

June 13, 2024

ज्येष्ठ – शुक्ल पक्ष, सप्तमी  
विक्रम सम्वत् २०८१

To  
**National Stock Exchange of India Limited**  
“Exchange Plaza”  
Bandra – Kurla Complex,  
Bandra (E), Mumbai – 400 051  
**NSE Code: GHCLTEXTIL**

To  
**BSE Limited**  
Corporate Relationship Department,  
1<sup>st</sup> Floor, New Trading Ring, Rotunda Building,  
P.J. Towers, Dalal Street, Fort, Mumbai – 400 001  
**BSE Code: 543918**

Dear Sir/Madam,

**Sub: Filing of 4<sup>th</sup> Annual Report of the Company for the financial year 2023-24 along with Notice to Shareholders for Annual General Meeting(AGM)**

We would like to inform that the 4<sup>th</sup> Annual General Meeting of the Company, is scheduled to be held on **Monday, July 8, 2024 (सोमवार, आषाढ शुक्ल पक्ष – तृतीया, विक्रम संवत् २०८१) at 12.30 p.m. (IST)** through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) inter-alia for conducting general meeting through e-voting vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022, 10/2022 dated December 28, 2022 and 9/2023 dated September 25, 2023 and SEBI circular dated May 12, 2020, dated January 15, 2021, dated May 13, 2022, January 5, 2023 and dated October 7, 2023 (collectively referred to as "Circulars").

We would further like to inform that pursuant to requirement of Regulation 34 read with 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable provisions if any, please find enclosed herewith the 4<sup>th</sup> Annual Report of the Company for the financial year 2023-24, which includes Notice, Board's Report along with report on Corporate Governance, MDA, Audited Financial Statements and Auditors Reports thereon. The dispatch of notice of the 4<sup>th</sup> AGM to the shareholders through emails has been completed on June 13, 2024.

We would further like to inform that as per the Finance Act, 2020, dividends paid or distributed by a Company after April 1, 2020 shall be taxable in the hands of the Shareholders. In compliance with the said Finance Act, Company shall therefore be required to deduct tax at source at the time of making the payment of the said Dividend to the Shareholders.

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

You are requested to kindly take note of the same.

Thanking you

Yours faithfully

**For GHCL Textiles Limited**

**Lalit Narayan Dwivedi**  
**Company Secretary**  
**Membership No.:F10487**

**Encl: Annual Report 2023-24 of the Company including Notice of 4<sup>th</sup> AGM**

GHCL Textiles Limited (Formerly Sree Meenakshi Mills)

GHCL House, B- 38, Institutional Area, Sector- 1, Noida- 201301 (U.P.), India. Ph. : +91 - 120 - 2535335, 4939900

CIN : L18101GJ2020PLC114004, E-mail : [info@ghcltextiles.co.in](mailto:info@ghcltextiles.co.in), Website : [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in)

# ANNUAL REPORT 2023-2024

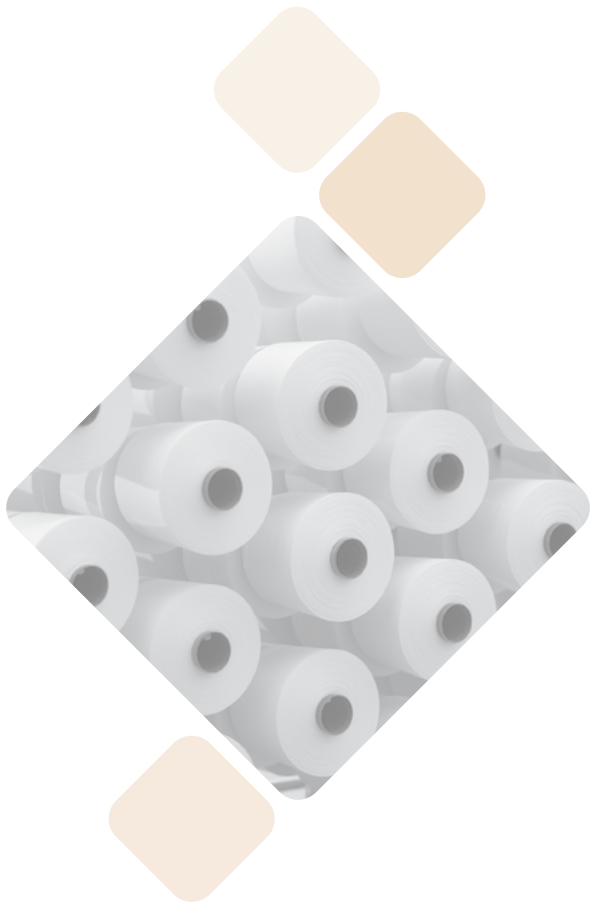


**GHCL TEXTILES LIMITED**





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## Details of 4th Annual General Meeting

**Day, Date and Time of AGM:** Monday, July 08, 2024 at 12.30 P.M.

**Details of Remote E-Voting**

Record date / cut-off date: Monday, July 01, 2024

**Start date and time:** Wednesday, July 03, 2024 at 09:00 AM

**End date and time:** Sunday, July 07, 2024 at 05:00 PM

As per SEBI Circular dated October 07, 2023, company will send digital copy of the annual report to its shareholders and physical copy on demand



## Company Information

### Board of Directors

**Mr. Anurag Dalmia**

Non-Executive Chairman  
(w.e.f. May 06, 2024)

**Mrs. Vijaylaxmi Joshi (Retd. IAS)**

Independent Director

**Dr. Manoj Vaish**

Independent Director

**Justice Ravindra Singh (Retd.)**

Independent Director (w.e.f. April 01, 2024)

**Mr. Arun Kumar Jain (Retd. IRS)**

Independent Director

**Mr. R S Jalan**

Non-Executive Director

**Mr. Raman Chopra**

Non-Executive Director

**Mr. Neelabh Dalmia**

Non-Executive Director

### Key Managerial Personnel

**Mr. R Balakrishnan**

CEO

**Mr. Gaurav V.**

CFO

**Mr. Lalit Narayan Dwivedi**

Company Secretary

### Registered Office

“GHCL House”

Opp. Punjabi Hall, Navrangpura  
Ahmedabad -380009 (Gujarat)  
Ph No. 079- 26434100

### Corporate Office

“GHCL House”

B-38, Institutional Area  
Sector-1, Noida-201301 (U.P.)  
Ph: 0120- 4939900,

Email: [secretarial@ghcltextiles.co.in](mailto:secretarial@ghcltextiles.co.in)

[info@ghcltextiles.co.in](mailto:info@ghcltextiles.co.in)

Website: [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in)

### Company Identification No.

L18101GJ2020PLC114004

### Statutory Auditor

S.R. Batliboi & Co., LLP  
Chartered Accountants, Gurugram

### Secretarial Auditor

Chandrasekaran Associates  
Company Secretaries, New Delhi

### Cost Auditor

R J Goel & Co.  
Cost Accountants, New Delhi

### Plant Location

**Madurai unit**

Paravai, Samayanallur P.O,  
Distt. Madurai,  
Tamil Nadu – 625402

**Manaparai Unit**

Thiagesar Alai P.O, Manaparai,  
Distt. Trichy,  
Tamil Nadu - 621312

### Bankers / Financial Institutions

State Bank of India  
Export Import Bank of India  
HDFC Bank  
IDBI Bank  
Union Bank of India  
Bank of Baroda  
ICICI Bank  
CTBC Bank

### Registrar and Share Transfer Agent (RTA)

Link Intime India Private Limited,  
C101, 247 Park, L. B. S. Marg,  
Vikhroli (West), Mumbai 400083.  
Tel No: +91 8108116767 Fax: +912249186060  
Email : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## GHCL Textiles Limited

(CIN: L18101GJ2020PLC114004)

Registered Office: GHCL House, Opp. Punjabi Hall,  
Navrangpura, Ahmedabad – 380009 (Gujarat)

Email: [info@ghcltextiles.co.in](mailto:info@ghcltextiles.co.in), [secretarial@ghcltextiles.co.in](mailto:secretarial@ghcltextiles.co.in)

Website: [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in)

Phone: 079- 26434100

## Notice of 4<sup>th</sup> Annual General Meeting

Dear Member,

NOTICE is hereby given that 4th Annual General Meeting of the members of GHCL Textiles Limited (CIN: L18101G-J2020PLC114004) will be held on Monday, July 08, 2024 (सोमवार, आषाढ - शुक्लपक्ष तृतीया, विक्रम संवत् २०८१) at 12.30 P.M. through Video Conferencing (VC) or Other Audio Visual Means (OAVM),) to transact the following businesses:

### ORDINARY BUSINESSES:

#### **Item no. 1: Adoption of audited financial statements of the Company for the financial year ended March 31, 2024, and the reports of the Board of Directors and Auditors thereon.**

To consider and pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the audited financial statements of the Company for the financial year ended March 31, 2024 together with the Reports of the Board and Independent Auditors thereon and other Annexures and attachment therewith, as circulated to the members be and are hereby received, considered, approved and adopted.”

#### **Item no.2: Declaration of dividend for the financial year ended on March 31, 2024**

To consider and pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT dividend of ₹ 0.50 (Fifty Paise) per equity share of ₹ 2/- each, aggregating to ₹ 4.78 crores./- (i.e. 25% on the paid-up equity share capital of the Company), as recommended by the Board of Directors of the Company, be and is hereby declared for the financial year ended on March 31, 2024.”

#### **Item no. 3: Re-appointment of Mr. Neelabh Dalmia (DIN: 00121760) as a Director of the Company, liable to retire by rotation.**

To consider and if thought fit to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Neelabh Dalmia (DIN: 00121760) who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as Director of the Company liable to retire by rotation.”

