvt Ltd	U37100UP2019PTC123520	Subsidiary	ii(b)
2.	Ganesha Ecotech Pvt Ltd	U37100UP2020PTC138065	Subsidiary	ii(b)

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, as noted in the 'Other Matters' paragraph, we report to the extent applicable, that:

   (a) We/ the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and report of other auditors.

   (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity dealt with by this report are in agreement with the books of accounts maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   (e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Parent and the reports of the other auditors, who are appointed under Section 139 of the Act, of its subsidiaries incorporated in India, none of the directors of the Parent and its subsidiaries incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Parent and its subsidiaries incorporated in India, refer to our separate report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in auditor's report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid/ provided by the Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act read with Schedule V to the Act. Further, as per the reports of the other auditors of the subsidiaries incorporated in India, no managerial remuneration has been paid by the subsidiaries during the year ended March 31, 2023.

(h) With respect to the other matters to be included in the auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the "Other Matters" paragraph:

i.) the Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements - refer note 30.2;

ii.) the Group has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii.) there has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group during the year ended March 31, 2023.

iv.) (a) the respective managements of the Parent and its subsidiaries incorporated in India and the other auditors of such subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – refer note 46.0;

(b) the respective managements of the Parent and its subsidiaries incorporated in India and the other auditors of such subsidiaries whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Group from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Group shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries – refer note 46.0;

(c) based on such audit procedures performed by us and that performed by the other auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) above contain any material mis-statement.

v.) The dividend declared or paid during the year by the parent company is in compliance with Section 123 of the Act.

vi.) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on April 1, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25, 2023
UDIN - 23087931BGQHNG2857

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under the heading of 'Report on Other Legal and Regulatory Requirements' of our report of even date to the Members of Ganesha Ecosphere Limited on the consolidated financial statements as of and for the year ended March 31, 2023)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Ganesha Ecosphere Limited** ("the Parent") and its subsidiaries incorporated in India (the Parent and its subsidiaries together referred to as "the Group") as of March 31, 2023 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors or management of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent and its subsidiaries incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Parent and its subsidiaries incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information, and according to the explanations given to us, and based on the consideration of the reports of other auditors of subsidiaries incorporated in India, the Parent and its subsidiaries incorporated in India have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting, insofar as it relates to two subsidiaries incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in India, whose reports have been furnished to us by the management.

Our opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting, of the Parent and its subsidiaries incorporated in India, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

For Narendra Singhania & Co.
Chartered Accountants
Firm Reg No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25, 2023

UDIN: 23087931BGQHNG2857

Consolidated Balance Sheet as at March 31, 2023

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	3.1	51,160.86	29,793.58
(b) Capital work-in-progress	3.2	23,506.66	27,647.43
(c) Investment Property	3.3	947.36	-
(d) Right of use assets (ROU)	3.4	120.14	121.75
(e) Goodwill		13.46	13.46
(f) Intangible assets	4.1	50.05	96.76
(g) Financial assets:			
(i) Investment in equity	5.1	592.62	-
(ii) Loans	5.2	3.49	5.13
(iii) Others	5.3	776.09	835.29
(h) Other non-current assets	6.0	2,506.45	4,711.36
Sub-total		**79,677.18**	**63,224.76**
(2) Current assets			
(a) Inventories	7.0	28,023.09	19,646.70
(b) Financial assets:			
(i) Investments	8.1	4,858.95	6,887.51
(ii) Trade receivables	8.2	11,475.89	11,615.13
(iii) Cash and cash equivalents	8.3	426.72	2,210.31
(iv) Bank balances other than (iii) above	8.4	195.54	92.86
(v) Loans	8.5	5.13	6.51
(vi) Others	8.6	199.75	273.11
(c) Current tax assets (net)	10.0	373.61	601.47
(d) Other current assets	9.0	7,041.20	4,785.49
(3) Assets held for sale/ disposal	11.0	-	126.15
Sub-total		**52,599.88**	**46,245.24**
TOTAL ASSETS		**1,32,277.06**	**1,09,470.00**
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	12.1	2,182.94	2,182.94
(b) Other equity	12.2	61,605.46	55,178.21
Sub-total		**63,788.40**	**57,361.15**
(2) Liabilities			
(2A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.0	31,175.57	23,648.62
(b) Deferred tax liabilities (net)	18.0	1,757.77	1,719.94
(c) Government grants	14.2	1,663.84	1,548.55
(d) Provisions	17.1	647.50	704.96
Sub-total		**35,244.68**	**27,622.07**
(2B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13.0	19,370.78	12,133.39
(ii) Trade payables:			
Total outstanding dues of micro enterprises and small enterprises	15.1	199.74	301.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	15.1	7,158.46	6,110.83
(iii) Other financial liabilities	15.2	5,299.63	5,012.43
(b) Government grants	14.1	93.46	52.69
(c) Other current liabilities	16.0	722.83	596.08
(d) Provisions	17.2	399.08	279.82
Sub-Total		**33,243.98**	**24,486.78**
TOTAL EQUITY AND LIABILITIES		**1,32,277.06**	**1,09,470.00**
Significant accounting policies	2.0		
The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25,2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	For the Year ended March 31, 2023	For the Year ended March 31, 2022
I	INCOME			
	Revenue from operations	19.0	1,17,963.14	1,02,144.36
	Other income	20.0	1,338.73	691.46
	Total income		**1,19,301.87**	**1,02,835.82**
II	EXPENSES			
	Cost of materials consumed		74,670.08	65,501.77
	Purchases of stock-in-trade		6,039.42	2,101.42
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	21.0	(2,842.99)	(1,881.60)
	Employee benefits expenses	22.0	6,720.20	5,788.47
	Finance costs	25.0	1,693.78	976.12
	Depreciation and amortization expense	24.0	2,915.08	2,840.13
	Other expenses	23.0	20,608.84	19,243.10
	Total expenses		**1,09,804.41**	**94,569.41**
III	**Profit before tax (I-II)**		**9,497.46**	**8,266.41**
IV	**Tax expense**	26.0		
	Current tax		2,525.73	2,263.57
	Deferred tax charge/ (credit)		25.75	(194.09)
	Total tax expense		**2,551.48**	**2,069.48**
V	**Profit for the year (III-IV)**		**6,945.98**	**6,196.93**
VI	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Re-measurement gain on defined benefit obligation		47.95	4.07
	Less: Income-tax relating to above item	26.0	(12.09)	(1.02)
			35.86	**3.05**
VII	**Total comprehensive income for the year (V+VI)**		**6,981.84**	**6,199.98**
VIII	**Earnings per share**			
	Basic (face value of ₹10 per equity share)	28.0	31.82	28.39
	Diluted (face value of ₹10 per equity share)		31.82	28.39
	Significant accounting policies	2.0		
	The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership no.: 087931

Place: New Delhi
Date: May 25,2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Place: Kanpur
Date: May 25,2023

Consolidated Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakh)

	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flow from operating activities:**			
	Profit before tax as per statement of profit and loss		9,497.46	8,266.41
	Adjustments for:			
	Depreciation and amortization expense		2,915.08	2,840.13
	(Profit)/ loss on sale/ discard of property, plant and equipment (net)		(134.90)	3.29
	Allowance for doubtful trade receivables and advances		32.64	(22.61)
	Bad debts/ advances written off/ (recovered)		-	(4.94)
	Liabilities no longer required written back		(16.27)	(26.65)
	Loss/ (gain) on foreign currency fluctuations and translations (net)		6.37	(153.06)
	Interest expense		1,547.81	886.80
	Interest income		(1,096.73)	(353.24)
	Lease rental charges from invesment property		(8.99)	-
	Profit on sale of investments		(21.73)	(147.91)
	Fair value loss/(gain) on financial assets		11.71	(106.44)
	Amortization of Government grants		(59.82)	(44.90)
	Operating profit before working capital changes		**12,672.63**	**11,136.88**
	Movements in working capital:			
	Decrease/ (increase) in trade receivables		116.26	(1,040.76)
	Increase in other receivables and prepayments		(1,089.79)	(2,687.25)
	Increase in inventories		(8,376.41)	(2,181.51)
	Increase in trade payables		941.40	2,888.66
	(Decrease)/ increase in other payables		(51.09)	606.44
	Increase in provisions		109.75	109.04
	Cash generated from operations		**4,322.75**	**8,831.50**
	Direct taxes paid (net of refunds)		(2,297.85)	(2,349.76)
	Net cash flow generated from operating activities (A)		**2,024.90**	**6,481.74**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment		(20,488.97)	(27,655.44)
	Purchase of intangible assets		(5.48)	(7.77)
	Purchase of bonds		-	(4,305.23)
	Proceeds from bonds		-	4,305.23
	Proceeds from sale of property, plant and equipment		1,876.45	345.33
	Purchase of investment property		(442.16)	-
	Loan to body corporate		-	21.00
	Fixed deposits made		(49.67)	(3,139.43)
	Fixed deposits matured		53.25	4,239.93
	Interest received		965.04	162.60
	Lease rental charges from invesment property		8.99	-
	Purchase of investments		(677.23)	(6,125.51)
	Proceeds from sale of investments		2,123.20	6,705.49
	Net cash flow used in investing activities (B)		**(16,636.58)**	**(25,453.80)**

Consolidated Cash Flow Statement for the year ended March 31, 2023

(₹ in Lakh)

Particulars		Note No.	Year ended March 31, 2023	Year ended March 31, 2022
C.	**Cash flow from financing activities**			
	Purchase of treasury shares		(118.68)	(93.86)
	Proceeds from non-current borrowings (other than related parties)		10,964.34	36,002.89
	Repayment of non-current borrowings (other than related parties)		(3,513.60)	(15,428.73)
	Proceeds from current borrowings (net) (other than related parties)		8,107.35	1,082.77
	(Repayment of)/proceeds from related parties as borrowings (net)		(822.50)	514.00
	Dividend paid to equity shareholders		(435.91)	(436.59)
	Interest paid		(1,352.91)	(888.88)
	Net cash flow generated from financing activities (C)		**12,828.09**	**20,751.60**
	Net (decrease)/ increase in cash and cash equivalents (A+B+C)		**(1,783.59)**	**1,779.54**
	Cash and cash equivalents at the beginning of the year		2,210.31	242.19
	Cash on acquisition of subsidiary		-	188.58
	Cash and cash equivalents at the end of the year	8.3	**426.72**	**2,210.31**
	Notes:			
	The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7, 'Statement of Cash Flows'.			
	Significant accounting policies	2.0		
	The accompanying notes are an integral part of these financial statements.			

