

March 25, 2022

National Stock Exchange of India Limited
"Exchange Plaza"
Bandra – Kurla Complex,
Bandra (E), Mumbai – 400 051
NSE Code: GHCL

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

Dear Sir / Madam,

Subject: Approval of the Competition Commission of India ('CCI') in relation to the proposed Scheme of Arrangement between GHCL Limited ('GHCL' or 'Demerged Company') and GHCL Textiles Limited ('GHCL Textiles' or 'Resulting Company') and their respective shareholders and creditors ('Scheme')

Disclosure under Regulation 30(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in continuation to our earlier intimation dated December 6, 2021, wherein it was informed that the Board of Directors of GHCL Limited had approved the Scheme of Arrangement involving demerger of Spinning Business Division of GHCL Limited to GHCL Textiles Limited, subject to receipt of applicable regulatory approvals.

In this regard, we would like to inform you that on March 24, 2022, we received CCI order dated March 15, 2022 in which CCI accorded its approval for the proposed Scheme of Arrangement involving demerger of Spinning Business Division of GHCL Limited to GHCL Textiles Limited. Copy of said approval is attached herewith for your reference & record.

We would like to reiterate that Stock Exchanges (i.e. NSE & BSE), vide their letters dated March 3, 2022, have issued their Observation Letters (NOC) as required under Regulation 37 of the Listing Regulations with 'No adverse observation/ No objection', to the said Scheme and necessary communication was given to the Stock Exchanges on March 4, 2022.

The Scheme remains subject to receipt of other statutory and regulatory approvals, including the approvals of National Company Law Tribunal, and respective shareholders and creditors of GHCL Limited and GHCL Textiles Limited.

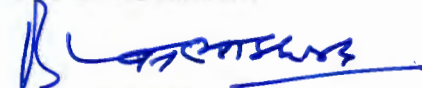
Please note that copy of this intimation is also available on the website of BSE Limited (www.bseindia.com/corporates), National Stock Exchange of India Limited (www.nseindia.com/corporates) and website of the Company (www.ghcl.co.in).

You are requested to kindly take on record.

Thanking You,

Yours Faithfully,

For GHCL Limited

A handwritten signature in blue ink, appearing to read 'Bhuneshwar Mishra', with a horizontal line underneath.

Bhuneshwar Mishra

Sr. GM-Sustainability & Company Secretary



भारतीय प्रतिस्पर्धा आयोग
COMPETITION COMMISSION OF INDIA

By e-mail and /speed post

Comb. Reg. No. C-2022/02/910

24th March, 2022

To,

Mr. Bhuvneshwar Mishra
Sr. GM-Sustainability & Company Secretary
GHCL Limited
"GHCL House", B-38, Institutional Area, Sector-1
Noida – 201301 (U.P.)
Email: bmishra@ghcl.co.in

Subject: Notice filed under sub-section (2) of Section 6 of the Competition Act, 2002 (bearing registration No. C-2022/02/910) filed by GHCL Limited

In the instant case, the Commission has passed an Order dated 15th March, 2022. A certified copy of the Order is enclosed herewith.

2. Please acknowledge the receipt.

Pooja Talish
Secretary (Dc) 24/03/22

Encl: As above



COMPETITION COMMISSION OF INDIA



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15.03.2022

Notice filed by GHCL Limited bearing Combination Registration Number C-2022/02/910

Order

1. On 25.02.2022, the Competition Commission of India (**Commission**) received a notice regarding the proposed Scheme of Arrangement between GHCL Limited (**GHCL/Demerged Company**) and GHCL Textiles Limited (**GHCL Textiles/Resulting Company**) filed by GHCL.
2. It is mentioned in the notice that the proposed transaction relates to the demerger of Spinning Business Division of GHCL into GHCL Textiles pursuant to the Scheme of Arrangement, approved by the Board of Directors of the Demerged Company and Resulting Company on 06.12.2021 (**Proposed Transaction**).
3. Further, it is mentioned that pursuant to the Proposed Transaction, GHCL will retain its chemicals and consumer products business division, and the Resulting Company will be engaged in the demerged Spinning Business Division. The shareholders of GHCL will receive shares in the Resulting Company basis swap ratio of 1: 1 resulting in mirror shareholding pattern of the GHCL and the Resulting Company. The Resulting Company will then not remain a subsidiary of GHCL post the Proposed Transaction, as the pre-demerger capital held by GHCL in the Resulting Company will get cancelled as part of the Scheme.
4. The Parties' have submitted in the Notice that the Proposed Transaction meets the thresholds prescribed under Section 5(a)(i)(A) of the Competition Act, 2002 (**Act**), read with applicable notifications, whereby the Parties have to notify the Proposed Transaction to the Commission if the value of the combined assets of the Parties to the acquisition exceeds Rs. 2,000 crores in India or the combined turnover of Parties to the acquisition exceeds Rs. 6,000 crores in India.