### SPECIAL BUSINESS:

#### **Item No. 4: Approval for conversion of loan into equity shares in case company is in default of terms of loan agreement.**

To consider and pass the following resolution as **Special Resolution**:

“RESOLVED THAT pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 and subject to all such approvals, permissions or sanctions as may be necessary, approval of members be and is hereby

accorded in respect of the financial assistance extended / to be extended by the Financial Institutions/Banks (including working capital, Term Loan Facility etc.), that in the event of default by the Company under the lending arrangements or upon exercise of an option provided under the lending arrangements, Bank / Financial Institution at its option may be able to convert the outstanding facility or part thereof into Equity Shares of the Company upon such terms and conditions of such lending arrangements and / or as deemed appropriate by the Board (including Committee thereof) at a price to be determined in accordance with the applicable SEBI regulations and /or other provisions, at the time of conversion.”

“RESOLVED FURTHER THAT on receipt of the notice of conversion, the Board (including Committee) be and is hereby authorized to do all such acts, deeds and things as the Board may deem necessary and shall allot and issue the requisite number of fully paid-up Equity Shares of the Company to such Bank / Financial Institution.”

“RESOLVED FURTHER THAT the Equity Shares to be so allotted and issued to the lenders pursuant to its exercising the right of conversion shall rank pari-passu in all respects with the then Equity Shares in the Company and be listed on the Stock Exchanges where the existing shares of the Company are listed.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors (including the committee thereof), be and is hereby authorized and empowered to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to offer / issue, allotment and utilization of the proceeds and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit.”

Registered Office:  
GHCL HOUSE  
Opp. Punjabi Hall  
Navrangpura, Ahmedabad - 380009

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

Sd/-  
Lalit Narayan Dwivedi  
Company Secretary  
Membership No.: FCS 10487

Dated: May 06, 2024

## NOTES:

1. The Board of Directors of the Company is convening this Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue, in terms of the framework prescribed by the Ministry of Corporate Affairs (MCA) vide General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, followed by General Circular Nos. 20/2020 dated May 5, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023 (collectively referred to as ‘MCA Circulars’) and SEBI Circulars dated May 12, 2020, January 5, 2023 and October 07, 2023 (collectively referred to as “SEBI Circulars”) and applicable Secretarial Standards (SS-2) and other applicable provisions, if any (including any statutory modification or re-enactment thereof for the time being in force), and on account of the threat posed by COVID-19 and considering the urgency of the matter, the Board of Directors of the Company is convening this Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) in terms of the framework prescribed by the Ministry of Corporate Affairs (MCA) vide its Circulars. The deemed venue for the AGM shall be the Registered Office of the Company. The facility of VC or OVAM and also casting votes by a member using remote e-voting as well as venue voting system on the date of the AGM will be provided by CDSL. The framework prescribed by MCA in said circulars would be available to the members for effective participation in following manner:
  - a. The Company is convening 4<sup>th</sup> Annual General Meeting (AGM) through VC / OAVM and no physical presence of members, directors, auditors and other eligible persons shall be required for this annual general meeting.

- b. VC / OAVM facility provided by the Company, is having a capacity to allow at least 1000 members to participate the meeting on a first-come-first-served basis. However, the large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, KMPs, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors etc. may be allowed to attend the meeting without restriction on account of first-come-first-served principle.

In accordance with, the General Circular No. 20/2020 dated May 05, 2020 and 09/2023 dated September 25, 2023 issued by MCA and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI, Notice of 4<sup>th</sup> AGM and financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) for FY 2023-24, are being sent only through email to all members, who are holding shares of the Company as on May 24, 2024 (i.e. based on Benepose report after the Board Meeting in which notice is approved) on their registered email id with the company and no physical copy of the same would be dispatched. 4<sup>th</sup> Annual Report containing Notice, financial statements and other documents are also available on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)) where the Company's shares are listed and is also available on the website of the Company ([www.ghcltextiles.co.in](http://www.ghcltextiles.co.in)).

- c. The Company is providing two-way teleconferencing facility or WebEx for the ease of participation of the members.
- d. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company.
- e. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

Participants i.e. members, directors, auditors and other eligible persons to whom this notice is being circulated are allowed to submit their queries / questions etc. before the general meeting in advance on the e-mail address of the company at [secretarial@ghcltextiles.co.in](mailto:secretarial@ghcltextiles.co.in). Further, queries / questions may also be posted concurrently during the general meeting at given email id.

- f. Members, directors, auditors and other eligible persons to whom this notice is being circulated can attend this annual general meeting through video conferencing at least 15 minutes before the schedule time and shall be closed after expiry of 15 minutes from the scheduled time.
- g. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
2. Process for those Members whose email Ids addresses are not registered with the company / depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:
- a) For Demat Members -**, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company ([secretarial@ghcltextiles.co.in](mailto:secretarial@ghcltextiles.co.in)) / RTA ([rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)).
- b) For Individual Demat shareholders -** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business in the notice is annexed hereto.



4. The relevant details of the director seeking re-appointment under Items No. 2, as required under Regulation 36(3) of the Listing Regulations read with applicable provisions of the Companies Act, 2013 and relevant Secretarial Standards is given herein below.

<b>Profile</b>	
Full Name	Mr. Neelabh Dalmia
DIN	00121760
DoB	August 16,1983
Age	40 years
Original Date of Appointment	17.06.2020
Qualification	Master of Business Administration (MBA) and a Bachelor's of Science in Business Administration majoring in Finance & Entrepreneurship from the Kelley School of Business at Indiana University, USA.
Nature of expertise in specific functional areas/ Experience and Expertise	Mr. Neelabh Dalmia have a vast experience and expertise in the field of CSR, EHS, Sustainability, Governance, industry and general management Corporate governance, Leadership, Strategic thinking, public policy and public advocacy.
Remuneration last drawn (including sitting fees)	As mentioned in the Report on Corporate Governance
Terms and conditions of appointment or re-appointment along with Remuneration to be paid	As mentioned in the Report on Corporate Governance.
Number of board meetings attended during FY 2023-24	4/4
Shareholding (Equity Shares) including shareholding as a beneficial owner]	1,68,150 (0.18%) equity shares
Relationship with other directors, Manager, and KMP	Mr. Anurag Dalmia, Non Executive Chairman of the Company is father of Mr. Neelabh Dalmia.
Membership of committees of the Company	1. Stakeholders Relationship Committee 2. Banking & Operations Committee 3. CSR Committee 4. Risk Management Committee
Chairperson of committees of the Company	None
Directorships held in other companies	GHCL Limited
Membership of committees held in other Indian companies	1. Stakeholders Relationship Committee 2. Banking & Operations Committee 3. CSR Committee 4. Risk & Sustainability Committee
Chairpersonship of committees held in other Indian Companies	None

Names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years	None
The skills and capabilities required for the role and the manner in which the proposed person meets such requirements	As mentioned in the Report on Corporate Governance.

\* Above details pertaining to Mr. Neelabh Dalmia is as on date of this notice i.e. May 06, 2024

5. Board composition of GHCL Textiles Limited as on March 31, 2024 and directors' attendance at Board meeting and in previous Annual General Meeting.

S. No.	Name	Date of Board Meeting & Attendance				AGM Attendance (September 09, 2023)
		April 12, 2023	August 07, 2023	November 03, 2023	February 03, 2024	
1	Dr. Manoj Vaish	Yes	Yes	Yes	Yes	Yes
2	Mrs. Vijaylaxmi Joshi	Yes	Yes	Yes	Yes	Yes
3	Mr. Arun Kumar Jain	Yes	Yes	Yes	Yes	Yes
4	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes
5	Mr. Raman Chopra	Yes	Yes	Yes	Yes	Yes
6	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes

**Note:** Subsequent to the financial year 2023-24, Mr. Anurag Dalmia and Justice Ravindra Singh (retd.) were appointed as Non Executive Directors of the Company w.e.f. April 01, 2024

6. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts, if any.
7. Members are requested to send their queries, if any, at least seven (7) days in advance of the meeting so that the information can be made available at the meeting.
8. Voting through electronic means:
- In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulations") and any other applicable provisions, the Company is pleased to provide members the facility to exercise their right to vote at the 4<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through Remote e-Voting Services provided by Central Depository Services (India) Limited (CDSL).
  - A member may exercise his vote at any general meeting by electronic means and Company may pass any resolution by electronic voting system in accordance with the Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulation read with the MCA circulars.
  - During the remote e-voting period, members of the Company, holding shares as on the cut-off date i.e. **Monday, July 01, 2024** may cast their vote electronically. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. As per Explanation (ii) of Rule 20 of the Companies (Management and Administration) Rules, 2014, cut-off date means a date not earlier than 7 days before the date of general meeting.

- (d) The remote e-voting period commences at 9:00 a.m. (IST) on **Wednesday, July 03, 2024** and ends at 5:00 p.m. (IST) on **Sunday, July 07, 2024**. The e-voting module shall be disabled by CDSL for voting thereafter.
- (e) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (f) The facility for voting, through electronic voting system, shall also be made available during the meeting and 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. The 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.

**(g) Instructions for members for remote e-voting are as under:**

**Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

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

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

Pursuant to said SEBI Circular, login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode (NSDL/CDSL) is given below:

Type of Members	Login Method
Individual Members holding securities in Demat mode with <b>CDSL</b>	<p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</p> <p>After successful login the Easi / Easiest user will 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 or joining virtual meeting &amp; voting during the meeting. Additionally, there is 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.</p>

Type of Members	Login Method
	<p>If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Members holding securities in demat mode with <b>NSDL</b></p>	<p>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p>Individual Members (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

**Step 2: Access through CDSL e-Voting system in case of non-individual shareholders in demat mode.**

- h. Login method of e-Voting for Members (including HUF) other than individual Members.

Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)

Click on “Members” tab.

Now Enter your User ID

- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (i) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

- (ii) If you are a first-time user follow the steps given below:

	For other than individual shareholders holding shares in Demat.
PAN*	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.  If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (iii) After entering these details appropriately, click on “SUBMIT” tab.
- (iv) Members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (v) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (viii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (ix) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xi) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xii) There is also an option to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification

**Note for Non – Individual Members and Custodians for remote voting only**

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

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

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

**Step 4:** The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.

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

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

9. The instructions for Members voting on the day of the AGM on e-voting system are as under: -
- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
  - ii. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
  - iii. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
  - iv. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
  - v. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
  - vi. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.



Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **seven days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at ([secretarial@ghcltextiles.co.in](mailto:secretarial@ghcltextiles.co.in)). These queries will be replied to by the company suitably by email.

Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

- vii. Only those Members/ Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available in the AGM.
- viii. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
- ix. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

10. Instructions for members for attending the AGM through VC / OAVM are as under:

Member will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Members may access the same at <https://www.evotingindia.com> under Members / members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

Members are encouraged to join the Meeting through Laptops/Personal Computers for better experience.

Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.

Please note that Participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network.

It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Members who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request 7 days prior to Meeting mentioning their name, demat account number/folio number, email id, mobile number at [secretarial@ghcltextiles.co.in](mailto:secretarial@ghcltextiles.co.in) and register themselves as speaker. Only those who have registered themselves as a speaker will be allowed to express their views/ask questions during the meeting.

Company is providing two-way teleconferencing facility or WebEx for the ease of participation of the members. Recorded transcript of the meeting shall be uploaded on the website of the Company and the same shall also be maintained in safe custody of the Company.

11. For Assistance / Queries for e-voting etc.

Login type	Helpdesk details
Individual Members holding securities in Demat mode with <b>CDSL</b>	If you have any queries or issues regarding attending e-voting from the e-voting system, you may refer the Frequently Asked Questions (“ <b>FAQs</b> ”) and e-voting manual available at <a href="http://www.evotingindia.com">www.evotingindia.com</a> under help section or write an email to <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no.1800225533  All grievances connected with the facility for voting by electronic means may be addressed to <b>Mr. Rakesh Dalvi, Sr. Manager, (CDSL)</b> Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to <a href="mailto:helpdesk.evoting@cDSLindia.com">helpdesk.evoting@cDSLindia.com</a> or contact at toll free no.1800225533.
Individual Members holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

12. Members holding shares in electronic form may update such details (bank, address, email etc.) with their respective Depository Participant.

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

14. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than 48 hours from the conclusion of meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.

The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in) and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

15. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested, and all documents referred in the Notice and Explanatory Statement will be available for electronic inspection by the members, without any fee, by the members from the date of circulation of this Notice up to the date of AGM i.e. July 08, 2024. Members seeking to inspect such document(s) can send an email to [secretarial@ghcltextiles.co.in](mailto:secretarial@ghcltextiles.co.in)

16. TDS on dividend: Pursuant to the Income Tax Act, 1961 /Finance Act, 2020, dividend income is taxable in the hands of shareholders 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, please refer to Income Tax Act, 1961 and the Finance Act, 2020, and /or of the respective year. The shareholders are requested to update their PAN with the Depository Participants (DPs) (if shares held in dematerialized form) and. For further details please refer to website of the Company [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in).



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****Item no. 4:**

In order to meet working capital and capex requirement of the Company in the ordinary course of its business, management of the company used to approach banks / financial institutions / lending institutions and avail loans (short terms or long term) or corporate purposes loan etc. on mutually agreed terms and conditions.

The terms and conditions of sanction letter stipulated a condition of obtaining shareholders approval by way of passing Special Resoluton which can facilitate to the lending Instituions/Banks / financial Institution and give a right for converions of loan into equity shares of the Company, on the options of the lending institutions/ Banks / Financial Institution, in case of default of covenant of Agreement / terms of borrowing.

The proposed resolution is an enabling resolution under the provisions of the Section 62(3) and other applicable provisions of the Companies Act, 2013 in view of the fact that under the lending arrangements, the Bank(s) / Financial Institution(s) or lenders (for working capital, Term Loan Facility etc.) insist for inclusion of an option to convert the outstanding facility into Equity in the event of default or upon exercise of an option provided under the lending arrangements / facility agreements, then with the proposed approval of the members by way of Special Resolution, the Company may issue equity shares for conversion of loan as per the terms agreed upon between the Company and the Bank/Lenders.

**Registered Office:**

GHCL HOUSE  
Opp. Punjabi Hall  
Navrangpura, Ahmedabad - 380009

Dated: May 06, 2024

By Order of the Board  
for **GHCL Textiles Limited**

Lalit Narayan Dwivedi  
Company Secretary  
Membership No.: FCS 10487

# Board's Report

## Dear Shareholders,

Your directors have pleasure in presenting before you the 4<sup>th</sup> Board's Report and the Audited Statement of Accounts of the Company for the financial year ended 31<sup>st</sup> March 2024.

In this report, we highlight the key achievements, challenges, and progress made by our company during the previous year. We delve into the core aspects of our business, including our financial performance, operational activities, governance practices, risk management, and our contributions to the environment, society, and stakeholders.

## Financial results and state of affairs

Your directors are pleased to inform that the Scheme

of Arrangement consisting of demerger of Spinning Division of GHCL Limited ("Demerged Company") into GHCL Textiles Limited ("Resulting Company") has been sanctioned by the Hon'ble National Company Law Tribunal, Ahmedabad (NCLT) vide its order dated February 8, 2023 and certified copy of the NCLT order was received on March 14, 2023.

The Scheme of Arrangement has become effective from April 1, 2023 ('Effective Date').

Please further note that with effect from April 01, 2023 (effective date of Scheme), Company started its business operation. The summary of the financial performance of the Company for the financial year ended March 31, 2024 (compared to the previous year ended on March 31, 2023) as follows:

Particulars	Rs. in crores	
	Year ended March 31, 2024	Year ended March 31, 2023
Net Sales /Income	1059.50	-
Gross profit before interest and depreciation	89.26	(0.01)
Finance Cost	7.35	-
Profit before depreciation and amortisation	81.91	-
Depreciation and Amortisation	47.36	-
PBT before exceptional items	34.55	(0.01)
Profit before Tax (PBT)	34.55	(0.01)
Tax Expenses	9.50	-
Profit after Tax	25.05	(0.01)
Profit for the year	25.05	(0.01)
Other comprehensive income (OCI)	1.44	-
Total Comprehensive income for the period	26.49	(0.01)
Balance brought forward from last year	(0.01)	(0.00)
Appropriations		
FVTOCI Reserve	-	-
Final Dividend	-	-
Balance carried to Balance Sheet	26.48	(0.01)

The Management and Analysis Report (MDA) provide detailed discussions on the financial results, operations, and major developments. The financial statements have been prepared in accordance with the Indian Accounting Standard (Ind AS). Adhering to Ind AS ensures compliance, transparency, and reliability in financial reporting, accurately presenting the company's financial position, performance, and cash flows. Stakeholders are encouraged to review the MDA for a comprehensive understanding of our performance and value creation efforts.

## DIVIDEND

We are pleased to announce that in accordance with our Dividend Distribution Policy, the Board of Directors has recommended a dividend of Rs. 0.50 (Fifty paise) per equity share of Rs. 2/- each, representing 25 % on the paid-up equity share capital, for the financial year ending on March 31, 2024.

The proposed dividend on equity shares is subject to the approval of the shareholders at the upcoming Annual General Meeting (AGM) scheduled on Monday, July 08, 2024.

Upon approval by the shareholders, the dividend will be paid after the AGM, commencing from July 08, 2024 (Monday). The Record Date for determining the shareholders eligible for the dividend will be July 01, 2024 (Monday). The total dividend payout for the fiscal year 2023-24 will be in accordance with our dividend distribution policy.

In compliance with the provisions of Section 194 of the Income Tax Act, 1961, our company is obligated to deduct Tax Deducted at Source (TDS) at a rate of 10% on dividend payments. However, it is important to note that if the aggregate amount of dividends payable to an individual resident shareholder is up to Rs. 5000, no TDS is deducted. Furthermore, no TDS is applicable for dividend payments made to entities such as Life Insurance Corporation, General Insurance Corporation of India, specified insurers, and Mutual Funds, as mentioned under Section 10(23D) of the Income Tax Act. For non-resident shareholders, as per Section 195 of the Income Tax Act, 1961, TDS is required to be deducted

at a rate of 20% along with the applicable surcharge on dividend payments.

Our company remains committed to adhering to the applicable regulatory requirements, promoting transparency, and maximizing shareholder value through responsible dividend distribution practices.

## TRANSFER TO RESERVES

The Board of Directors has decided that no amount of profit for FY 2023-24 shall be transferred to the reserve account.

## SHARE CAPITAL

As of March 31, 2024, the paid-up Equity Share Capital of the company is Rs. 19,11,71,572 comprising of 9,55,85,786 equity shares of Rs. 2/- each. In comparison, as of March 31, 2023, the paid-up Equity Share Capital was Rs. 1,00,000 comprising of 50,000 equity shares of Rs. 2/- each.

## SCHEME OF ARRANGEMENT IN THE NATURE OF DEMERGER

The Scheme of demerger for the Yarn business of the GHCL Limited (Demerged Company) with GHCL Textiles Limited (Resulting Company), which was effective on April 1, 2023, successfully completed during the year.

In terms of Clause 6.1 to 6.4 of the approved demerger scheme, the authorized capital of GHCL Textiles Limited increased from Rs. 15 lakhs to Rs. 35.15 Crore and accordingly clause 5 of the memorandum of association of the Company was modified. Further, as per clause 7.2.4 of the Scheme, the initial investment made by Demerged Company in the share capital of Resulting Company was cancelled.

Pursuant to the requirement of approved Scheme, the Board of Directors of the Company in its meeting held on April 12, 2023, had approved the allotment of 9,55,85,786 equity shares of Rs. 2 each to the shareholders of GHCL Limited (Demerged Company), whose names appear in the register of members as on the Record Date i.e. April 8, 2023, in swap ratio of 1 (One) equity share of the Resulting Company of face value of Rs. 2/- each fully paid-up for every 1 (One) equity share held in the Demerged

Company of face value of Rs. 10 each fully paid-up. Stock Exchanges (BSE & NSE) had granted their final approval for listing of Shares of GHCL Textiles Limited on June 8, 2023 and trading of said shares on stock exchanges started from June 12, 2023.