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25,2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(₹ in Lakh)

As at April 1, 2021	**2,182.94**
Changes in equity share capital during the year	-
As at March 31, 2022	**2,182.94**
Changes in equity share capital during the year	-
As at March 31, 2023	**2,182.94**

B. Other equity

(₹ in Lakh)

Particulars	Reserves and surplus						Total
	Capital redemption reserve	Capital reserve	Securities premium	Treasury Shares (refer note 44.0)	General reserve	Retained earnings	
Balance as at April 1, 2021	**450.00**	**225.28**	**13,952.72**	**-**	**264.13**	**34,620.80**	**49,512.93**
Profit for the year	-	-	-	-	-	6,196.93	6,196.93
Other comprehensive income for the year	-	-	-	-	-	3.05	3.05
Total comprehensive income for the year	-	-	-	-	-	**6,199.98**	**6,199.98**
Dividend paid	-	-	-	-	-	(436.59)	(436.59)
Shares purchased during the year	-	-	-	(93.86)	-	-	(93.86)
Other	-	-	-	-	-	(4.25)	(4.25)
Balance as at March 31, 2022	**450.00**	**225.28**	**13,952.72**	**(93.86)**	**264.13**	**40,379.94**	**55,178.21**
Profit for the year	-	-	-	-	-	6,945.98	6,945.98
Other comprehensive income for the year	-	-	-	-	-	35.86	35.86
Total comprehensive income for the year	-	-	-	-	-	**6,981.84**	**6,981.84**
Dividend paid	-	-	-	-	-	(435.91)	(435.91)
Shares purchased during the year	-	-	-	(118.68)	-	-	(118.68)
Balance as at March 31, 2023	**450.00**	**225.28**	**13,952.72**	**(212.54)**	**264.13**	**46,925.87**	**61,605.46**

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25,2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date: May 25,2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

1.0 Corporate information

Ganesha Ecosphere Limited ("the holding/ the parent company") is a public limited company, incorporated and domiciled in India, listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The address of the registered office of holding company is Raipur (Rania), Kalpi Road, Distt. Kanpur Dehat (U.P.). The holding company is a leading PET Waste Recycling Group in India and is engaged in the manufacturing of Recycled Polyester Staple Fibre (RPSF), Polypropylene Staple Fibre, Recycled bottle and filament grade Chips, Recycled FDY, Recycled Spun Yarn and Dyed Texturised Yarn.

The consolidated financial statements as at March 31, 2023 relate to:

Holding company - Ganesha Ecosphere Limited

Subsidiaries – a) Ganesha Ecopet Private Limited – incorporated on November 19, 2019

b) Ganesha Ecotech Private Limited – incorporated on November 17, 2020

c) Ganesha Overseas Private Limited, Nepal – acquired on July 15, 2021

(the holding company holds 100% shareholding of these subsidiaries)

Entity controlled by the holding company- Ganesha Employees' Welfare Trust.

(Above entities are collectively referred to as 'The Group').

2.0 Significant Accounting Policies

a) Basis of preparation

(i) Compliance with Indian Accounting Standards

These consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards ('IND AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The accounting policies have been applied consistently to all the periods presented in the consolidated financial statements

(ii) Historical cost convention

The consolidated financial statements have been prepared on an accrual basis under historical cost convention, except certain financial assets and liabilities (including derivative financial instruments, investment in mutual funds and assets held for sale) that are measured at fair values at the end of each reporting period.

(iii) Current versus non-current classification

All the assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criterion set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Group has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

(iv) Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III to the Companies Act, 2013, unless otherwise stated.

b) Principles of consolidation

(i) Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its power and involvement with the investee and has the ability to affect those returns through its power over the investee.

(ii) The financial statements of the subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the holding company.

(iii) The financial statements of the holding company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

(iv) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(v) The carrying amount of the parent's investment in subsidiaries is off set (eliminated against the parent's portion of equity in subsidiaries).

c) Use of estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions, based upon the best knowledge of current events and actions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of incomes and expenses during the reported period. Actual results may differ from those estimates. Any difference between the actual results and the estimates are recognized in the period in which the results are known/ materialised.

d) Foreign currency translation

(i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee ('₹'), which is Group's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are recognised at the prevailing exchange rates on the transaction dates. Realised gains and losses on settlement of foreign currency transactions are recognized in the statement of profit and loss.

Monetary foreign currency assets and liabilities at the year-end are translated at the year-end exchange rates and the resultant exchange differences are recognized in the statement of profit and loss. Exchange differences, in respect of foreign currency borrowings taken for acquiring qualifying assets included in property, plant and equipment, to the extent it is an adjustment to interest cost, has been capitalized. Additionally, exchange gains or losses on foreign currency borrowings taken prior to April 1, 2017 which are related to the acquisition of qualifying assets are adjusted in the carrying cost of such assets.

e) Revenue recognition

The Group derives revenues primarily from sale of manufactured goods, traded goods and related services.

The specific criterion for each of the Group 's activities has been stated below:

(i) Sale of goods

Revenue is recognized upon transfer of control of promised goods to customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Group expects to receive in exchange for those products. The Group does not expect to have any contracts where the period between the transfer of promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the value of money.

Revenue is measured based on transaction price, which is the consideration, adjusted for trade discounts such as cash discounts, volume discounts or any other price concession as may be agreed with the customers. Revenues also excludes Goods and Services Tax (GST) or any other tax collected from customers.

(ii) Job work receipts

Revenue from job work is recognized at the time of dispatch of material.

(iii) Export incentives

Export incentives under various schemes are accounted in the year of export.

(iv) Recycling certification income

Income is recognized in the year in which the certificate is issued.

(v) Interest income

Interest income is recognized on time proportion accrual basis using the applicable/ effective interest rate.

(vi) Insurance claims

Insurance claims are accounted only when there is reasonable certainty of its ultimate collection. Insurance claim receivable is recognized as a separate asset, but only when the ultimate recovery is reasonably certain.

(vii) Lease rental

Lease rental income is recognized on time proportion accrual basis.

f) Government grants

Grants from the Government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the statement of profit and loss on a straight line basis over the expected lives of related assets and are presented within other income. Government grants relating to an expense item is recognised as income on a systematic basis over the periods and it is classified under other operating income.

Export Promotion Capital Goods ('EPCG') scheme allows import of certain capital goods at zero/ concessional duty subject to an export obligation for the duty saved. The duty saved on capital goods under EPCG scheme is treated as a Government grant and is recognised as income spread equally over the expected useful life of the related asset.

In case of interest free/ concessional loan provided by Government, the loan or assistance is initially recognised and measured at fair value and the Government grant is measured as the difference between the initial fair value of the loan and the proceeds received. The loan or assistance is subsequently measured as per the accounting policy applicable to financial liabilities.

g) Taxes

(i) Current income-tax

Current income-tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

(ii) Deferred income-tax

Deferred income-tax is provided in full, using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income-tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income-tax assets are realised or the deferred income-tax liabilities are settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are off set where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

h) Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use and a sale is considered as highly probable. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Asset classified as held for sale are presented separately in the Balance Sheet. Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortised.

i) Property, plant and equipment

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Property, plant and equipment which are not ready for their intended use are disclosed under capital work-in-progress. Expenditure during construction period (including borrowing cost relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects/ assets, including trial run expenses (net of revenue) are treated as pre-operative expenses, pending allocation to the assets, and are included under capital work-in-progress. These expenses are apportioned to related property, plant and equipment on commencement of commercial production. Capital work-in-progress is stated at the amount expended up to the date of the balance sheet.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on Written Down Value Method ('WDV') except in respect of followings, where depreciation is provided on Straight Line Method ('SLM'):

a) Buildings and plant & equipment of Kanpur Unit and Temra (Bilaspur) Unit of holding company (excluding Rooftop Solar Panels in both the units, which are depreciated on WDV);

b) Buildings and plant & equipment in subsidiary companies.

The Group depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act, and the Group believes that the useful life of assets are same as those prescribed in Schedule II to the Act, except for certain plant & equipment, wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II to the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets	Useful life
Buildings	30 – 60 years
Roads (capitalised under buildings)	10 years
Continuous process plant (plant & equipment)	18 years
Rooftop solar panels (part of plant & equipment)	10 years
Other plant & equipment	5-15 years
Furniture and fixtures	5-10 years
Office equipment (including computers, computers equipment and servers)	3-10 years
Vehicles	8-10 years

Residual value of tangible assets is considered to be not more than 5% of the cost of the asset.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

j) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairments, if any. Cost includes all expenditure necessary to bring the asset to its working condition for its intended use. Intangible assets which are not ready for their intended use are disclosed as intangible assets under development and are stated at the amount expended up to the date of the balance sheet.

The Group amortizes computer software and technical know-how using the straight line method over the period of 5 years.

The amortization period and the amortization method for an intangible asset are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. The cost of the investment property comprises its purchase price and any directly attributable expenditure. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss.

The fair values of investment property is disclosed in the notes accompanying these financial statements. Fair values are determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued

l) Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

m) Borrowing costs

Interest and other borrowing costs attributable to qualifying assets, which takes substantial period of time to get ready for its intended use, are capitalized. All other interest and borrowing costs are charged to the statement of profit and loss. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

n) Lease

The Group assesses at contract inception whether a contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for a consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases (that do not contain purchase option) and leases of low value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date on which the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation/ amortization and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated/ amortized on a straight-line basis over the shorter of the lease term and estimated useful lives of the assets, as estimated by the management. Leasehold land has been amortized over the lease term of 90 years.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payment less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. Variable lease payments that do not depend on an index or a rate are recognized as expense (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate is implicit in the lease not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The lease payments on short-term leases and lease of low-value assets are recognized as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a systematic basis as per the lease terms.

o) Inventories

(i) Measurement of Inventory

Inventories of raw material, stores & spares, work-in-progress, finished goods and stock-in-trade (including goods-in-transit) are stated at cost or net realizable value, whichever is lower. Waste & scrap is valued at net realizable value.

(ii) Cost of Inventories

Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of purchase of inventories comprise the purchase price, import duties and other non-recoverable taxes, and transport, handling and other costs directly attributable to the acquisition of inventory items. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The cost of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting material into finished goods.

Cost of inventories is ascertained on the 'weighted average' basis except stock-in-trade, where cost is ascertained on first-in-first-out (FIFO) basis.

(iii) Net realizable value

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is ascertained for each item of inventories with reference to the selling prices of related finished products. Estimates of net realizable value of finished goods and stock-in-trade are based on the most reliable evidence, available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. Materials and other supplies held for use in the production of the inventories are not written down below cost if the finished products in which they will be used are expected to be sold at or above cost.

Amount of write down of the inventories below cost is recognized as an expense as and when the event occurs.

o) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses, if any, are recognized in the statement of profit and loss. Non-financial assets that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

p) Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements unless the probability of outflow of resource is remote.

Provisions and contingent liabilities are reviewed at each balance sheet date.

q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Other long-term employee benefit

The liabilities for earned leave, that are not expected to be settled wholly within 12 months, are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the consolidated statement of profit and loss.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund, family pension fund, and employee's state insurance

(a) Gratuity obligations

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation. This cost is included in employee benefits expenses in the consolidated statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the consolidated balance sheet.

(b) Defined contribution plans

Defined contribution plans such as contributions to provident fund, family pension fund and employee's state insurance are made to the funds administered by the Government of India, and are recognized as an expense when employees have rendered service entitling them to the contributions.

r) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at banks and on hand, bank overdrafts and short-term deposits with an original maturities of three months or less, which are subject to an insignificant risk of changes in value.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) **Financial assets**

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed to statement of profit and loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date on which the Group commits to purchase or sell the asset.

Subsequent measurement

Subsequent measurement of financial assets depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

Financial assets at FVTOCI (debt instrument)

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

In the case of equity instruments which are not held for trading and where the Group has taken irrevocable election to present the subsequent changes in fair value in other comprehensive income, these elected investments are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Equity instruments through other comprehensive income' under the head 'Other Equity'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. The Group makes such election on an instrument -by-instrument basis.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Dividends are recognized as other income in the statement of profit and loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at FVTPL (equity instruments)

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognized in the statement of profit and loss.