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5. The details of assets and turnover for the relevant year i.e. year ended 31.03.2021 as provided in the Notice are given below:

Table 1: Asset and Turnover for the year ended 31.03.2021

Name of the Parties	Assets (as on 31-Mar-2021)			Turnover (for FY 2020-21)		
	In India	Worldwide		In India	Worldwide	
	(INR crore)	(including India)		(INR crore)	(including India)	
		USD* (million)	INR (crore)		USD* (million)	INR (crore)
GHCL Limited	3,991.33	543.38	3,977.86	2,823.09	396.15	2,900.09
Spinning Business Division (Demerged Division)	979.48	133.80	979.48	609.22	83.22	609.22
Grace Home Fashions LLC	-	5.78	42.33	-	14.38	105.28
Dan River Properties LLC	-	1.17	8.56	-	0.06	0.41
GHCL Textiles Limited	0.01	0.00	0.01	-	-	-

Source: Notice

6. In terms of Section 5 of the Act, the acquisition of one or more enterprises by one or more persons or merger or amalgamation of enterprises shall be a combination of such enterprises and persons or enterprises, if the combining parties exceed the thresholds specified in the Act in terms of assets or turnover in India and abroad.
7. Further, the Notification no. S.O. 988(E) dated 27.03.2017 issued by the Ministry of Corporate Affairs provides that —

“In exercise of the powers conferred by clause (a) of section 54 of the Competition Act, 2002 (12 of 2003), the Central Government, in public interest, hereby exempts the enterprises being parties to — (a) any acquisition referred to in clause (a) of section 5 of the Competition Act;

(b) acquiring of control by a person over an enterprise when such person has direct or indirect control over another enterprise engaged in production, distribution,





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or trading of a similar or identical or substitutable goods or provision of a similar or identical or substitutable service, referred to in clause (b) of section 5 of the Competition Act; and

(c) any merger or amalgamation, referred to in clause (c) of section 5 of the Competition Act,

where the value of assets being acquired, taken control of, merged or amalgamated is not more than rupees three hundred and fifty crores in India or turnover of not more than rupees one thousand crores in India, from the provisions of section 5 of the said Act for a period of five years from the date of publication of this notification in the official gazette.

Where a portion of an enterprise or division or business is being acquired, taken control of, merged or amalgamated with another enterprise, the value of assets of the said portion or division or business and or attributable to it, shall be the relevant assets and turnover to be taken into account for the purpose of calculating the thresholds under section 5 of the Act. The value of the said portion or division or business shall be determined by taking the book value of the assets as shown, in the audited books of accounts of the enterprise or as per statutory auditor's report where the financial statement have not yet become due to be filed, in the financial year immediately preceding the financial year in which the date of the proposed combination falls, as reduced by any depreciation, and the value of assets shall include the brand value, value of goodwill, or value of copyright, patent, permitted use, collective mark, registered proprietor, registered trade mark, registered user, homonymous geographical indication, geographical indications, design or layout design or similar other commercial rights, if any, referred to in sub-section (5) of section 3. The turnover of the said portion or division or business shall be as certified by the statutory auditor on the basis of the last available audited accounts of the company." (Target Exemption notification)

8. Based on the information provided in the Notice, it is noted that in the instant case only a portion of an enterprise i.e., the Spinning Business Division, is being acquired. Therefore, in terms of the Target Exemption notification only the asset and turnover of the the Spinning Business Division, have to be taken into consideration. Further,





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respect to the asset and turnover of the said Division, it is noted that though its assets for FY 2020-21 exceed the threshold of Target Exemption notification i.e., INR 350 crores, its turnover is only INR 609.22 crore i.e., below the threshold of Target Exemption notification (i.e., INR 1,000 crores). Accordingly, the Proposed Transaction appears to get the benefit of Target Exemption notification and, hence, is not a notifiable transaction.

9. The Secretary is directed to communicate the decision of the Commission to the GHCL, accordingly.


Sd/-
Member (SV)

Sd/-
Member (BSB)

Sd/-
Chairperson



Certified True Copy


24/3/2022
अनिल कुमार वशिष्ठ/Anil Kumar Vashisht
सहायक निदेशक/Asstt. Director
प्रारतीय प्रतियर्था आयोग
Competition Commission of India
नई दिल्ली/New Delhi