Please also note that the proportion in which the cost of acquisition of the equity share were split between Demerged Company and Resulting Company for the purpose of computing the capital gain/loss as per the provisions of Sections 49(2C) and 49(2D) of the Income Tax Act, 1961 ('IT Act'). Accordingly, the cost of acquisition of equity shares of GHCL Limited (i.e. the Demerged Company) is 65.45% and the cost of acquisition of equity shares of GHCL Textiles Limited (i.e. the Resulting Company) is 34.55%. Now, all the formalities related to demerger of spinning division have been completed:

### Suspense Escrow Account:

All the Shareholders, who were holding shares of GHCL Limited (Demerged Company) in physical mode as on record date (i.e. April 08, 2023) were entitled for shares of GHCL Textiles Limited (Resulting Company). However, in accordance with the SEBI (Issue of Capital and Disclosures Requirements) Regulations, 2018 and as per approved Scheme, equity shares have been issued in Dematerialized form only. Hence, equity shares of GHCL Textiles Limited which were allotted to the physical shareholders, of Demerged Company (GHCL Limited) have been kept in suspense escrow account of the Company, opened for this purpose.

Your Company had sent intimation letter alongwith detailed procedure for claiming entitled shares in GHCL Textiles Limited at the address available with the RTA. Detailed procedure and necessary Forms for claiming said shares from Suspense Escrow Demat Account of the Company are available on the website of the Company on the following link <https://ghcltextiles.co.in/claim-procedure-physical-shares>.

Physical shareholders of Demerged Company who were holding shares of Demerged Company on record date, should submit their claim with requisite documents and completed forms to the RTA, who will process the request. Details of shares laying in Suspense Escrow Account is as follows:

Particulars	No. of shareholders	No. of shares
Shares transferred in Suspense Escrow Demat Account as on April 12, 2023	8468	19,96,007
shares claim processed during the year	153	41,979
Shares outstanding as on March 31, 2024	8315	19,54,028

### Investor Education and Protection Fund (IEPF)

GHCL Textiles Limited allotted and credited 10,90,366 equity shares of the Company as per entitlement of the Shareholders, who were holding shares of GHCL Limited (Demerged Company) as on record date (i.e. April 08, 2023), and whose share were already transferred in IEPF account by Demerged Company (i.e. GHCL Limited). Shareholder can claim shares of GHCL Textiles Limited as per their entitlement from IEPF by filing form IEPF-5. Detailed procedure for claiming shares from IEPF account is also available on the website of the Company <https://ghcltextiles.co.in/claim-procedure-iepf>.

### BOARD MEETINGS

The Board meetings of your company are normally planned in advance in consultation with the Board Members. However, in certain emergency situation, Board meeting was also convened on shorter notice after complying necessary requirement for the same. During the financial year ended March 31, 2024, the Board of Directors met four times (i.e. on April 12, 2023, August 07, 2023, November 03, 2023 and February 03, 2024) to review strategic, operational and financial performance of the company. The details of the board's meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

### DIRECTORS

- (i) Your directors are pleased to inform that Mr. Neelabh Dalmia, is director retiring by rotation and being

eligible, offer himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

- (ii) Your directors are pleased to inform that the Board of Directors of the Company appointed Ms. Vijaylaxmi Joshi, Mr. Manoj Vaish and Mr. Arun Jain as Additional Director(s) in the category of Independent Director(s) of the Company w.e.f March 06, 2023 for a term of two consecutive years, subject to the approval of the shareholders of the Company. The shareholders of the Company at their 3rd AGM held on September 09, 2023, have approved their appointment as Independent Directors w.e.f March 06, 2023, up to March 05, 2025
- (iii) Your directors are pleased to inform that based on the recommendations of the Nomination and Remuneration Committee as well as Board of Directors, the shareholders by passing requisite resolutions through Postal Ballot/remote e-voting dated March 16, 2024, have approved the appointment of two directors i.e. (i) Mr. Anurag Dalmia as Non-Executive Director and (ii) Justice Ravindra Singh (Retd.) as Independent Director of the Company. Justice Ravindra Singh (Retd.) has been appointed for a period of two years. The effective date of appointment of Directors is April 01, 2024.

All Independent Directors have provided declarations confirming their independence and stating their ability to discharge their duties objectively and without external influence. Compliance with Section 149(6) of the Companies Act, 2013, and Regulation 16(1) (b) & Regulation 25(8) of the SEBI Listing Regulations is duly ensured. Additionally, no director is debarred from holding the office of director as per any SEBI order or or any other authority, as per the circular on the “enforcement of SEBI Order regarding appointment of directors by listed companies” dated June 20, 2018.

In the opinion of the Board, the Independent Directors on the Board of the Company possess the requisite qualifications, experience, expertise, proficiency and hold high standards of integrity in terms of Rule 8 of the Companies (Accounts) Rules, 2014.

(iv) **Procedure for Nomination and Appointment of Directors**

Detailed information regarding the nomination and appointment process of Directors, along with the list of core skills, expertise, and competencies of the Board of Directors, can be found in the Corporate Governance Report, which is included as part of the Annual Report. The Corporate Governance Report provides comprehensive insights into the governance practices of the company, ensuring transparency and accountability in the selection and composition of the Board of Directors.

(v) **Familiarization program for Independent Directors:**

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. At the time of appointment of a Director (including Independent Director), a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained the compliance required from him / her under the Companies Act, 2013, Listing Regulations and other applicable laws. The management of the Company also has a one to one discussion with the newly appointed Director to familiarize him with the Company’s operations. On the request of the individual director, site visits to various plant locations will be organized by the company for the directors to enable them to understand the operations of the company. Further, on an ongoing basis as a part of Agenda of Board & Committee meetings, presentation is regularly made on various matters inter alia covering the Company’s business and operations, industry and regulatory updates.

(vi) **Board Evaluation**

In accordance with the Companies Act, 2013, SEBI Guidance Note on Board evaluation issued vide

SEBI Master Circular dated July 11, 2023, and the relevant provisions of the SEBI Listing Regulations, 2015, the Board of Directors conducted annual evaluation of its own performance, as well as that of its Committees and individual Directors. The evaluation process involved separate meetings of the independent directors and the Board as a whole.

The Board assessed the effectiveness of its functioning, the Committees' performance, and the individual Directors' contributions based on feedback gathered from Directors and committee members. The performance evaluation of the independent directors took place during Board meeting held on November 03, 2023, excluding the director being evaluated.

A dedicated meeting of the Independent Directors was conducted on October 26, 2023, to review the performance of non-independent Directors, the overall performance of the Board and its Committees. This evaluation considered input from both all the Directors.

To facilitate the evaluation process, an electronic application was utilized, ensuring secure and efficient data management while reducing paper usage. The criteria for performance evaluation were broadly based on the SEBI Guidance Note on Board Evaluation, encompassing aspects such as committee structure and composition, effectiveness of committee meetings, and more.

The performance evaluation of the Board and its constituents focused on various factors, including their functions, responsibilities, competencies, strategy, tone at the top, risk identification and control, diversity, and nature of the business. A comprehensive questionnaire was circulated to Board members, covering multiple aspects of the Board's functioning, culture, execution of duties, professional obligations, and governance. The questionnaire aimed to assess directors' knowledge, independence in decision-making, involvement in business planning, constructive engagement with colleagues, and understanding of the company's risk profile. Additionally, the Chairman of the Board and/or committee was evaluated based on leadership, coordination, and steering skills.

The Nomination and Remuneration Committee reviewed the performance of individual Directors, considering their contributions as members of the Board or its committees. The committee determined the quantum of profit-based commission payable to directors based on the overall performance of individual directors.

These evaluation processes ensure that the Board operates effectively, individual Directors contribute significantly, and appropriate remuneration is provided based on performance.

### KEY MANAGERIAL PERSONNEL

Pursuant to Section 203 read with Section 2(51) of the Companies Act, 2013, the Board of Directors in its meeting held on March 6, 2023 has appointed Mr. R Balakrishnan, CEO of the Company, Mr. Gaurav V, CFO of the Company and Mr. Lalit Narayan Dwivedi, Company Secretary and Compliance Officer of the Company as the Key Managerial Personnel of the Company.

It is noteworthy that there have been no changes in the Key Managerial Personnel during the year. The continuity in the composition of the Key Managerial Personnel ensures stability and consistency in the management and operations of the company.

### MANAGERIAL REMUNERATION & PARTICULARS OF EMPLOYEES

Disclosures regarding remuneration and other relevant details, as required by Section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, have been provided as an Annexure to this report.

As per the provisions of Section 197(12) of the Companies Act, 2013, and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement containing the names and other particulars of employees who receive remuneration exceeding the limits specified in the aforementioned rules is attached as **Annexure I** to this report. This statement provides the necessary information about such employees.

By providing these disclosures and statements, the Company ensures compliance with the relevant legal

provisions and transparency in reporting remuneration-related matters.

## CONSTITUTION OF VARIOUS COMMITTEES OF THE BOARD OF DIRECTORS

Keeping in view of the changes in the Board composition and to strengthen corporate governance norms and in order to facilitate smooth business operations of the Company by delegation of the power of the Board to the Committees as per the legal requirement, the Board of Directors in its meeting held on March 6, 2023 has constituted the following Committees:

Sr. No.	Name of Committees
1	Audit Committee
2	Nomination & Remuneration Committee
3	Stakeholders Relationship Committee
4	Risk Management Committee
5	Corporate Social Responsibility Committee
6	Banking & Operations Committee

### 1. Audit Committee

The Board of Directors in its meeting held on March 06, 2023 had constituted the Audit Committee as per the requirement of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the Listing Regulations. The primary purpose of the audit and compliance committee is to ensure effective supervision and monitoring of the management's financial reporting process, maintaining the highest standards of transparency, integrity, and quality.

As on 31, 2024, the committee is chaired by Dr. Manoj Vaish, with Mrs. Vijaylaxmi Joshi (Ex-IAS) and Mr. Arun Kumar Jain (Ex-IRS) serving as members. All members of the committee are independent directors with expertise in finance, accounts, strategy, tax, and general administration. During the financial year, the committee convened four meetings (April 12, 2023, August 07, 2023, November 03, 2023 and February 03, 2024). Further details about the Audit committee can be found in the Corporate Governance Report at page no. 49-50.