In case of equity instruments which are held for trading are initially measured at fair value plus transaction costs and subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in statement of profit and loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized in the statement of profit and loss when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Group applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables, the Group follows "simplified approach for recognition of impairment loss". The application of simplified approach does not require the Group to track changes in credit risk.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss (FVTPL) include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109 'Financial instruments'.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities at amortized cost (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another financial liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

(ii) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the Group and weighted average number of equity shares outstanding during the year are adjusted for the effect of all potentially dilutive equity shares.

u) Treasury Shares

The Parent Company has created an employees benefit trust (trust) for providing share-based payment to employees of the Group. The Parent Company uses Trust as a vehicle for distributing shares to employees under the 'Ganesha Ecosphere Employees' Stock Option Scheme – 2021'. The Trust buys the equity shares of Parent Company from secondary market, for issuance to the employees on exercise of the granted stock options. The parent Company provides interest free loan for such purchase of equity shares. Financial statements of Trust is included in the consolidated financial statements of the Group and shares held by Trust on reporting date are treated as treasury shares. The treasury shares are recognized at cost and deducted from other equity. No gain or loss is recognized in the statement of profit or loss on the purchase, sale, issue or cancellation of treasury shares.

v) Recent pronouncements

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules'), vide notification dated March 31, 2023, which amends existing standards, and are effective from April 1, 2023. The Rules predominantly amends Ind AS 1, Presentation of financial statements and Ind AS 12, Income taxes, whereas the other amendments notified by these rules are primarily in the nature of clarifications only. The Group does not expect the amendment to have any significant impact in the current or future reporting periods and on foreseeable future transactions.

3.1 Property, plant and equipment

(₹ in Lakh)

Particulars	Freehold land	Buildings	Plant & equipment	Furniture & fixtures	Office equipment	Vehicles	Total
Gross block							
As at April 1, 2021	**3,830.67**	**8,722.71**	**37,383.63**	**123.08**	**410.19**	**354.74**	**50,825.02**
Additions	669.51	858.30	1,213.24	4.04	57.83	135.55	2,938.47
Disposals	-	(215.00)	(1,956.81)	(0.50)	(23.80)	(34.09)	(2,230.20)
As at March 31, 2022	**4,500.18**	**9,366.01**	**36,640.06**	**126.62**	**444.22**	**456.20**	**51,533.29**
Additions	583.39	3,615.41	20,722.11	16.99	165.95	147.04	25,250.89
Disposals	-	(3.26)	(31.23)	(0.32)	(38.94)	(0.49)	(74.24)
Transfer to investment property (refer note 40.0)	(947.36)	-	-	-	-	-	(947.36)
As at March 31, 2023	**4,136.21**	**12,978.16**	**57,330.94**	**143.29**	**571.23**	**602.75**	**75,762.58**
Accumulated depreciation							
As at April 1, 2021	-	3,005.56	16,327.83	95.32	279.32	236.08	19,944.11
Charge for the year	-	325.95	2,372.94	7.57	66.40	57.40	2,830.26
Disposals	-	(51.81)	(931.98)	(0.48)	(19.68)	(30.71)	(1,034.66)
As at March 31, 2022	**-**	**3,279.70**	**17,768.79**	**102.41**	**326.04**	**262.77**	**21,739.71**
Charge for the year	-	340.34	2,410.27	7.40	81.58	84.34	2,923.93
Disposals	-	(3.10)	(25.15)	-	(33.21)	(0.46)	(61.92)
As at March 31, 2023	**-**	**3,616.94**	**20,153.91**	**109.81**	**374.41**	**346.65**	**24,601.72**
Net block							
As at March 31, 2022	**4,500.18**	**6,086.31**	**18,871.27**	**24.21**	**118.18**	**193.43**	**29,793.58**
As at March 31, 2023	**4,136.21**	**9,361.22**	**37,177.03**	**33.48**	**196.82**	**256.10**	**51,160.86**

3.2 Capital work-in-progress (CWIP)

(₹ in Lakh)

CWIP ageing schedule	**Amount of CWIP for the period**				
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
As at March 31, 2022					
Projects in progress	26,256.28	1,271.58	119.57	-	**27,647.43**
As at March 31, 2023					
Projects in progress	12,185.31	10,875.74	443.95	1.66	**23,506.66**

3.3 Investment Property

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross carrying amount as at March 31, 2022	-	-
Transfer from property, plant and equipment (at cost)	-	-
-Freehold Land	947.36	-
Disposals during the year	-	-
Net carrying amount as at March 31, 2023	**947.36**	**-**

Notes:

a) Title deed of investment property is in the name of the Company.

b) Land has been given on operating lease of 29 years (refer note 40.0) and is under mortgage, by deposit of title deeds, to the lenders of the lessee as per the terms of the lease.

c) No borrowing cost has been capitalized and no impairment loss has been recognized in respect of the above investment property.

d) Fair value of investment property is ₹1,230 Lakh (March 31, 2022: NA)

e) The amount recognized in the Statement of Profit & Loss in respect of the investment property is as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Rental Income from investment property	8.99	-
Direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income	-	-
Profit arising from investment property	**8.99**	**-**

3.4 Right of use assets (ROU)

(₹ in Lakh)

Leasehold land	
Gross block:	
As at April 1, 2021	**126.59**
Additions	-
Disposals	-
As at March 31, 2022	**126.59**
Additions	-
Disposals	-
As at March 31, 2023	**126.59**
Accumulated amortization	
As at April 1, 2021	3.23
Charge for the year	1.61
Disposals	-
As at March 31, 2022	**4.84**
Charge for the year	1.61
Disposals	-
As at March 31, 2023	**6.45**
Net block as at March 31, 2022	**121.75**
Net block as at March 31, 2023	**120.14**

3.5 All property, plant and equipment as well as ROU assets are charged as security for the term loan and working capital loan facilities from banks, to secure their respective dues (refer notes 13.1 and 27).

3.6 Refer note 30.1 for contractual commitment for the acquisition of property, plant and equipment

3.7 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.

3.8 All the title deeds of the immovable properties are held in the name of the Group except the following:

Relevant line item in the balance sheet	Description of item of property	Gross carrying value (₹ in Lakh)	Held in the name of	Whether promoter, director or their relative or employee	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Office building	277.84	Vatika IT Parks Private Limited	No	March 18, 2023	The possession and original agreement to sale of the property is in the name of the Company. Title deed registration is held up due to some local regulations.

3.9 There is no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

3.10 There is no project which has temporarily been suspended.

3.11 Group has capitalized borrowing cost of ₹2,283.95 lakh (March 31, 2022: Nil) to the projects which have become operational on February 1,2023

4.0 Intangible assets

(₹ in Lakh)

Particulars	Technical Knowhow	Software	Total
Gross block			
As at April 1, 2021	**14.63**	**310.92**	**325.55**
Additions	-	8.42	8.42
Disposals	-	-	-
As at March 31, 2022	**14.63**	**319.34**	**333.97**
Additions	-	5.48	5.48
Disposals	-	-	-
As at March 31, 2023	**14.63**	**324.82**	**339.45**
Accumulated amortization			
As at April 1, 2021	**14.63**	**171.33**	**185.96**
Amortization for the year	-	51.25	51.25
Disposals	-	-	-
As at March 31, 2022	**14.63**	**222.58**	**237.21**
Amortization for the year	-	52.19	52.19
Disposals	-	-	-
As at March 31, 2023	**14.63**	**274.77**	**289.40**
Net block			
As at March 31, 2022	**-**	**96.76**	**96.76**
As at March 31, 2023	**-**	**50.05**	**50.05**

Net book value

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
4.1 Intangible assets	**50.05**	**96.76**

4.2 There is no impairment loss during the year ending March 31, 2023 and March 31, 2022.

4.3 There is no intangible asset under development and hence, related disclosures are not applicable.

5.0 Non-current financial assets

5.1 Investment in equity*

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	Amount	Numbers	Amount
Investment in equity instrument of others (unquoted, valued at fair value through other comprehensive income)				
In equity shares of ₹10 each fully paid up of Amplus R.J. Solar Private Limited (under solar power purchase arrangement for captive consumption)	59,26,200	592.62	-	-
Total		**592.62**		**-**

** Aggregate amount of unquoted investments in equity of others ₹592.62 Lakh (March 31, 2022: Nil). There is no impairment loss in the value of investment.*

5.2 Loans

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to others		
Loans to employees	3.49	5.13
Total	**3.49**	**5.13**
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	3.49	5.13
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	3.49	**5.13**
Less: Allowance for doubtful loans	-	-
Total	**3.49**	**5.13**

Refer note 35.0 for information about credit risk and market risk of loans.

5.3 Others

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Bank deposits with remaining maturity of more than twelve months*	274.54	384.76
Security deposits	501.55	450.53
Total	**776.09**	**835.29**

**held as lien by banks against letter of credits, bank guarantees & other credit facilities amounting to ₹270.72 Lakh (March 31, 2022: ₹367.59 Lakh).*

6.0 Other non-current assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	2,473.10	3,795.19
Prepaid expenses	33.35	72.30
Balance with Government Authorities	-	843.87
Total	**2,506.45**	**4,711.36**

7.0 Inventories

(at lower of cost and net realisable value)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials	11,348.51	9,762.65
Raw materials (in-transit)	16.44	-
Work-in-progress*	1,005.50	1,020.07
Finished goods*	11,269.79	5,156.07
Finished goods (in-transit)	1,135.17	1,383.93
Stock-in-trade	1,191.59	578.51
Stock-in-trade (in-transit)	47.23	8.40
Stores and spares	2,008.86	1,737.07
Total	**28,023.09**	**19,646.70**

**including trail run inventory of project running under trial production as at the end of the year,*

Cost of inventories amounting to ₹497.57 Lakh (March 31, 2022: ₹94.34 Lakh) in respect of write-downs of inventory to net realisable value has been expensed out in the statement of profit and loss.

8.0 Current financial assets

8.1 Investments

(carried at fair value through profit and loss)

(₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Units	Amount (₹)	No. of Units	Amount (₹)
a) Investment in mutual funds (unquoted):				
ICICI Pru Long Short Fund Series I - Class B42 (units of ₹100 each)	-	-	9,99,950.002	1,012.74
SBI Equity Hybrid Fund Direct Growth (units of ₹10 each)	2,70,140.493	582.22	2,70,140.493	593.93
Sub-total		**582.22**		**1,606.67**
b) Investment in bonds & debentures (unquoted):				
9.56% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	88.000	931.64	88.000	931.64
10.5% Indusind Bank Series III-2019 NCD Perpetual (units of ₹10,00,000 each)	35.000	350.00	35.000	350.00
9.15% PNB Perpetual Bond (units of ₹10,00,000 each)	25.000	238.61	25.000	238.61
7.74% SBI Series I Perpetual Bond (units of ₹10,00,000 each)	40.000	401.71	40.000	401.71
9.5% UBI Series XX Perpetual Bond (units of ₹10,00,000 each)	30.000	308.57	30.000	308.57
8.50% SBI Series II perpetual Bond (units of ₹10,00,000 each)	22.000	229.72	22.000	229.72
8.85% HDFC Bank Series I Perpetual Bond (units of ₹10,00,000 each)	-	-	100.000	1,003.89
9.55% Canara Bank Perpetual Bond (units of ₹10,00,000 each)	50.000	522.35	50.000	522.35
8.50% Canara Bank Series III Perpetual Bond (units of ₹10,00,000 each)	50.000	510.35	50.000	510.35
9.04% Bank of India Series VI Perpetual Bond (units of ₹10,00,000 each)	50.000	509.56	50.000	509.55
8.30% Canara Bank Series II Perpetual Bond (units of ₹10,00,000 each)	27.000	274.22	27.000	274.45
Sub-total		**4,276.73**		**5,280.84**
Total		**4,858.95**		**6,887.51**

Refer note 34.0 and 35.0 for information about fair value measurement, credit risk and market risk of investments.

8.2 Trade receivables

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables	11,565.44	11,673.54
Less: Allowance for doubtful trade receivables	(89.55)	(58.41)
Total	**11,475.89**	**11,615.13**
Break-up:		
Receivables considered good - secured	879.27	1,323.30
Receivables considered good - unsecured	10,596.62	10,291.83
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
Receivables considered doubtful - unsecured	89.55	58.41
	11,565.44	**11,673.54**
Less: Allowance for doubtful trade receivables	(89.55)	(58.41)
Total	**11,475.89**	**11,615.13**

Notes:

1) Trade receivable represents the amount of consideration, in exchange for goods or services transferred to the customers, that is unconditional. There are no contract assets and contract liabilities.

2) No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person. Trade receivable of ₹1,497.45 lakh (March 31, 2022: Nil) are due from firms/ private companies in which any director of the Group is a partner, a director or a member (refer note 33.0).

3) No trade receivables are due from any other related party.

4) Refer note 34.0 & 35.0 for information about fair value measurement, credit risk and market risk of trade receivables.

5) Refer note 38.0 for ageing schedule of trade receivables.

8.3 Cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks:		
- On current accounts	401.03	384.02
- Deposits with original maturity of less than three months	-	1,812.50
Cheques on hand	-	-
Cash on hand	25.69	13.79
Total	**426.72**	**2,210.31**

8.4 Bank balances other than cash and cash equivalents

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividend (earmarked)	55.43	59.40
Deposits with original maturity of more than three months*	140.11	33.46
Total	**195.54**	**92.86**

**held under lien with banks against letter of credits and with power distribution boards amounting to ₹118.28 Lakh (March 31, 2022: ₹31.58 Lakh)*

8.5 Loans

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Loans to employees	5.13	6.51
Total	**5.13**	**6.51**
Break-up:		
Loans considered good - secured	-	-
Loans considered good - unsecured	5.13	6.51
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	**5.13**	**6.51**
Less: Allowance for doubtful loans	-	-
Total	**5.13**	**6.51**

Note: Refer note 35.0 for information about credit risk and market risk of loans.

8.6 Other financial assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Interest receivable on fixed deposits and others	188.07	257.81
Security deposits	11.68	14.31
Mark To market of derivative financial instruments	-	0.99
Total	**199.75**	**273.11**

9.0 Other current assets

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good		
Advances to suppliers	437.97	772.89
Advances to employees and others	27.24	28.67
Prepaid expenses	265.61	269.55
Balances with Government authorities	3,622.18	423.00
Insurance claim receivable (refer note 43.0)	2,512.20	3,099.85
Export incentives receivable	176.00	191.53
Sub-total	**7,041.20**	**4,785.49**
Unsecured, considered doubtful		
Advances to suppliers	26.03	24.53
Less: Allowance for doubtful advances	(26.03)	(24.53)
Sub-total	**-**	**-**
Total	**7,041.20**	**4,785.49**

10.0 Current tax assets (net)

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Income-tax	373.61	601.47
Total	**373.61**	**601.47**

11.0 Assets held for sale/ disposal

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Discarded fixed assets held for sale/ disposal	-	47.76
Discarded inventory held for disposal	-	78.39
Total	**-**	**126.15**

12.1 Share capital

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Authorised		
3,40,00,000 (March 31, 2022: 3,40,00,000) equity shares of ₹10 each	3,400.00	3,400.00
21,50,000 (March 31, 2022: 21,50,000) preference shares of ₹100 each	2,150.00	2,150.00
Total	**5,550.00**	**5,550.00**
Issued, subscribed and fully paid up		
2,18,29,397 (March 31, 2022: 2,18,29,397) equity shares of ₹10 each	2,182.94	2,182.94
Total	**2,182.94**	**2,182.94**

Notes:

i) **Reconciliation of number of shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2023 (Nos.)	As at March 31, 2022 (Nos.)
Equity shares		
As at the beginning of the year	2,18,29,397	2,18,29,397
Add: Shares issued during the year	-	-
As at the end of the year	**2,18,29,397**	**2,18,29,397**

ii) **The rights, preferences and restrictions attached to each class of shares including restrictions on the distribution of dividends and the repayment of capital:**

The Group has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the group, after distribution of all preferential amounts, in proportion to their shareholding.

iii) **Shares in the Company held by each shareholder holding more than five per cent:**

Name of the shareholders	As at March 31, 2023		As at March 31, 2022	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹10/- each fully paid up				
GPL Finance Limited	22,13,809	10.14	22,13,809	10.14
Shyam Sunder Sharmma	19,38,927	8.88	19,38,927	8.88
DSP Equity Fund	17,65,462	8.09	14,95,952	6.85
SBI Mutual Fund	13,94,163	6.39	15,16,934	6.95
Rajesh Sharma	10,95,529	5.02	10,95,529	5.02

12.1 Share capital *(Contd.)*

iv) **Shares held by the promoters at the end of the year:**

Name of the Promoters	As at March 31, 2023			As at March 31, 2022		
	No. of shares	% of total shares	% change during the year	No. of shares	% of total shares	% change during the year
Shyam Sunder Sharmma	19,38,927	8.88	0.00	19,38,927	8.88	0.00
Rajesh Sharma	10,95,529	5.02	0.00	10,95,529	5.02	0.00
Sharad Sharma	8,75,583	4.01	0.00	8,75,583	4.01	0.00
Vishnu Dutt Khandelwal	7,20,200	3.30	0.00	7,20,200	3.30	0.00
Vimal Sharma	4,91,738	2.25	0.00	4,91,738	2.25	0.00
Seema Sharma	3,03,560	1.39	0.00	3,03,560	1.39	0.00
Ratna Sharma	2,67,871	1.23	0.00	2,67,871	1.23	0.24
Shyam Sunder Sharmma HUF	1,07,000	0.49	0.00	1,07,000	0.49	0.00
Sandeep Khandelwal	2,04,501	0.94	0.00	2,04,501	0.94	0.36
Yash Sharma	1,32,445	0.61	0.00	1,32,445	0.61	0.00
Sharad Sharma HUF	94,731	0.43	0.00	94,731	0.43	0.00
Nirmal Khandelwal	46,875	0.21	0.00	46,875	0.21	0.00
Vishnu Dutt Khandelwal HUF	41,940	0.19	0.00	41,940	0.19	0.36
Rajesh Sharma HUF	23,250	0.11	0.00	23,250	0.11	0.00
Harsh Sharma	1,17,498	0.54	0.00	1,17,498	0.54	16.92
Hemant Sharma	77,568	0.36	0.00	77,568	0.36	1.97
Charu Khandelwal	21,449	0.10	0.00	21,449	0.10	8.99
Naveen Sharma	10,002	0.05	0.00	10,002	0.05	100.00
Kunjika Kaushal	6,237	0.03	0.00	6,237	0.03	100.00
GPL Finance Ltd.	22,13,809	10.14	0.00	22,13,809	10.14	0.00
Sandeep Yarns Pvt Ltd	4,46,300	2.04	0.00	4,46,300	2.04	0.00
Total	**92,37,013**	**42.31**		**92,37,013**	**42.31**	

v) The Group has neither issued shares for a consideration other than cash/ bonus shares nor bought back any shares during the period of five years immediately preceding the reporting date.

12.2 Other equity

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital redemption reserve	450.00	450.00
Capital reserve	225.28	225.28
Securities premium	13,952.72	13,952.72
Treasury Shares	(212.54)	(93.86)
General reserve	264.13	264.13
Retained earnings	46,925.87	40,379.94
Total	**61,605.46**	**55,178.21**
(a) Capital redemption reserve		
Opening balance	450.00	450.00
Adjustment during the year	-	-
Closing balance	**450.00**	**450.00**

12.2 Other equity *(Contd.)*

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
(b)	**Capital reserve**		
	Opening balance	225.28	225.28
	Adjustment during the year	-	-
	Closing balance	**225.28**	**225.28**
(c)	**Securities premium**		
	Opening balance	13,952.72	13,952.72
	Adjustment during the year	-	-
	Closing balance	**13,952.72**	**13,952.72**
(d)	**Treasury Shares**		
	Opening balance	(93.86)	-
	Shares purchased during the year	(118.68)	(93.86)
	Closing balance	**(212.54)**	**(93.86)**
(e)	**General reserve**		
	Opening balance	264.13	264.13
	Adjustment during the year	-	-
	Closing balance	**264.13**	**264.13**
(f)	**Retained earnings**		
	Opening balance	40,379.94	34,620.80
	Adjustment during the year:		
	Net profit for the year	6,945.98	6,196.93
	Other comprehensive income (net) for the year	35.86	3.05
	Dividend paid	(435.91)	(436.59)
	Other	-	(4.25)
	Closing balance	**46,925.87**	**40,379.94**
	Total (a to f)	**61,605.46**	**55,178.21**

Nature and purpose of reserves

Capital redemption reserve

Capital redemption reserve was created for redemption of preference share capital and it is a non-distributable reserve.

Capital reserve

Capital reserve represent capital subsidy received and amount received on forfeiture of shares of the holding company. Capital reserve is utilized in accordance with the provisions of the Companies Act, 2013.

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

General reserve

General reserve is used to transfer profits from retained earnings for general purposes. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

13.0 Borrowings

(₹ in Lakh)

Particulars	Non-current		Current maturities	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current borrowings				
Term loans (secured):				
- from banks	30,913.43	21,436.98	1,645.78	667.92
- from State Government (refer footnote (iv) below)	248.20	247.56	22.00	-
- from others	13.94	-	6.06	-
Foreign currency loan from bank (secured)	-	1,964.08	-	434.50
Loan from body corporate (unsecured)	-	-	-	625.00
Total	**31,175.57**	**23,648.62**	**1,673.84**	**1,727.42**
Current borrowings				
Working capital loans from banks				
- Rupee loans (secured)	17,443.44	9,329.97		
Current maturities of long-term borrowings	1,673.84	1,727.42		
Loans repayable on demand (unsecured):				
- from directors	185.50	892.00		
- from directors' relatives	-	63.00		
- from related parties & others	68.00	121.00		
Total	**19,370.78**	**12,133.39**		

Notes:

i) Refer note 13.1 for the details of effective interest rate, repayment terms and security details for the borrowings.

ii) The carrying amount of financial and non financial assets as security for secured borrowings is disclosed in note 27.0.

iii) Refer note 35.0 for liquidity risk.

iv) Loans discounted to their present value using the average interest rate on borrowings and the differential loan amount has been disclosed as government grant.

v) **Net debt reconciliation:**

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current and non-current borrowings (including current maturities)	50,546.35	35,782.01
Less: Cash and cash equivalents	(426.72)	(2,210.31)
Interest payable	184.09	128.26
Net debt	**50,303.72**	**33,699.96**

(₹ in Lakh)

Particulars	Current and non-current borrowings (including current maturities)	Cash and cash equivalents	Interest payable	Total
Net debt as at April 1, 2021	**12,704.05**	**(242.19)**	**35.01**	**12,496.87**
Cash flows	23,108.44	(1,968.12)	-	21,140.32
Other non-cash movements:				
- foreign exchange adjustments	(1.42)	-	-	(1.42)
- fair value adjustments	(29.06)	-	(16.02)	(45.08)
Interest expense	-	-	1,904.86	1,904.86

13.0 Borrowings *(Contd.)*

Interest paid	-	-	(1,795.59)	(1,795.59)
Net debt as at March 31, 2022	**35,782.01**	**(2,210.31)**	**128.26**	**33,699.96**
Cash flows	14,735.59	1,783.59	-	16,519.18
Other non-cash movements:				
- fair value adjustments	22.64	-	(22.64)	-
Interest expense	6.11	-	3,845.04	3,851.15
Interest paid	-	-	(3,766.57)	(3,766.57)
Net debt as at March 31, 2023	**50,546.35**	**(426.72)**	**184.09**	**50,303.72**

13.1 a) Nature of security and terms of repayment for non-current borrowings (including their current maturities):