### 2. Nomination & Remuneration Committee

The Board of Directors in its meeting held on March 06, 2023 had constituted the Nomination and Remuneration Committee as per the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

As on March 31, 2024, Nomination & Remuneration Committee comprises of three Independent Directors. The committee is chaired by Mrs. Vijaylaxmi Joshi (Ex-IAS) with Dr. Manoj Vaish and Mr. Arun Kumar Jain (Ex-IRS) serving as members. Further details about the committee can be found in the Corporate Governance Report at page no. 50-54.

### 3. Stakeholders Relationship Committee

The Board of Directors in its meeting held on March 06, 2023 had constituted the Stakeholders Relationship Committee as per the requirement of Section 178(5) of the Companies Act, 2013, and Regulation 20 of the Listing Regulations.

As on March 31, 2024, Stakeholders Relationship Committee comprises of Four Non-Executive Directors. The committee is chaired by Mr. Arun Kumar Jain (Ex-IRS) with Mr. R S Jalan, Mr. Raman Chopra, and Mr. Neelabh Dalmia serving as members of the committee. Further details about the committee can be found in the Corporate Governance Report at page no. 54-55.

### 4. Risk Management Committee

Provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for constitution of Risk Management Committee is applicable upon top 1000 Companies on the basis of market capitalization as at the end of the immediate preceding financial year, however, as a good governance practice, the Board of Directors in its meeting held on January 2, 2023 voluntarily formed a risk management policy to identify risk area of the business of the Company and Board of Directors in its meeting held on March 6, 2023 had constituted Risk Management Committee.

The committee is constituted with four Non-Executive directors, with Mr. Arun Kumar Jain (Ex-

IRS), Independent Director serving as the Chairman. The other members of the committee include Mr. R S Jalan, Mr. Raman Chopra and Mr. Neelabh Dalmia. Detailed information about the committee and its activities can be found in the Corporate Governance Report at page no. 57-58, of this Annual Report.

Your Company believes that various factors such as technological advancements, geopolitical environment, regulatory and environmental requirements have significant impacts on the business of the Company. To ensure sustainability, it is essential to systematically manage risks and seize opportunities arising from these factors. The Board of Directors holds the ultimate responsibility for risk oversight, while the Risk Management Committee provides guidance for implementing the risk management policy throughout the organization.

The operational heads of each business unit are primarily accountable for implementing the company's risk management policy and fostering a risk-aware culture that enhances performance. Senior executives in different functional units serve as risk owners, monitoring key risks and proactively implementing appropriate mitigation plans. Their role is to prevent any significant deviations or adverse events and contribute to value creation for the business. At present, in the opinion of the Board of Directors, there are no risks which may threaten the existence of the Company.

The Company's Risk Management Policy, approved by the Board, can be accessed on the Company's website <https://ghcltextiles.co.in/wp-content/uploads/2023/02/Risk-Management-Policy.pdf>

#### 5. Corporate Social Responsibility Committee

As per Section 135 of the Companies Act, 2013 and rules made thereunder, a Company having Net worth of Rs. five hundred crore or more or turnover of Rs. one thousand crore or more or net profit of Rs. Five crore rupees or more during the immediately preceding financial year shall constitute a CSR Committee, in term of above said conditions, the provision of Section 135 of the Companies Act, 2013 is not

applicable upon the Company as the Company was not doing any business till the Financial Year ended on March 31, 2023. However, as a good governance practice, Board of Directors in its Meeting held on January 2, 2023 had approved the Corporate Social Responsibility policy of the Company and Board of Directors in its Meeting held on March 6, 2023 had voluntarily constituted the CSR Committee of the Company with four Non-Executive Directors. Mrs. Vijaylaxmi Joshi Independent Director serving as the Chairperson. The other members of the committee include Mr. R S Jalan, Mr. Raman Chopra and Mr. Neelabh Dalmia. Detailed information about the committee and its activities can be found in the Corporate Governance Report, at page no. 56-57 of this Annual Report.

#### 6. Banking & Operations Committee

The Board of Directors in its meeting held on March 6, 2023 had constituted the Banking and Operations Committee to expedite the day to day functioning and exercise of delegated powers of the Board. This Committee meets as per the requirement of business, to expedite all matters relating to operations and granting authority for various functional requirements such as issue of Power of Attorney, arranging / negotiating of term loans, working capital loan, short term loan, dealings with Central / State Governments including their agents and various statutory / judicial / regulatory / local / commercial / excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company in line with the delegated authority of Board of Directors from time to time. The members of the committee include Mr. R S Jalan, Mr. Raman Chopra and Mr. Neelabh Dalmia, Non-Executive Directors of the Company.

#### NOMINATION AND REMUNERATION POLICY

The Board of Directors in its meeting held on January 2, 2023 has approved the Nomination and Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and all other employees of the Company which was further amended by Board of Directors in its meeting held on February 03, 2024 on recommendation of



Nomination and Remuneration Committee. The Company's Nomination and Remuneration Policy and Practices have been formulated and maintained to meet inter-alia the following objectives:

1. To attract, retain and motivate qualified and competent individuals at Director, Key Managerial and other employee levels to carry out company's business operations as assigned to them.
2. To ensure payment of salaries and perks that are comparable to market salary levels so as to remain competitive in the industry.
3. To revise the remuneration of its employees periodically for their performance, potential and value addition after systematic assessment of such performance and potential.
4. To ensure disbursement of salary and perks in total compliance to the applicable statutory provisions and prevailing tax laws of the Country.

The Nomination and Remuneration Policy is available on website of the company <https://ghcltextiles.co.in/wp-content/uploads/2024/04/GHCL-Textiles-Limited-Nomination-and-Remuneration-Policy.pdf>

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

As a conscious and vigilant organization, GHCL Textiles Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In its endeavor to provide its employee a secure and fearless working environment, GHCL Textiles Limited has established the "Whistle Blower Policy". The Board of Directors in its meeting held on January 2, 2023, had approved the Whistle Blower Policy.

The purpose of the policy is to create a fearless environment for the directors and employees to report any instance of unethical behaviour, actual or suspected fraud or violation of Company's code of conduct or Ethics Policy to the Ombudsperson and / or Chairperson of the Audit Committee. The Whistle Blower Policy is posted on the website of the Company [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in). There are no complaints reported during the year under Vigil mechanism.

### DIVIDEND DISTRIBUTION POLICY

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, our company's Board of Directors formulated and adopted the Dividend Distribution Policy (DDP) in a meeting held on January 02, 2023. The policy has been established to ensure transparency and clarity in determining the quantum of dividends. It outlines the Board's commitment to maintaining a dividend pay-out ratio, which includes the dividend tax, in the range of 10% to 20% of profits after tax (PAT) on a standalone basis.

The Dividend Distribution Policy has been made available on our company's website at <https://ghcltextiles.co.in/wp-content/uploads/2023/02/Dividend-Distribution-Policy.pdf> It serves as a guiding framework for the Board of Directors when making decisions regarding the recommendation of dividends. The policy ensures a consistent approach to dividend pay outs and reinforces our commitment to delivering value to our shareholders.

### DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company is deeply committed to creating and maintaining a safe and inclusive work environment where every individual is respected and protected from any form of harassment, exploitation, or intimidation. In line with this commitment and as mandated by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and its related Rules, your Company has established a comprehensive policy for the prevention of sexual harassment.

Under this policy, Internal Complaints Committees have been set up at all major locations of the Company. These committees are entrusted with the responsibility of addressing any complaints related to sexual harassment at the workplace. The committees operate with transparency, impartiality, and adherence to clear timelines, ensuring a fair and unbiased investigation process.

Your Company also conducts regular awareness programs to educate employees about their rights, the provisions of the POSH Act, and the available redressal mechanisms. These programs aim to build a culture of respect, sensitivity, and gender equality in the workplace. We are pleased to inform you that no complaints related to sexual harassment were reported during the year under the POSH Act.

### CHANGE IN NATURE OF BUSINESS

We would like to inform that Company has successfully started its business operation as per approved Scheme of Demerger of spinning business of GHCL Limited (Demerged Company) with GHCL Textiles Limited (Resulting Company), effective from April 01, 2023.

We would like to confirm that there is no material change in the nature of business of the Company during the period between April 1, 2024, and the date of signing this report.

### SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

We would like to inform that your Company is not having any subsidiary, joint venture or associate company as on March 31, 2024.

### MANAGEMENT DISCUSSION & ANALYSIS

In accordance with Regulation 34 (2) (e) of the Listing Regulations, 2015, we would like to draw your attention to the comprehensive review of our company's operations, performance, and future outlook provided in the Management's Discussion and Analysis Report (MDA). This report is included as part of our Annual Report and is incorporated herein by reference.

The MDA offers detailed insights into the various aspects of our business, including market trends, financial performance, key achievements, challenges, and strategic initiatives. It provides a holistic view of our company's performance and outlines our management's perspective on the future prospects and opportunities.

We encourage you to refer to the MDA for a comprehensive understanding of our company's operations and outlook. It serves as a valuable resource for shareholders, investors, and stakeholders seeking in-depth analysis and assessment of our business performance.

### CORPORATE GOVERNANCE

The Company places great importance on maintaining the highest standards of Corporate Governance. It recognizes that good governance practices not only promote transparency and accountability but also contribute to the overall credibility and trustworthiness of the organization. In line with this commitment, the Company diligently adheres to the Corporate Governance requirements set out by the Securities and Exchange Board of India (SEBI).

To enhance its governance framework, the Company has implemented several best practices. These practices encompass various aspects of governance, including board composition and structure, independent directors, board committees, risk management, internal controls, ethical conduct, and stakeholder engagement. By embracing these practices, the Company aims to ensure effective oversight, decision-making, and protection of the interests of all stakeholders.

As part of the Annual Report, the Company includes a comprehensive report on Corporate Governance, as mandated by Regulation 34 of the SEBI Listing Regulations. This report provides detailed information on the Company's governance structure, policies, and practices, giving stakeholders valuable insights into the Company's governance framework.

Furthermore, the Company obtains a certificate from its auditors, affirming compliance with the conditions of Corporate Governance. This certificate serves as an independent validation of the Company's adherence to the prescribed governance norms.