	Nature of security	Terms of repayment
1	Term loan having balance outstanding amounting to ₹471.72 Lakh (including foreign currency loan outstanding of ₹ Nil) (March 31, 2022: ₹611.16 Lakh (including foreign currency loan outstanding ₹599.65 lakh), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of holding company. The loan is further secured by way of extension of pari passu second charge on current assets of holding company and fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of the holding company and others.	Repayable in 21 quarterly installments starting from March, 2022 and last installment falling due in March, 2027. Rate of interest 9.40% p.a. as at the year end (March 31, 2022: 7.95% p.a.).
2	Term loan having balance outstanding amounting to ₹1,426.78 Lakh (including foreign currency loan outstanding of ₹ Nil) (March 31, 2022: ₹1,867.12 Lakh including foreign currency loan outstanding of ₹1,798.93 Lakh), is secured by way of first charge, on pari passu basis, on entire property, plant and equipment (present and future), including equitable mortgage of entire properties of holding company. The loan is further secured by way of extension of pari passu second charge on current assets of holding company, fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of holding company and others.	Repayable in 17 quarterly installments starting from April 2022 and last installment falling due in April 2026. Rate of interest 9.40% p.a. as at the year end (March 31, 2022: 7.95% p.a.).
3	Term loan having balance outstanding amounting to ₹333.41 Lakh (March 31, 2022: ₹746.44 Lakh), is secured by way of exclusive charge on assets of holding company financed from loan. The loan is further secured by way of personal guarantees of the executive directors of holding company and others.	Repayable in 12 quarterly installments starting from March, 2021 and last installment falling due in March, 2024. Average rate of interest 9.73% p.a. as at the year end (March 31, 2022: 6.78% p.a.).
4	Loan from U.P. Government, balance outstanding amounting to ₹111.72 Lakh (March 31, 2022: ₹111.72 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in March, 2029. The loan is interest free.
5	Loan from U.P. Government, balance outstanding amounting to ₹23.04 Lakh (March 31, 2022: ₹23.04 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in 2 installments during August 2023 and December 2023. The loan is interest free.

	Nature of security	Terms of repayment
6	Loan from U.P. Government, balance outstanding amounting to ₹29.42 Lakh (March 31, 2022: ₹29.42 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in January 2025. The loan is interest free.
7	Loan from U.P. Government, balance outstanding amounting to ₹194.90 Lakh (March 31, 2022: ₹194.90 Lakh), is secured by way of bank guarantee of equivalent amount.	Repayable in December 2025. The loan is interest free.
8	Term loan from other, balance outstanding amounting to ₹20.00 Lakh (March 31, 2022: ₹ Nil), is secured by way of exclusive charge on assets of holding company financed through this loan.	Repayable in 36 monthly installments starting from April, 2023 and last installment falling due in March, 2026. Rate of interest 9.0% p.a. as at the year end (March 31, 2022: Nil).
9	Term loans from Banks, balance outstanding amounting to ₹27,598.56 Lakh (March 31, 2022: ₹20,497.50 Lakh), are secured by way of first charge, on pari passu basis, on entire tangible and intangible assets (present and future), including equitable mortgage of immovable properties, of the Group's Warangal projects. The loans are further secured by way of corporate guarantee of holding company and personal guarantees of two directors of the Group.	Term loans are repayable in quarterly installments starting from December, 2022 and last installment falling due in June, 2033. Rate of interest ranging from 7.80 - 9.75% p.a. (March 31, 2022: 7.00 - 8.25% p.a.)
10	Term loan from Bank, balance outstanding amounting to ₹2,728.74 Lakh (March 31, 2022: ₹781.26 Lakh), are secured by way of first charge on entire tangible and intangible assets (present and future), including equitable mortgage of immovable property, of the Group's Nepal project. The loan is further secured by way of corporate guarantee of holding company.	Term loans are repayable in 24 quarterly installments starting from October, 2022 and last installment falling due in July, 2028. Rate of interest 10.62% p. a. (March 31, 2022: 10.62% p.a.)
11	Unsecured loan from body corporate, balance outstanding amounting to ₹ Nil (March 31, 2022: ₹ 625.00 Lakh)	Repaid in May, 2022. Rate of interest N.A. (March 31, 2022: 5.58% p.a.)

13.1 b) Nature of security and terms of repayment for current borrowings:

	Nature of security	Terms of repayment
1	Working capital loans from banks, balance outstanding amounting to ₹17,443.44 Lakh (March 31, 2022: ₹9,329.97 Lakh) are secured by hypothecation of current assets of the Group (both present and future), ranking pari passu inter-se. These loans are further secured by way of extension of pari-passu second charge on property, plant and equipment of the Group, fixed deposit receipt of ₹211.00 Lakh and personal guarantees of some of the executive directors of the Group and others.	Repayable on demand. Rate of interest is ranging from 7.25% to 9.85% p.a. (March 31, 2022: Rate of interest ranging from 5.35% to 8.25% p.a.)
2	Unsecured loans from directors and other related parties amounting to ₹253.50 Lakh (March 31, 2022: ₹1,076.00 Lakh).	Repayable on demand. Rate of interest 6.50% p.a. as at the year end (March 31, 2022: 5.50% p.a.).

13.2 The Company has not defaulted on any loans payable during the year and has satisfied all debt covenants prescribed in terms of the loans.

14.0 Government grants

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
At the beginning of the year	1,601.24	444.77
Received during the year*	215.87	1,201.37
Released to the statement of profit and loss	(59.81)	(44.90)
At the end of the year	**1,757.30**	**1,601.24**
14.1 Current	93.46	52.69
14.2 Non-current	1,663.84	1,548.55

** There are unfulfilled export commitments of ₹27,096.71 Lakh (March 31, 2022: ₹23,340.00 Lakh) as at the balance sheet date to government grant received under the EPCG Scheme.*

15.1 Trade payables

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	199.74	301.54
- Total outstanding dues of creditors other than micro enterprises and small enterprises	7,158.46	6,110.83
Total	**7,358.20**	**6,412.37**

Note:

a) Refer note 35.0 for information about liquidity risk and market risk of trade payables.

b) Refer note 39.0 for ageing schedule of trade payables.

c) **Dues to micro and small enterprises:**

The Group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	199.74	301.54
b) Interest due remaining unpaid to any supplier at the end of the year	-	-
c) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year.	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Disclosure of amounts payable to vendors as defined under the MSMED Act, 2006 is based on the information available with the Group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Group.

15.2 Other current financial liabilities

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
Creditors for capital expenditure		1,548.67	1,280.38
Interest accrued		184.09	128.26
Unclaimed dividends*		55.43	59.41
Mark to market of derivative financial instruments		0.17	-
Other payables		3,511.27	3,544.38
	Total	**5,299.63**	**5,012.43**

** During the year, the Group has transferred ₹9.26 Lakh (March 31, 2022: ₹10.56 Lakh) to Investor Education and Protection Fund towards unclaimed dividend and there are no overdue amounts as at the balance sheet date.*

16.0 Other current liabilities

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
Advances from customers		240.41	92.09
Statutory dues payables		482.42	503.99
	Total	**722.83**	**596.08**

17.0 Provisions

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
Employee benefits			
17.1 Non-current			
Leave obligations		98.20	98.41
Gratuity (refer note 29.1)		549.30	606.55
	Total	**647.50**	**704.96**
17.2 Current			
Leave obligations		79.31	57.97
Gratuity (refer note 29.1)		319.77	221.85
	Total	**399.08**	**279.82**

18. Deferred tax liabilities (net)

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
Deferred tax assets		(774.17)	(451.73)
Deferred tax liabilities		2,531.94	2,171.67
Deferred tax liabilities (net)	**Total**	**1,757.77**	**1,719.94**

18.a Movement of deferred tax liabilities (net)

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities (net)			
As at the beginning of the year		1,719.94	1,913.08
Charge/ (credit) to statement of profit and loss*		37.83	(193.14)
	Total	**1,757.77**	**1,719.94**

**Deferred tax on remeasurement of defined benefit obligation of ₹12.09 Lakh has been charged to other comprehensive income (March 31, 2022: ₹1.02 Lakh).*

18.b Components of deferred tax (assets)/ liabilities

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
Deferred tax liability			
Property, plant and equipment		2,361.74	2,048.41
Others		170.20	123.26
	Sub-total	**2,531.94**	**2,171.67**
Deferred tax asset			
Expenses allowed in the year of payment		(299.13)	(380.83)
Unabsorbed losses		(265.61)	(45.66)
Provision for doubtful trade receivables and advances		(29.09)	(20.88)
Others		(180.34)	(4.36)
	Sub-total	**(774.17)**	**(451.73)**
Deferred tax liabilities (net)	**Total**	**1,757.77**	**1,719.94**

19.0 Revenue from operations

(₹ in Lakh)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of products			
Finished goods (including process waste)		1,10,680.48	98,457.40
Stock-in-trade		5,701.60	2,313.26
	Sub-total	**1,16,382.08**	**1,00,770.66**
Other operating revenues			
Sale of waste and scrap		367.31	360.95
Job work receipts		4.97	8.44
Insurance claims received		5.42	74.42
Export incentives		384.17	461.95
Allowance for doubtful trade receivables written back (net)		3.25	35.21
Income from recycling certification		731.76	399.42
Liabilities no longer required written back		16.27	26.65
Others		67.91	6.66
	Sub-total	**1,581.06**	**1,373.70**
	Total	**1,17,963.14**	**1,02,144.36**

The Group offers, performance based discounts and other discounts as per the prevailing trade practices at the time of sale. A sale invoice is the de facto contract agreement with the Customers. Any credit notes for discounts issued thereafter are reduced from gross sales and net sales is shown in the statement of profit and loss. Details of the revenue from contracts with customers as it appears in the invoices raised on them and credit notes issued thereafter are as under:

Particulars		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from contracts with customers		1,16,494.19	1,00,882.05
Less:			
Performance and price discounts		100.09	59.39
Other discounts		12.02	52.00
Revenue from sale of products	**Total**	**1,16,382.08**	**1,00,770.66**

20.0 Other income

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest income	1,101.15	353.24
Government grants	59.82	44.90
Gain on foreign currency fluctuations and translations (net)	-	28.34
Profit on sale of investments	21.73	147.91
Fair value gain on financial assets	-	106.44
Profit on sale/ discard of property, plant and equipment (net)	134.90	-
Lease rental charges	8.99	-
Miscellaneous income	12.14	10.63
Total	**1,338.73**	**691.46**

21.0 Changes in inventories of finished goods, stock-in -trade and work-in-progress

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Inventories at the end of the year*		
Finished goods	10,485.77	6,540.00
Stock-in-trade	1,238.83	586.91
Work-in-progress	973.16	1,020.07
Sub-total	**12,697.76#**	**8,146.98**
Inventories at the beginning of the year*		
Finished goods	6,540.00	5,929.78
Stock-in-trade	586.91	310.25
Work-in-progress	1,020.07	791.24
Sub-total	**8,146.98**	**7,031.27**
Inventories of trial run production		
Finished goods	1,656.20	(2.31)
Work-in-progress	51.59	(66.81)
Sub-total	**1,707.79**	**(69.12)**
Less: Loss of finished & process goods inventory due to fire.	-	835.01
Total	**(2,842.99)**	**(1,881.60)**

**including goods-in-transit.*

 # excluding trail run inventory of project running under trail production as at the end of the year.

22.0 Employee benefits expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Salaries and wages	6,182.84	5,307.58
Contribution to provident and other funds (refer note 29.2)	276.01	246.19
Gratuity expense (refer note 29.1)	133.31	126.61
Staff welfare expenses	128.04	108.09
Total	**6,720.20**	**5,788.47**

23.0 Other expenses

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Manufacturing expenses:		
Consumption of stores and spares	2,731.14	2,369.52
Power and fuel	10,052.53	8,486.28
Processing charges	-	796.98
Repairs and maintenance:		
- Plant and machinery	477.51	451.72
- Buildings	52.79	104.03
Sub-total	**13,313.97**	**12,208.53**
Administrative expenses		
Rent (refer note 31.0)	116.85	110.72
Rates and taxes	17.14	9.68
Insurance	320.50	164.37
Repairs and maintenance - others	123.56	93.15
CSR expenditure	147.50	158.60
Travelling and conveyance	200.43	132.13
Communication costs	50.81	40.94
Printing and stationery	45.82	38.91
Legal and professional fee	67.88	102.22
Cost auditors' remuneration	1.20	1.10
Directors' sitting fee	1.60	1.85
Payment to auditor (refer details below)	29.13	17.08
Money lost in cyber fraud	-	213.78
Allowances for doubtful trade receivables and advances	35.88	12.60
Loss on sale/ discard of property, plant and equipment (net)	-	3.29
Fair value (loss)/ gain on financial assets	11.71	-
Miscellaneous expenses	182.64	125.10
Vehicle running and maintenance	102.76	89.73
Commission to non-executive directors	56.00	55.50
Security service charges	180.67	152.70
Loss on foreign currency fluctuations and translations (net)	33.37	-
Insurance claim settlement loss written off (refer note no. 43.0)	509.64	-
Sub-total	**2,235.09**	**1,523.45**
C. Selling expenses		
Freight and forwarding charges	4,465.55	5,055.68
Other selling and distribution expenses	594.23	455.44
Sub-total	**5,059.78**	**5,511.12**
Total	**20,608.84**	**19,243.10**
Break up of payment to auditor:		
As auditor:		
- Audit fee	20.64	12.56
- Tax audit fee	3.00	1.00
- Limited review fee	4.80	3.24
In other capacity		
- Other services (certification fee)	0.08	0.20
- Reimbursement of expenses	0.61	0.08
Total	**29.13**	**17.08**

24.0 Depreciation and amortization expense

(₹ in Lakh)

Particulars		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Depreciation on property, plant and equipment		2,862.37	2,788.49
Amortization of intangible assets		51.10	50.03
Amortization of ROU assets		1.61	1.61
	Total	**2,915.08**	**2,840.13**

25.0 Finance costs

(₹ in Lakh)

Particulars		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Interest		1,547.81	886.80
Exchange differences regarded as an adjustment to borrowing cost		49.70	-
Other borrowing costs (including bank charges)		96.27	89.32
	Total	**1,693.78**	**976.12**

26.0 Tax expense

26.1 The major components of income-tax expense are as under:

(₹ in Lakh)

Particulars		For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
A) Profit and loss section			
Current tax			
In respect of current year		2,481.61	2,270.08
In respect of earlier years		44.12	(6.51)
	Sub-total	2,525.73	2,263.57
Deferred tax			
Relating to origination and reversal of temporary differences		25.75	(194.09)
	Sub-total	25.75	(194.09)
Income tax expense reported in the statement of profit and loss	**Total**	**2,551.48**	**2,069.48**
B) Other comprehensive income ('OCI') section			
Deferred tax related to items recognized in OCI during the year:			
Re-measurement gain on defined benefit obligations		(12.09)	(1.02)
Income-tax charged to OCI	**Total**	**(12.09)**	**(1.02)**

26.2 Reconciliation of tax expense and the accounting profit multiplied by applying the statutory income-tax rate to the profit before tax is as under:

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Accounting profit before income-tax	9,497.46	8,266.41
Tax rate using the holding company's tax rate	25.168%	25.168%
Current tax expense on profit before tax at the enacted income-tax rate	2,390.32	2,080.49
Adjustments in respect of current income-tax of earlier years	44.12	(6.51)
Permanent disallowances	37.89	40.36

26.0 Tax Expense *(contd.)*

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Impact of tax due to loss in components	50.71	65.00
Impact on tax for elimination adjustments in components	54.32	138.19
Recognition of net deferred tax assets	(31.57)	(49.61)
Remeasurement of net deferred tax liabilities	-	(226.90)
Others	5.69	28.46
Total income-tax expense	**2551.48**	**2,069.48**

Consequent to reconciliation items shown above, the effective tax rate is 26.865% (March 31, 2022: 25.035%).

27.0 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current assets		
Property, plant and equipment	51,160.86	29,288.37
Capital work-in-progress	23,506.66	27,383.39
Right of use assets	120.14	121.75
Intangible assets	3.71	4.99
Non-current financial assets	779.58	839.79
Other non-current assets	2,506.45	3,102.94
Total non-current assets pledged as security	**78,077.40**	**60,741.23**
Current assets		
Financial assets		
Investments	4,858.95	6,887.51
Trade receivables	11,475.89	11,615.13
Cash and cash equivalents	426.72	2,210.13
Bank balances	140.11	33.46
Others	204.88	279.62
Non financial assets		
Inventories	28,023.09	18,908.65
Current tax assets	373.61	601.47
Others	7,041.20	4,911.64
Total current assets pledged as security	**52,544.45**	**45,447.61**
Total assets pledged as security	**1,30,621.85**	**1,06,188.84**

28.0 Earnings per share

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Earning per share has been computed as under:		
Profit for the year (₹ in Lakh)	6,945.98	6,196.93
Weighted average number of equity shares outstanding (Numbers)	2,18,29,397	2,18,29,397
Earnings per share (₹) - Basic (face value of ₹10 per share)	31.82	28.39
Earnings per share (₹) - Diluted (face value of ₹ 10 per share)	31.82	28.39

29.0 Gratuity and other post-employment benefit plans

29.1 Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the numbers of years of services. The gratuity plan is an unfunded plan.

Movement in the present value of the defined benefit obligation for gratuity are as follows: (₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Opening defined benefit obligation	**828.40**	**750.66**
Current service cost	102.13	101.05
Interest expense	47.02	38.34
Benefits paid	(54.73)	(59.21)
Actuarial (gains) / losses arising from changes in demographic assumptions	(15.38)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(29.78)	(13.27)
Actuarial (gains) / losses arising from experience adjustments	(8.59)	10.83
Closing defined benefit obligation	**869.07**	**828.40**

Net liability recognized in balance sheet: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation	869.07	828.40
Fair value of plan assets	-	-
Funded status (deficit)	(869.07)	(828.40)
Net liability recognized in balance sheet	**869.07**	**828.40**
Break-up of defined benefit obligation		
Current liability	319.77	221.85
Non-current liability	549.30	606.55
Total	**869.07**	**828.40**

Net defined benefit expense recognized as employee benefit expenses in the Statement of Profit & Loss

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Current service cost	87.69	88.54
Net interest cost	45.62	38.07
Total	**133.31**	**126.61**

29.0 Gratuity and other post-employment benefit plans *(Contd.)*

Net defined benefit expense recognized in pre-operative expenses capitalized as well as pending allocation: (₹ in Lakh)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current service cost	14.44	12.51
Net interest cost	1.37	0.27
Total	**15.81**	**12.78**

Remeasurement (gain)/ loss recognized in other comprehensive income and in pre-operative expenses capitalized as well as pending allocation

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Actuarial (gains) / losses arising from changes in demographic assumptions	(15.38)	-
Actuarial (gains) / losses arising from changes in financial assumptions	(29.78)	(13.27)
Actuarial (gains) / losses arising from experience adjustments	(8.59)	10.83
Total	**(53.75)**	**(2.44)**

The principal assumptions used in determining gratuity as shown below:

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	7.20% to 7.30%	5.65% to 6.70%
Salary escalation rate	7.00%	7.00%
Withdrawal rate (upto 58 years)	30% to 40%	30.00%
Withdrawal rate (above 58 years)	10% to 15%	10% to 15%
Mortality	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table	Published rates under the Indian Assured Lives Mortality (2012-14) Ultimate table

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the key assumptions is as under: (₹ in Lakh)

Particulars	Year	Change in assumption	Change due to increase in assumption	Change due to decrease in assumption
Discount rate	March 31, 2023	1.00%	(18.88)	19.94
	March 31, 2022	1.00%	(23.68)	25.25
Salary escalation rate	March 31, 2023	1.00%	18.66	(18.11)
	March 31, 2022	1.00%	23.17	(22.39)
Mortality rate	March 31, 2023	1.00%	Negligible	Negligible
	March 31, 2022	1.00%		

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period. There is no change in the method of valuation for the prior periods.

29.0 Gratuity and other post-employment benefit plans *(Contd.)*

Maturity profile of demand of defined benefit obligation is as under:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Within 1 year	313.08	221.85
1 - 2 Year	197.21	163.36
2 - 3 Year	125.76	125.28
3 - 4 Year	75.43	95.52
4 - 5 Year	61.51	64.17
Above 5 years	96.08	158.22
Total	**869.07**	**828.40**

Fair value and changes in fair value of plan assets during the year ended March 31, 2023:

Gratuity obligations are not funded.

As per the policy of the Group, no gratuity is payable to the executive directors of the Group.

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors.

29.2 Defined contribution plans

The Group also has certain defined contribution plans, such as provident fund, family pension fund and employee's state insurance for benefit of employees. Contributions are made to funds administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized to statement of profit and loss during the year towards contribution to defined contribution plans is ₹276.01 Lakh (March 31, 2022: ₹246.19 Lakh) and expenses included under pre-operative expenses (capitalized as well as pending allocation) during the year is ₹5.22 Lakh (March 31, 2022: ₹1.73 Lakh).

29.3 Leave obligation

The Group provides for leave obligations based on actuarial valuation carried at the year end using the projected unit credit method.

30.0 Commitments and contingencies (to the extent not provided for)

30.1 Commitments

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	9,075.62	11,608.43
b) Undertakings given by the Group to fulfil quantified exports in respect of capital goods imported under the Export Promotion Capital Goods Scheme of the Government of India	27,010.41	23,340.00
c) Corporate guarantee provided to lenders of the lessee in respect of investment property (Land), which is restricted to the value of the land (refer note 33.2).	947.36	-
Total	**37,033.39**	**34,948.43**

30.2 Contingent liabilities

(₹ in Lakh)

Particulars		As at March 31, 2023	As at March 31, 2022
a)	Matters with tax authorities		
	- Income-tax matters	35.92	35.92
	- GST matters	188.96	-
	- VAT matters	2.61	2.61
b)	Demand as environmental compensation has been raised by Uttarakhand Pollution Control Board ('UPCB') on Rudrapur unit of holding company in pursuance of a general order of Hon'ble National Green Tribunal ('NGT') dated November 14, 2019 ('Order'). The operation of the said Order has been stayed by the Hon'ble Supreme Court vide its order dated March 18, 2020. The management believes that this demand has erroneously been raised on the holding company by UPCB and not sustainable.	100.00	100.00
c)	Bills discounted under letters of credit and outstanding	81.35	234.48
d)	Claims against the Group not acknowledged as debt (interest thereon not ascertainable at present)	52.96	49.23
	Total	**461.80**	**422.24**

31.0 Leases - short term leases

The Group has certain operating leases primarily consisting of leases for office premises, guest houses and warehouses having different lease terms. Such leases are generally with the option of renewal against increased rent and premature termination clause. Rental expense recorded for short-term leases and low value asset leases is ₹121.45 Lakh for the year ended March 31, 2023 (March 31, 2022: ₹114.90 Lakh).

The Group has taken certain land on long term lease for factory purposes (disclosed under "Right of use assets"). Since entire lease payments have been prepaid, the Group does not have any future lease liability towards the same.

For details pertaining to the carrying value of right of use asset and amortization charged thereon during the year, refer note 3.4 of the financial statements.

The Group does not have any lease liability and thus there are no liquidity risks.