By upholding strong Corporate Governance standards and implementing best practices, the Company aims to foster trust, integrity, and long-term sustainability. It recognizes that effective governance is essential for creating value and maintaining strong relationships with shareholders, employees, customers, suppliers, and other stakeholders.

### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT (BRSR)

As per the revised Regulation 34(2)(f) of the Listing Regulations, 2015 and the National Guidelines on Responsible Business Conduct (NGRBC) issued by the

Ministry of Corporate Affairs, Government of India, the top one thousand listed companies are required to prepare and present a Business Responsibility and Sustainability Report Core (BRSR) to stakeholders.

Starting from the financial year 2022-2023, filing the BRSR has become mandatory for the top 1000 listed companies based on market capitalization, replacing the BRR. As of March 31, 2024, GHCL Textiles Limited is ranked on 1286th position at NSE and on 1369th position at BSE based on market capitalization, accordingly reporting of Business Responsibility and Sustainability Report Core (BRSR) as per Regulation 34(2)(f) of the Listing Regulations, 2015 is not applicable for FY 2023-24.

### SECRETARIAL STANDARDS

During the financial year ended on March 31, 2024, the Company has complied with all the applicable provisions of Secretarial Standards issued by Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs of India.

### AUDITORS AND AUDIT REPORTS

#### (i) Statutory Auditor

Your directors would like to inform that in the 1<sup>st</sup> AGM held on June 18, 2021, M/s S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Reg. No. 301003E / E300005), was appointed as statutory auditor of the Company for a period of five consecutive years i.e. from the conclusion of 1<sup>st</sup> AGM till the conclusion of 6<sup>th</sup> AGM.

M/s S. R. Batliboi & Co. LLP has audited the financial statement of the Company for the financial year ended March 31, 2024 and has issued the Auditors' Report thereon.

#### (ii) Cost Auditor

In accordance with Section 148 of the Companies Act, 2013, the Company maintains cost records as required, and a Cost Accountant conducts an audit of these records. The Board of Directors, based on the recommendation of the Audit Committee, has approved the appointment of M/s R J Goel & Co., Cost Accountants, New Delhi, as the Cost Auditor of the Company for the financial year ended on March 31, 2024.

#### (iii) Internal Auditor

As per provisions of Section 138 of the Companies Act, 2013, every Listed Company is required to appoint an Internal Auditor to conduct internal audit of the functions and activities of the company.

The Board of Directors, based on the recommendation of the Audit Committee, has approved the appointment of M/s. R. Subramanian and Company LLP, Chartered Accountants, Chennai, as the Internal Auditor of the Company for the financial year ended on March 31, 2024 to conduct the internal audit of the activities of the Company.

#### (iv) Secretarial Auditor

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to undertake Secretarial Audit and shall annex with its Board's Report a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

Post listing of shares of the Company on Stock Exchanges (i.e. June 12, 2023), GHCL Textiles Limited has adopted a practice of ongoing Secretarial Audit throughout financial year and placed its periodic Secretarial Audit Report before Audit Committee and Board. This has helped us in early detection of area of improvement and strengthening out level of compliance reporting.

In line with the requirement of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Listing Regulations and other applicable provisions, if any, the Board of Directors of the Company in its meeting held on August 07, 2023 had appointed Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report as given by Secretarial Auditor of the Company is annexed with Board's Report as **Annexure - II** at page no. 27.

#### (v) Auditor's Report

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in the Audit Reports

issued by them which call for any explanation/comment from the Board of Directors.

Observations given by Secretarial Auditors of the Company for the financial year ended March 31, 2024 are self-explanatory and therefore, they do not require any further explanation or comment under Section 134(3)(f) of the Companies Act, 2013.

### LISTING OF THE EQUITY SHARES

We are pleased to inform you that Company's equity shares are listed on BSE Limited and National Stock Exchange of India Limited w.e.f. June 12, 2023. We have paid the annual listing fees for the years 2023-24 and 2024-25 to both stock exchanges, ensuring our continued listing and trading.

### WEB ADDRESS FOR ANNUAL RETURN AND OTHER POLICIES / DOCUMENTS

The Company has a fully functional website viz [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in). All the policies/documents are available on the website of the Company as per the statutory requirements.. In terms of Section 92(3) read with Section 134(3)(a) of the Act and rules thereto, the Annual Return of the Company in Form MGT - 7 for the financial year ended on March 31, 2024 is available on the Company's website at <https://ghcltextiles.co.in/wp-content/uploads/2024/05/GHCL-Textiles-Annual-Return-FY2023-24.pdf>.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information on conservation of energy, technology absorption, and foreign exchange earnings and outgo, as required under Section 134 (3) (m) of the Companies Act, 2013 and Rule 8 of the Companies (Accounts) Rules, 2014, is provided in **Annexure - III**, which is an integral part of this Report.

### RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year 2023-24 were on an arm's length basis and in the ordinary course of business and also taken place in implementation of Scheme of Demerger. Therefore,

the disclosure under Form AOC-2 is not applicable to the Company. Further there are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

### PARTICULAR OF LOANS/GUARANTEES, OR INVESTMENTS

The details of loans, guarantees, and investments covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to the Financial Statements. These notes offer comprehensive information regarding the nature, terms, and conditions of such loans, guarantees, and investments. They also include disclosures on any related party transactions, if applicable, and any significant developments or changes in these arrangements.

The purpose of including these details in the notes to the Financial Statements is to ensure transparency and provide stakeholders with a clear understanding of the Company's financial activities and commitments. By presenting this information, GHCL Textiles Limited aims to adhere to regulatory requirements and promote accountability.

Stakeholders are encouraged to refer to the relevant section in the Financial Statements to obtain a comprehensive overview of the loans, guarantees, and investments made by the Company in accordance with the provisions of Section 186 of the Companies Act, 2013.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. such accounting policies as mentioned in the Notes to the Financial Statements have been selected and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2024 and of the profit and loss of the Company for the financial year ended March 31, 2024;

- c. the proper and sufficient care has been taken 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. the annual accounts for the financial year ended March 31, 2024 have been prepared by them on a going concern basis;
- e. proper Internal financial controls have been followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f. proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

### GENERAL DISCLOSURES

Your Directors state that no disclosure or reporting is required in respect of the following matters as there is no transaction on these items during the financial year ended March 31, 2024:

- (i) Details relating to deposits covered under Chapter V of the Act.
- (ii) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- (iii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- (iv) The Company does not have any Employee Stock Option Scheme. Further, the Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- (v) No significant or material orders were passed by the Regulators or Courts or Tribunals, which impact the

going concern status and Company's operations in future.

- (vi) No fraud has been reported by the Auditors to the Audit Committee or the Board under Section 143(12) of the Act.
- (vii) There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016.

### ACKNOWLEDGEMENT

The Board of Directors extends its heartfelt gratitude to the customers, vendors, dealers, investors, business associates, and bankers for their unwavering support throughout the year. Their continued trust and collaboration have played a significant role in the Company's success.

The Board also acknowledges and appreciates the dedication and contributions of the employees at all levels. Their commitment, hard work, teamwork, and support have been instrumental in overcoming challenges and achieving our goals. We value their resilience and unwavering commitment to the Company's growth.

Furthermore, the Board expresses sincere thanks to the Government of India, the State Governments, statutory authorities, and other government agencies for their support. We acknowledge their role in creating a conducive business environment and look forward to their continued support in the future.

The collective efforts and support of all stakeholders have been crucial in driving the Company's progress, and the Board acknowledges their invaluable contributions.

### For GHCL TEXTILES LIMITED

Sd/-  
**R S Jalan**  
 Director  
 DIN: 00121260

Sd/-  
**Raman Chopra**  
 Director  
 DIN: 00954190

Date: May 06, 2024  
 Place: New Delhi

## ANNEXURE -I

### 1. Disclosure of Managerial Remuneration

- A. Ratio of remuneration of each Director to the Median remuneration of the employees of the Company for the F Y 2023-24 as well as percentage increase in remuneration of each Director.

Name of the Non-Executive Director	Ratio to Median Remuneration	% Change in remuneration over previous year
Mrs. Vijaylaxmi Joshi	3.76	0.00
Dr. Manoj Vaish	3.76	0.00
Mr. Arun Kumar Jain	3.76	0.00
Mr. R S Jalan	3.76	0.00
Mr. Raman Chopra	3.76	0.00
Mr. Neelabh Dalmia	3.76	0.00

Percentage increase in remuneration of Mr. Lalit Narayan Dwivedi, Company Secretary is: 11.4% (date of joining: March 06, 2023)

- B. Percentage increase in median remuneration in the FY 2023-24: **NA\***  
 C. Number of Permanent employees on the roll of the Company as on March 31, 2024: **2939**

D.

	% Change in remuneration
Average percentile increase in Salary of employees other than managerial	NA*
Average percentile increase in remuneration of managerial personnel	NA*

\*Company started its business w.e.f. April 01, 2023 ( effective date of Demerger of spinning division of GHCL Limited(Demerged Company) with GHCL Textiles Limited(Resulting Company))

- E. **Affirmations:** It is affirmed that the remuneration paid to the directors, key managerial personnel and other employees are as per the Remuneration Policy of the Company.

### 2. Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014

List of Top Ten Employees and /or other Employees who have been paid remuneration of 8.5 Lacs or above per month during the year 2023-24.