32.0 Segment information

32.1Primary segment (by business segment):

Ind AS 108 establishes standards for the way that the Group report information about operating segments and related disclosures about products and services, geographic areas and major customers. The Group's operations comprises of only one segment i.e. sale of polyester staple fibre, polyester yarn and other polyester intermediates, which are mainly having similar risks and returns. Based on the "management approach" as defined in Ind AS 108, the management also reviews and measure the operating results taking the whole business as one segment. In view of the same, separate primary segment information is not required to be given as per the requirements of Ind AS 108 on "Operating Segments".

32.2 Secondary segment (by geographical demarcation):

Considering the nature of the business in which the Group operates, the Group deals with various customers in multiple geographies. The details of segment revenue based on geographical demarcation is as under:

(₹ in Lakh)

Particulars	For the Year Ended March 31, 2023	For the Year Ended March 31, 2022
Revenue from sale of products		
- India	1,04,307.00	87,799.62
- Outside India	12,075.08	12,971.04
Total	**1,16,382.08**	**1,00,770.66**

33.0 Related party disclosures

Name of related parties and nature of relationship:

33.1A. Key management personnel

Shri Shyam Sunder Sharmma	Non-Executive Chairman
Shri Vishnu Dutt Khandelwal	Executive Vice Chairman
Shri Sharad Sharma	Managing Director
Shri Rajesh Sharma	Joint Managing Director
Shri Surendra Kumar Kabra	Independent Director
Shri Pradeep Kumar Goenka	Independent Director
Shri Vishwa Nath Chandak	Independent Director (till September 30, 2022)
Shri Abhilash Lal	Independent Director
Smt. Shobha Chaturvedi	Independent Director
Shri Gopal Agarwal	Chief Financial Officer
Shri Bharat Kumar Sajnani	Company Secretary & Compliance Officer

B. Relatives of key management personnel

Smt. Vimal Sharma	Wife of Shri Shyam Sunder Sharmma
Smt. Nirmal Khandelwal	Wife of Shri Vishnu Dutt Khandelwal
Shri Sandeep Khandelwal	Son of Shri Vishnu Dutt Khandelwal
Shri Yash Sharma	Son of Shri Sharad Sharma
Shyam Sunder Sharmma HUF	Shri Shyam Sunder Sharmma is Karta
Vishnu Dutt Khandelwal HUF	Shri Vishnu Dutt Khandelwal is Karta
Sharad Sharma HUF	Shri Sharad Sharma is Karta
Rajesh Sharma HUF	Shri Rajesh Sharma is Karta

C. Entities controlled by key management personnel or their relatives

Sandeep Yarns Private Limited
GPL Finance Limited
GESL Spinners Private Limited

D. Entities over which key managerial personnel are able to exercise significant influence

Ganesh Memorial Trust

33.2 Summary of transactions during the year

(₹ in Lakh)

Particulars	Year ended	Key management personnel	Relatives of key management personnel	Entities controlled by key management personnel or their relatives	Entities over which key management personnel are able to exercise significant influence
Managerial remuneration	March 31, 2023	746.92	-	-	-
	March 31, 2022	406.12	-	-	-
Commission and sitting fee	March 31, 2023	57.60	-	-	-
	March 31, 2022	57.35	-	-	-
Salary and allowances	March 31, 2023	70.15	54.69	-	-
	March 31, 2022	48.72	39.44	-	-
Interest paid	March 31, 2023	42.05	0.34	4.77	-
	March 31, 2022	54.17	3.78	5.87	-
Sale of capital goods, stock in trade and management services	March 31, 2023	-	-	4,188.40	-
	March 31, 2022	-	-	-	-
Lease rent received on investment property	March 31, 2023	-	-	8.99	-
	March 31, 2022	-	-	-	-
Corporate guarantees given to banks*	March 31, 2023	-	-	947.36	-
	March 31, 2022	-	-	-	-
Contribution to trust for CSR expenditure	March 31, 2023	-	-	-	54.74
	March 31, 2022	-	-	-	-
Unsecured loan accepted	March 31, 2023	192.50	-	-	-
	March 31, 2022	877.00	-	47.00	-
Unsecured loan repaid	March 31, 2023	899.00	63.00	91.00	-
	March 31, 2022	410.00	-	-	-
Amount outstanding at balance sheet date					
Unsecured loan payable	March 31, 2023	185.50	-	30.00	-
	March 31, 2022	892.00	63.00	121.00	-
Amounts payable	March 31, 2023	163.50	1.95	0.43	-
	March 31, 2022	402.97	1.87	1.48	-
Amounts receivable	March 31, 2023	-	-	1,497.45	-
	March 31, 2022	-	-	-	-

**A corporate guarantee has been given by Ganesha Ecotech Pvt. Ltd. (group company) to lender banks of GESL Spinners Pvt. Ltd. in respect to the Land given on lease to it. The guarantee amount is restricted to the value of land.*

33.3 No amount has been written off or written back during the year in respect of debts due from or to related parties.

34.0 Financial instruments

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values

A. The fair values of derivatives such as forward/ derivative contracts are on mark to market basis as per bank.

B. The Group has adopted effective interest rate for calculating interest expense. Processing fees and transaction costs relating to each loan has been considered for calculating effective interest rate. The fair values of non-current borrowings are classified as level 3 in the fair value hierarchy due to the use of unobservable inputs including own credit risk.

34.0 Financial instruments *(Contd.)*

C. Loans, investments and other non-current financial assets are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken into account for expected losses of these receivables. The fair value of loans, investments and other non-current financial assets has been considered as equal to their carrying amount. These fair values are classified as level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counter party credit risk.

D. Fair values of cash and cash equivalents, trade receivables, bank balances, current investments, current loans, other current financial assets, trade payables, current borrowings and other financial liabilities are considered to be the same as their carrying amount due to short-term maturities of these instruments.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Financial assets

(₹ in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial assets designated at fair value through profit and loss (FVTPL)						
Current investments	D	Level 2	4,858.95	4,858.95	6,887.51	6,887.51
2. Financial assets designated at fair value through other comprehensive income (FVTOCI)			-	-	-	-
Investment in equity	C	Level 3	592.62	592.62	-	-
3. Financial assets designated at amortized cost						
a) Trade receivables	D	Level 3	11,475.89	11,475.89	11,615.13	11,615.13
b) Cash and cash equivalents	D	Level 3	426.72	426.72	2,210.31	2,210.31
c) Other bank balances	D	Level 3	195.54	195.54	92.86	92.86
d) Loans	C, D	Level 3	8.62	8.62	11.64	11.64
e) Other financial assets	C, D	Level 3	975.84	975.84	1,108.40	1,108.40
		Total	**18,534.18**	**18,534.18**	**21,925.85**	**21,925.85**

34.0 Financial instruments *(Contd.)*

Financial liabilities

(₹ in Lakh)

Particulars	Note reference as mentioned above	Fair value hierarchy	As at March 31, 2023		As at March 31, 2022	
			Carrying amount	Fair value	Carrying amount	Fair value
1. Financial liabilities designated at fair value through profit and loss						
Mark to market of derivative financial instruments	A	Level 2	0.17	0.17	-	-
2. Financial liabilities designated at fair value through other comprehensive income			-	-	-	-
3. Financial liabilities designated at amortized cost						
a) Borrowings	B, D	Level 3	50,546.35	50,546.35	35,782.01	35,782.01
b) Trade payables	D	Level 3	7,358.20	7,358.20	6,412.37	6,412.37
c) Other financial liabilities	D	Level 3	5,299.46	5,299.46	5,012.43	5,012.43
		Total	**63,204.18**	**63,204.18**	**47,206.81**	**47,206.81**

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to their fair values.

35.0 Financial risk management

The Group realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's senior management oversees the management of these risks.

The Group has exposure to the following risks (arising from financial instruments):

- Credit risk
- Liquidity risk
- Market risk

A. Credit risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. The Group is exposed to credit risk mainly from trade receivables, loans given and other financial assets.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on assets as at the reporting date with the risk of default as at the date of initial recognition.

Trade receivables are typically unsecured and derived from revenue earned from customers located in India and abroad. Credit risk is managed by the Group through customer assessment, credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group measures the expected credit loss of trade receivables based on historical trend, industry practice and the business environment in which the entity operates. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables, loans given and other financial assets.

35.0 Financial risk management *(Contd.)*

The allowance for lifetime expected credit loss on trade receivables is as under: (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Allowance for expected credit loss		
Opening balance	58.41	170.38
Impairment loss recognized (net of reversals)	31.14	(111.97)
Closing balance	**89.55**	**58.41**

Loans given and other financial assets are considered to be of good quality and there is no significant credit risk.

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

a) Financing arrangements

The Group believes that it has sufficient working capital to meet its current requirements. Accordingly, no liquidity risk is perceived. Further, the Group is having cash credit facilities from banks of ₹24,137.50 Lakh (March 31, 2022: ₹12,500.00 Lakh), repayable on demand which carry floating rate of interest.

b) Contractual maturities of financial liabilities

(₹ in Lakh)

As at March 31, 2023	0-1 years	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	1,673.84	2,057.55	7,098.32	22,019.70	32,849.41
Current borrowings	17,696.94	-	-	-	17,696.94
Trade payables	7,358.20	-	-	-	7,358.20
Other financial liabilities	5,299.63	-	-	-	5,299.63
Total	**32,028.61**	**2,057.55**	**7,098.32**	**22,019.70**	**63,204.18**

As at March 31, 2022	0-1 years	1-2 years	2-5 years	More than 5 years	Total
Non-current borrowings (including current maturities)	1,727.42	1,456.87	4,288.03	17,903.72	25,376.04
Current borrowings	10,405.97	-	-	-	10,405.97
Trade payables	6,412.37	-	-	-	6,412.37
Other financial liabilities	5,012.43	-	-	-	5,012.43
Total	**23,558.19**	**1,456.87**	**4,288.03**	**17,903.72**	**47,206.81**

C. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e., currency rate, interest rate and other price related risks. Financial instruments affected by market risk include borrowings, loans given, deposits, foreign currency receivables and payables and derivative financial instruments such as forward contracts. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

35.0 Financial risk management *(Contd.)*

i) Foreign currency risk

The Group is exposed to foreign currency risk through operating and financing activities in foreign currency. The Group uses derivative financial instruments, such as foreign currency sale and purchase forward contracts and currency and interest rate swap contracts, to reduce foreign currency risk exposure and follows its risk management policies.

Derivative financial instruments outstanding as at the reporting date (₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
a) Nominal value of forward contracts		
Forward contracts to sell USD	440.27	1259.19
Forward contracts to sell EURO	133.05	-
Forward contracts to buy USD	-	2,440.24
	573.32	**3,699.44**

Foreign exchange forward contracts are used for hedging purposes and not as trading or speculative instruments.

The currency profile of financial assets and financial liabilities (unhedged foreign currency exposure) as at the balance sheet date is as under:

(₹ in Lakh)

Particulars	As at March 31, 2023			As at March 31, 2022		
	USD	EURO	Total	USD	EURO	Total
Financial assets						
Trade receivables	308.63	235.35	543.98	808.74	584.17	1,392.91
Financial liabilities						
Trade and other payables	(130.69)	(116.75)	(247.44)	(135.47)	(32.85)	(168.32)
Net assets/ (liabilities)	**177.94**	**118.60**	**296.54**	**673.27**	**551.32**	**1,224.59**

Foreign currency risk sensitivity

1% increase and decrease in foreign exchanges rate will have the following impact on profit before tax: (₹ in Lakh)

Particulars	As at March 31, 2023		As at March 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
USD	1.78	(1.78)	6.73	(6.73)
EURO	1.19	(1.19)	5.51	(5.51)
Increase / (decrease) in profit before tax	**2.97**	**(2.97)**	**12.24**	**(12.24)**

ii) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligation at floating interest rates.

Exposure to interest rate risk:

Particulars	As at March 31, 2023		As at March 31, 2022	
	(₹ in Lakh)	% of total	(₹ in Lakh)	% of total
Fixed rate borrowings	543.70	1.08%	1,948.56	5.45%
Variable rate borrowings	50,002.65	98.92%	33,833.45	94.55%
Total	**50,546.35**	**100.00%**	**35,782.01**	**100.00%**

35.0 Financial risk management *(Contd.)*

Interest rate sensitivity on variable rate borrowings

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for whole of the year.

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
50 basis points increase would decrease the profit before tax by	(250.01)	(169.17)
50 basis points decrease would Increase the profit before tax by	250.01	169.17

36.0 Capital risk management

The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Group is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. The Group considers the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor's, creditor's and market's confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure in consonance with its long term strategic plans.

The gearing ratio at the end of the reporting period is as under:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Current and non-current borrowings (including current maturities)	50,546.35	35,782.01
Debt (A)	**50,546.35**	**35,782.01**
Total equity (B)	63,788.40	57,361.15
Equity and debt (C =A+B)	**1,14,334.75**	**93,143.16**
Gearing ratio (A/C)	**44.21%**	**38.42%**

37.0 Additional information on the entities forming part of consolidated financial statements as required under Schedule III of the Companies Act, 2013

As at and for the year ended March 31,2023

Name of the entity in the Group	Net Assets, i.e. total assets less total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakh)	As % of consolidated profit or loss	Amount (₹ in Lakh)	As % of consolidated other comprehensive income	Amount (₹ in Lakh)	As % of consolidated total comprehensive income	Amount (₹ in Lakh)
Holding Company								
Ganesha Ecosphere Limited	102.42%	65,335.13	105.56%	7,331.93	100.61%	36.08	105.53%	7,368.01
Indian Subsidiaries								
Ganesha Ecopet Private Limited	2.28%	1,454.48	-0.24%	(16.88)	0.00%	0.00	-0.24%	(16.88)

Name of the entity in the Group	Net Assets, i.e. total assets less total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakh)	As % of consolidated profit or loss	Amount (₹ in Lakh)	As % of consolidated other comprehensive income	Amount (₹ in Lakh)	As % of consolidated total comprehensive income	Amount (₹ in Lakh)
Ganesha Ecotech Private Limited	4.48%	2,855.14	-1.16%	(80.89)	-0.61%	(0.22)	-1.16%	(81.11)
Foreign Subsidiary								
Ganesha Overseas Private Limited	2.19%	1,394.97	-1.05%	(72.89)	0.00%	0.00	-1.04%	(72.89)
Total eliminations/ adjustments	-11.37%	(7,251.32)	-3.10%	(215.29)	0.00%	0.00	-3.08%	(215.29)
Total	**100.00%**	**63,788.40**	**100.00%**	**6,945.98**	**100.00%**	**35.86**	**100.00%**	**6,981.84**

As at and for the year ended March 31,2022

Name of the entity in the Group	Net Assets, i.e. total assets less total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount (₹ in Lakh)	As % of consolidated profit or loss	Amount (₹ in Lakh)	As % of consolidated other comprehensive income	Amount (₹ in Lakh)	As % of consolidated total comprehensive income	Amount (₹ in Lakh)
Holding Company								
Ganesha Ecosphere Limited	101.82%	58,403.71	112.23%	6,954.65	100.00%	3.05	112.22%	6,957.70
Indian Subsidiaries								
Ganesha Ecopet Private Limited	1.69%	971.36	-0.06%	(3.42)	0.00%	0.00	-0.06%	(3.42)
Ganesha Ecotech Private Limited	5.12%	2,936.25	-3.15%	(195.04)	0.00%	0.00	-3.15%	(195.04)
Foreign Subsidiary								
Ganesha Overseas Private Limited	2.56%	1,467.87	-0.16%	(10.18)	0.00%	0.00	-0.16%	(10.18)
Total eliminations/ adjustments	-11.19%	(6,418.04)	-8.86%	(549.08)	0.00%	0.00	-8.86%	(549.08)
Total	**100.00%**	**57,361.15**	**100.00%**	**6,196.93**	**100.00%**	**3.05**	**100.00%**	**6,199.98**

38.0 Trade receivables ageing schedule

a. As at March 31, 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade rceivables							
- considered good	8,588.81	2,779.43	107.65	-	-	-	11,475.89
- considered doubtful	-	-	-	34.68	1.80	53.07	89.55
	8,588.81	**2,779.43**	**107.65**	**34.68**	**1.80**	**53.07**	**11,565.44**
Less: Allowance for doubtful debts							(89.55)
Total							**11,475.89**

38.0 Trade receivables ageing schedule *(Contd.)*

b. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment						
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade rceivables							
- considered good	9,212.78	2,332.30	50.84	18.76	0.45	-	11,615.13
- considered doubtful		-	1.32	0.78	21.82	34.49	58.41
	9,212.78	**2,332.30**	**52.16**	**19.54**	**22.27**	**34.49**	**11,673.54**
Less: Allowance for doubtful debts							(58.41)
Total							**11,615.13**

39.0 Trade payables ageing schedule

a. As at March 31, 2023

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	199.74	-	-	-	-	199.74
ii) Other than MSME	723.09	6,373.70	58.49	2.33	0.85	7,158.46
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
Total	**922.83**	**6,373.70**	**58.49**	**2.33**	**0.85**	**7,358.20**

b. As at March 31, 2022

(₹ in Lakh)

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than one year	1-2 years	2-3 years	More than 3 years	Total
i) MSME	301.54	-	-	-	-	301.54
ii) Other than MSME	768.69	5,339.91	0.98	1.25	-	6,110.83
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - other than MSME	-	-	-	-	-	-
Total	**1,070.23**	**5,339.91**	**0.98**	**1.25**	**-**	**6,412.37**

40.0 Investment Property

Group had undertook setting up of a yarn spinning project which was decided to discontinue later on. The assets created, except land was sold and land was given on long term lease of 29 years to GESL Spinners Pvt. Ltd. (a related party). Accordingly Land has been declassified from property, plant and equipment and categorised as investment property.

41.0 Future lease rent receivable

The future minimum lease rent receivable under non-cancellable operating lease as under:

(₹ in Lakh)

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than one year	20.00	-
Later than one year but not later than five years	80.00	-
Later than five years	545.67	-

42.0 Events occurring after the balance sheet date

a. The Board of Directors of the holding company have recommended dividend of ₹2 per fully paid up equity share of ₹10 each, aggregating to ₹436.59 Lakh for the financial year 2022-23 (March 31, 2022: ₹2.00 per fully paid up equity share of ₹10 each, aggregating ₹436.59 Lakh). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting and the actual dividend amount will be dependent on the share capital outstanding as on the relevant record date/ book closure.

b. Group has commenced commercial production of Recycled Pet Chips and Recycled Filament Yarn (FDY) w.e.f. April 01,2023 at Warangal plant of subsidiary company.

43.0 Insurance claim receivable

Group's claim to the insurance company against damage due to fire of ₹3,009.85 lakh at Kanpur Polyester Staple Fibre (PSF) manufacturing unit of the holding company on June 4, 2021 has been settled by the insurance company at ₹2,500.21 lakh during May, 2023. Accordingly, the Group has provided for the short recovery of insurance claim of ₹509.64 lakh.

44.0 Ganesha Ecosphere Employees' Stock Option Scheme-2021

Pursuant to the "Ganesha Ecosphere Employees' Stock Option Scheme - 2021", Ganesha Employees' Welfare Trust purchased 19,859 equity shares of the holding company during the year from the secondary open market at cost of ₹597.63 per share (March 31, 2022: 19,335 equity shares at cost of ₹485.42 per share). However, no offer was made to eligible employees under the scheme till March 31, 2023. The financial statements of the above trust have been included in the consolidated financial statements of the Group in accordance with the requirement of Ind AS and cost of such treasury shares has been presented as a deduction in other equity.

45.0 Disclosures as per Section 186(4) of the Companies Act, 2013

The details of the loans, guarantees and investments under Section 186 of the Companies Act, 2013 are as follows:

(i) Details of investments made and loans given are provided under the respective heads.

(ii) One of the subsidiary company of the Group has given corporate guarantee of ₹947.36 lakh (March 31, 2022: Nil) to the lenders of the lessee (a related party) in respect of investment property (Land) leased to them. The guarantee is restricted to the value of land and has been provided as per the terms of the lease.

46.0 Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and the Rules made thereunder.

(ii) The Group does not have any transactions with struck off companies under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.

(iii) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(iv) The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vii) The Group does not have any transactions which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income tax Act, 1961).

(viii) The Group is regular in paying its dues and has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

(ix) The Group is in compliance with the number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restrictions on number of Layers) Rules, 2017.

(x) The Group has not entered into any scheme of arrangement, during the year, which has any impact on financial results or position of the Group.

(xi) The Group has not revalued any of its property, plant and equipment (including right-of-use assets) or intangible assets during the year.

(xii) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013) either severally or jointly with any other person that are repayable on demand or without specifying any terms or period of repayment.

(xiii) The Group has used the borrowings from banks for the purpose for which it was taken .

47.0 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date attached
For Narendra Singhania & Co.
Chartered Accountants
Firm Reg. No. 009781N

Narendra Singhania
Partner
Membership No.: 087931

Place: New Delhi
Date: May 25, 2023

For and on behalf of the Board of Directors

Sharad Sharma
Managing Director
DIN: 00383178

Shyam Sunder Sharmma
Chairman
DIN: 00530921

Bharat Kumar Sajnani
Company Secretary
FCS: 7344
Place: Kanpur
Date : May 25, 2023

Gopal Agarwal
Chief Financial Officer
FCA: 075080

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Shyam Sunder Sharmma
Chairman

Shri Vishnu Dutt Khandelwal
Executive Vice Chairman

Shri Sharad Sharma
Managing Director & CEO

Shri Rajesh Sharma
Joint Managing Director

Shri Pradeep Kumar Goenka
Independent Director

Shri Abhilash Lal
Independent Director

Dr. Shobha Chaturvedi
Independent Director

Shri Narayanan Subramaniam
Independent Director

Chief Financial Officer
Shri Gopal Agarwal

Company Secretary
Shri Bharat Kumar Sajnani

Auditors
M/s. Narendra Singhania & Co., Chartered Accountants, New Delhi

Bankers
State Bank of India
Yes Bank Limited
Federal Bank Limited
Axis Bank Limited
Citi Bank N.A.

Administrative office
113/216-B, Swaroop Nagar, Kanpur-208002, Uttar Pradesh
Email: gesl@ganeshaecosphere.com
Tel: +91-512-2555505-06
Fax:+91-512-2555293

Registered Office
Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat,
Uttar Pradesh – 209304.
Email : gesl@ganeshaecosphere.com
Tel: +91-9198708383

Works

Kanpur Unit
Raipur, (Rania), Kalpi Road,
Distt. Kanpur Dehat,
Uttar Pradesh – 209304.

Rudrapur Unit
Plot No. 6, Sector -2, Integrated Industrial Estate, Pantnagar, Uttarakhand - 263153.

Bilaspur Units

a. Khata No. 96 and 97,
Arazi Village Kotha, Ali Nagar,
Pargana and Tehsil Bilaspur,
Distt. Rampur, Uttar Pradesh - 244923.

b. Gata No. 112, Village Temra,
Tehsil Bilaspur, Distt. Rampur,
Uttar Pradesh- 244923.

Website: www.ganeshaecosphere.com

GANESHA ECOSPHERE LTD.

113/216-B, Swaroop Nagar,
Kanpur - 208 002, Uttar Pradesh