Sl. No.	Employee Name	Age	Designation	Gross Remuneration * (Rs) 23-24	Educational Qualification	Experience (Years)	Date of commencement of Employment	Previous employment and designation
1	Mr. R Balakrishnan	59	CEO	86,50,938	Diploma- Textile Technology	41	22-Mar-04	Nahar Exports Ltd, Vice President
2	Mr. Ramesh Babu D	55	Sr. General Manager - Operations	41,82,543	Diploma - Man Made Fibre Technology- Textile	34	2-Jul-18	Sjlt Spinning Mills (P) Ltd

Sl. No.	Employee Name	Age	Designation	Gross Remuneration * (Rs) 23-24	Educational Qualification	Experience (Years)	Date of commencement of Employment	Previous employment and designation
3	Mr. N Rajagopal	58	Sr. General Manager - Technical	41,45,507	M.E/M.Tech. / Mba-Spinning, Weaving And Garmenting / Hr And Marketing	41	13-May-13	Thiagarajar Mills- General Manager (Technical)
4	Mr. Arunachalam M	48	Dy. General Manager - Production	29,92,548	D.T.Tech / B. Com.- Textile Technology / Commerce	29	30-May-03	Madura Coats - Tuticorin- Production Executive
5	Mr. Gaurav V	36	CFO	28,82,336	B. Com ,CA	12	4-Apr-22	Yamaha Motor India Pvt Ltd-Manager
6	Mr. Narayana Prasad L	55	Dy. General Manager - Quality	27,90,225	B.Sc.-Statistics	31	23-Jan-08	Loyal Textiles Ltd, Kovilpatti-Manager Quality
7	Mr. Ashokkumar M K	51	Head - Industrial Relations	26,04,453	D.Tech-Textile	30	23-Aug-95	SRS Fabrics Ltd- Training Supervisor
8	Mr. Sathish Kumar R	51	Unit Head Manaparai, Yarn Division	24,84,775	D.T.Tech-Textile Technology	29	9-Dec-07	Sujitha Textiles- Factory Manager
9	Mr. Janaki Sankar P	53	Asst. General Manager - Plant Hr	21,97,648	D.T.Tech-Textile Technology	29	5-Dec-01	Karunabika Textiles: SM -Production
10	Mr. Santosh Kumar	48	Sr. Manager - Marketing	19,62,231	Pg Diploma- Marketing And It	17	13-Aug-22	NSL Textiles Limited-AGM - Yarn Marketing

\*The details in the above table are on accrual basis for better comparability with the KMP remuneration disclosures included in other sections of this Annual Report. Gross remuneration includes the Commission and / or fixed pay, variable pay, retiral benefits and the perquisite value of stock incentives exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961 as applicable.

The aforementioned employees have / had permanent employment contracts with the Company

None of the Employees mentioned above are holding 2% or more of the paid-up equity share capital of the Company as per Clause (iii) of sub-rule (2) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**Joining during the year**

NIL

**Separation during the year**

NIL

## ANNEXURE -II

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

To,  
The Members,  
**GHCL Textiles Limited**  
GHCL House, Opp. Punjabi Hall Navrangpura  
Ahmedabad, Gujarat 380009

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by GHCL Textiles Limited (hereinafter called the “**Company**”). 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 audit period covering the financial year ended on March 31, 2024 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, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 (“**Period under review**”) 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 to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not applicable for the period under review.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable for the period under review.**
  - (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 to the extent of securities issued;



- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and; **Not applicable for the period under review.**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable for the period under review.**

The other laws as informed and certified by the management of the Company, which are specifically applicable to the Company based on their Sector / Industry are:

- (a) Legal Metrology Act, 2009 and rules and regulations thereunder and;
- (b) Food Safety and Standards Act, 2006, rules and regulations thereunder.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 (**“Listing Regulations”**)

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

- (i) *The Company has delayed the filing of certain e-forms with the Registrar of Companies, Ahmedabad. As confirmed by the management this delay was due to technical glitches on Ministry of Corporate Affairs portal which is beyond the control of the Company.*
- (ii) *Pursuant to the provisions of regulation 33 of the Listing Regulations, financial results of the Company shall be signed by the chairperson or managing director, or a whole-time director or in the absence of all of them; it shall be signed by any other director of the listed entity who is duly authorized by the Board of directors to sign the financial results. However, the Financial Results for the quarter ended June 30, 2023, as submitted by the Company on August 07, 2023, were signed by the chief executive officer (**“CEO”**) and chief financial officer (**“CFO”**) of the Company. As confirmed by the management, the Company is in transition process after demerger and the financial results for the quarter ended June 30, 2023 were signed by CEO and CFO of the Company and in response to BSE Limited (**“BSE”**) query dated August 31, 2023, Company had filed same financial results with BSE on September 01, 2023 signed by two directors.*
- (iii) Pursuant to the provisions of Regulation 30 of Listing Regulations read with SEBI circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 and BSE and National Stock Exchange of India Limited (**“NSE”**) Circular dated June 20, 2018, disclosures w.r.t appointment shall specifically state that the Director being appointed is not debarred from Holding the office of director by virtue of any SEBI order or any other such authority. However, the disclosures submitted by the Company w.r.t appointment of Directors at the AGM held on September 09, 2023, didn't contain the aforesaid facts. As confirmed by the management, the explanatory statement of the AGM notice submitted by the Company with the stock exchanges contained the aforesaid facts.

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors. 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 the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in case where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the 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 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 Committee of the Board, as the case may be.

We further report that 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.

We further report that during the audit period following major event have happened which are deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- (i) The Company has allotted 9,55,85,786 equity shares of GHCL Textiles Limited (Resulting Company) of face value of Rs. 2/- each to the shareholders of GHCL Limited pursuant to the Scheme of Arrangement approved by the Hon'ble National Company Law Tribunal, Ahmedabad bench. Further, pursuant to the said scheme of arrangement, the existing paid-up equity share capital of Rs. 1,00,000/- comprising 50,000 equity shares of the Company having face value of Rs. 2/- each held by GHCL Limited in the Company shall stand cancelled and extinguished.
- (ii) The Equity shares of the Company got listed and admitted to dealings on the BSE and NSE effective from June 12, 2023.

**For Chandrasekaran Associates**  
**Company Secretaries**  
**FRN: P1988DE002500**  
**Peer Review Certificate No: 4186/2023**

Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302F000310739

Date: May 06, 2024  
Place: Delhi

**Note:**

- i. This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.

To,  
The Members,  
**GHCL Textiles Limited**  
GHCL House, Opp. Punjabi Hall, Navrangpura  
Ahmedabad, Gujarat, India, 380009

Our report of even date is to be read with 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 the random 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.
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 the random 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 Chandrasekaran Associates  
Company Secretaries  
FRN: P1988DE002500  
Peer Review Certificate No: 4186/2023

Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302F000310739

Date: May 06, 2024  
Place: Delhi

## ANNEXURE-III

### A. CONSERVATION OF ENERGY

#### a) Energy Conservation Measure Taken

NEW

- 1 Installation and commissioning of Water Management System which conserves water of 200 Lakhs litres per year
- 2 Implementation of HF Plant renovation,Optimatization of waste collection equipment, High energy efficient pump installation,etc. which resulted in saving of 3700 units per day
- 3 Installation and successful commissioning of 110/11 KV EHT line in Manaparai Location for uninterrupted power supply and reduction of transmission loss.
- 4 Installation of drinking water RO 10 MQ per hour in Madurai.
- 5 On ground Solar Plant 10 MW (DC) being commission at Ottapidaram, Tuticorin dist.
- 6 Installation and commissioning of 3.9 MW Rooftop Solar in Karthigai Unit at Manaparai.
- 7 Installation and commissioning of 1.3 MW Rooftop Solar plant in Malligai Unit at Madurai.
- 8 Installation of Energy Efficient compressor at Madurai(Vaigai Unit and Open End ) plant .
- 9 Comber Noil waste collection new equipment installation in Malligai unit.
- 10 Replacement of Low efficient WRS Main motor with IE3 Energy efficient motor.

#### b) Additional Investment & proposals, if any, being implemented for reduction of consumption of energy

- 1 Energy audit of Madurai and Manaparai plants by IIT Madras under progress and suggestions implementation will start from June 2024.

### B. POWER & FUEL CONSUMED

	FY 2023-24	FY 2022-23
<b>1 Electricity</b>		
(i) Purchased Units (crores kwh)	10.79	-
Total amount ( Rs. crores )	57.83	-
Rate per Unit ( Rs.)	5.36	-
(ii) Own Generation		
(a) Through DG		
Units ( crores kwh )	0.003	-
Units per ltr of Diesel Oil	3.08	-
Cost per Unit (Rs.)	30.84	-
(b) Through GTG		
Units ( crores kwh )	0.00	-
Units per SCM of Gas	0.00	-
Cost per Unit (Rs.)	0.00	-

		FY 2023-24	FY 2022-23
(c) Through TG			
	Units ( crores kwh )	0.00	-
	Cost per Unit (Rs.)	0.00	-
(b) Through Windmill			
	Units ( crores kwh )	4.34	-
	Total amount ( Rs. crores )	17.22	-
	Rate per Unit ( Rs.)	3.97	-
(c) Through Solar			
	Units ( crores kwh )	3.78	-
	Total amount ( Rs. crores )	8.45	-
	Rate per Unit ( Rs.)	2.24	-
		<b>Electricity (kwh/MT)</b>	
5	Consumption per Unit of Production	<b>Production (MT)</b>	<b>FY 2023-24</b>
	Yarn	35,702	<b>FY 2022-23</b>
			5.3
			-

### C. TECHNOLOGY ABSORPTION

#### 1. Research & Development

NA

#### 2. Future Action Plan

Energy Audit carried out by Indian Institute of Technology, Madras and any potential energy savings shall be identified and shall be implemented for the overall benefit.

#### 3. Technology -Absorption, Adoption and Innovation

Drum less Winding Technology adopted to prepare ready to Dye soft packages and to prepare super fine counts hard packages.

New Compact System (3D Apron Compact) in ring Spinning is introduced to produce premium knitting yarn

#### 4. Information Regarding Technology imported during last three year

Preci FX conversion kit imported from Germany

3D Apron Compact System imported from Germany

### D. FOREIGN EXCHANGE EARNING AND OUTGO

	<u>Rs. in Cr</u>
Earnings	139.69
Outgo (Includes CIF value of imports)	94.76

# Management Discussion And Analysis

## DISCLAIMER

Readers are cautioned that this Management Discussion and Analysis contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words “anticipate”, “believe”, “estimate”, “intend”, “will”, and “expected” and other similar expressions as they relate to the Company or its business are intended to identify such forward looking statements, whether as a result of new information, future events, or otherwise. Actual results, performances or achievements and risks and opportunities could differ materially from those expressed or implied in such forward-looking statements. The important factors that would make a difference to the Company’s operations include economic conditions affecting demand supply and price conditions in the domestic and overseas markets, raw material prices, changes in the Governmental regulations, labour negotiations, tax laws and other statutes, economic development within India and the countries within which the Company conducts business and incidental factors. The Company undertakes no obligation to publicly amend, modify or revise any forward-looking statements on the basis, of any subsequent developments, information or events. This report is prepared on the basis of public information available on website / report / articles etc. of various institutions. The following discussion and analysis should be read in conjunction with the Company’s financial statements included herein and the notes thereto.

## MANAGEMENT DISCUSSION AND ANALYSIS

The management of GHCL Textiles Limited has provided an analysis of the company’s performance and key business updates for the financial year ended on March 31, 2024, as well as an outlook for the future. The outlook is based on an analysis of the current economic landscape, although it may be impacted by socio-economic and political change due to future economic and related developments, both in India and internationally.

## DEMERGER OF TEXTILES BUSINESS OF GHCL LIMITED TO GHCL TEXTILES LIMITED.

The Company was incorporated on June 17, 2020 and pursuant to the scheme of demerger the company GHCL Textiles Limited continued to carryout manufacturing, trading, or service activities of Spinning division of demerged company during the financial year ended on 31<sup>st</sup> March 2024.

Please note that upon the Scheme becoming effective, the Spinning division of GHCL Limited (Demerged Company) along with all assets and liabilities thereof as at the appointed date (i.e. April 1, 2023), have been transferred to GHCL Textiles Limited (the Company) on a going concern basis. As a consideration for the Demerger, the Company had issued its equity shares on April 12, 2023, to the shareholders of Demerged company in a 1:1 swap ratio (i.e. One share of Rs. 2 each issued by the Company for every one share of Rs. 10 each held in Demerged company). Further, the Company has been listed on the BSE and NSE and BSE is our designated Stock Exchange. Trading of Company’s shares have been started w.e.f. June 12, 2023.

## REVIEW OF ECONOMY

### Overview of Global Economy

Amidst the prevailing global economic landscape, challenges such as a subdued manufacturing environment, faltering trade flows and persistent inflation concerns paint a complex picture for the future ahead. However, amidst these challenges, certain sectors, notably services, demonstrate resilience.

The recent update from the International Monetary Fund (IMF) offers a glimmer of hope, with a modest upgrade in growth projections for 2024 and 2025. Global growth is projected at 3.1 percent in 2024 and 3.2 percent in 2025, marking an increase from previous forecasts. This uptick is attributed to the stronger-than-expected resilience observed in the United States and several major emerging market economies, coupled with fiscal support measures in China. However, these growth

projections still fall below the historical average of 3.8 percent, largely due to factors such as elevated central bank policy rates to combat inflation, reduced fiscal stimulus amidst high debt levels, and sluggish underlying productivity growth.

Furthermore, there is a notable decline in global inflation rates, driven by the resolution of supply-side constraints and the implementation of tighter monetary policies. Global headline inflation is anticipated to decrease to 5.8 percent in 2024 and further to 4.4 percent in 2025, with the latter figure being revised downward.

Additionally, the year 2024 also marks changing geopolitical situation for several nations which may introduce a degree of uncertainty. These changing landscapes hold implications beyond borders, influencing economic and public policy in an increasingly fractious global landscape. Despite potential challenges, these developments underscore the ongoing efforts to navigate economic challenges while striving for stability and sustainable growth in the global economy.

## OVERVIEW OF THE INDIAN ECONOMY

Despite global economic uncertainties, India's economic resilience shines through, as Moody's (a leading provider of credit ratings, research, and risk analysis) predicts it to maintain its position as the fastest-growing economy among G-20 nations. For FY 2023-24, Standard & Poor's credit rating for India stood at BBB (-) with a stable outlook, Moody's credit rating stood at Baa3 with a stable outlook, Fitch's credit rating was reported at BBB (-) with a stable outlook.

India's economy has experienced a significant surge over the past decade, elevating it from the 10th to the 4th position in the global rankings, thereby establishing its position as a major economic powerhouse on the world stage.

The revised growth of India for FY 2023-24 estimated to 6.8% from 6.1% reflects stronger-than-expected data in 2023, with GDP growth estimated at 6.4% for 2025, with nominal gross domestic product (GDP) for FY 2023-24 at current prices being estimated at INR 293.90 trillion (US\$ 3.53 trillion). Robust indicators such as goods and services tax collections, rising auto sales, and double-

digit credit growth point to resilient urban consumption demand, complemented by expanding manufacturing and services PMIs on the supply side.

In parallel, the Interim Budget 2024 presented by Union Finance Minister Nirmala Sitharaman outlined pivotal initiatives to propel India towards becoming a developed nation by 2047. The budget reiterated the government's commitment to the "Make in India" initiative, particularly focusing on positioning India as a hub for semiconductor and electronics manufacturing.

This positive economic outlook is reinforced by the government's proactive measures, as evidenced by the interim budget for fiscal year 2024-25, which targets a capital expenditure allocation of Rs 11.1 lakh crore, signifying a 16.9% increase over the previous year's estimates. While private industrial capital spending has been sluggish, ongoing benefits from supply chain diversification and the government's Production Linked Incentive scheme are expected to spur investment in key manufacturing sectors.

The FDI inflow during 2014-2023 was USD 596 billion marking a golden era. That is twice the inflow during 2005-2014. For encouraging sustained foreign investment, the Government is negotiating bilateral investment treaties with our foreign partners, in the spirit of 'first develop India'

Additionally, in 2024, India's power sector is set to witness substantial expansion in renewables alongside the addition of new coal-based capacities, driven by rising demand. Despite the sectors robust growth, India remains committed to its climate goals, aiming to reduce emissions intensity by 45% by 2030 and achieve net-zero emissions by 2070. To realize these objectives, India plans to scale up its renewable capacity to 500 GW by 2030, supported by incentives for domestic solar manufacturing. Furthermore, industrial sectors are increasingly adopting renewable energy sources in preparation for the implementation of a compliance carbon market.

## TEXTILES INDUSTRY

The textile sector is one of the critical sectors of the Indian economy, accounting for more than 2 percent of the total

GDP and more than 12 percent of the manufacturing sector gross domestic product (GDP). The sector is also the second largest provider of employment in India, after agriculture. It provides employment to approx. 45 million people directly and to another 60 million indirectly through allied activities. Not only is the textile sector highly labour intensive, it also employs unskilled and semi-skilled labour force and is also an important source of employment for women.

The Indian Textile industry is growing at CAGR of 14.9%. The domestic apparel and textile industry in India contributing to 2% of country's GDP, 7% of the industry output in value terms. The share of the textiles and apparels in overall textile basket is consistently increasing. India's exports of Technical Textiles products registering a growth rate of 28.4% YoY.

As per the United Nations estimates, world's population could reach around 8.5 billion by 2030, 9.7 billion by 2050 and 11.2 billion by 2100 and following this the global apparel market is projected to grow to USD 1.65 trillion by 2025 and USD 2.7 trillion by 2030.

The Government of India has increased the budget allocation for the Ministry of Textiles by 27.60%, reaching to ₹4,392.85 crore for the financial year 2024-25. This enhanced funding demonstrates the government's commitment to supporting the textile sector through its various schemes and programs such as PM Mitra Park, NITTM, A-TUF, ISDS, RoDTEP, RoSCTL etc.

The Government of India through various incentive schemes such as Production Linked Incentive (PLI), Mega Investment Textiles Parks (MITRA,) support the growth of Textiles Industry. In recent past, the Government removed the import duty on cotton on Extra Long Staple (ELS) cotton, addressing demands from its textile industry. Indian Textiles industry imports ELS cotton from countries like USA, Egypt, etc. and using for producing high valued textile & apparel products mainly for exports purpose. During Apr-Dec 2023, India imported around 56,205 MT of Extra-Large Cotton, mostly from USA (44.6%) and Egypt (40.1%).

According to data released by the Ministry of Commerce & Industry, India's cotton yarn, fabrics/made-ups, and

handloom exports witnessed a significant growth of 6.71% year-on-year, reaching a total value of \$11.7 billion in the fiscal year 2023-24. This remarkable increase occurred despite an overall 3% decline in total exports during the same period. In the last fiscal year, the top export markets included the United States (25%), Bangladesh, China, Sri Lanka, and the United Arab Emirates (UAE). Additionally, exports expanded into new markets such as Anguilla, Serbia, Georgia, and others, showcasing India's dynamic trade reach

In the fiscal year ending March 2024, Indian exports in the cotton yarn, fabrics, made-ups, and handloom products segment demonstrated robust growth, with a year-on-year increase of 6.78% in March 2024 over March 2023. This segment maintained a strong performance throughout the year, achieving an overall growth rate of 6.71% for the April-March 2024 period compared to the previous year.

The broader category of Indian textiles exports also showed significant progress in March 2024, registering an impressive 11.18% growth over the same month in the previous year. However, the apparel exports sector experienced more modest growth, increasing by only 1.70% in March 2024.

Cumulatively, the exports of textiles and apparel for March 2024 rose by 6.91% compared to March 2023. Despite this positive monthly performance, the annual figures reveal a more complex picture. Over the entire fiscal year April 2023 to March 2024, textiles exports grew by 2.62%, while apparel exports faced a considerable decline, contracting by 10.25%. This resulted in an overall degrowth of 3.24% in the combined textiles and apparel exports for the year.

## BUSINESS OPERATIONS OF THE COMPANY

The company pursuant to the scheme of Demerger with effect from 01<sup>st</sup> Apr 2023 carried out the Manufacturing, trading or service activities of Spinning division of GHCL Limited (Demerged Company) during the financial year ended on 31<sup>st</sup> March 2024. As of 1<sup>st</sup> April 2023, Textiles business of GHCL Limited (Demerged Company) has been demerged into GHCL Textiles Limited (Resulting Company).



Company's spinning business' modern manufacturing facilities comprise of 2.25 Lakh ring spindles, 3320 rotors, 5760 TFO spindles, and 5 Airjet Spinning (480 positions) located in Paravai in Madurai District and at Manaparai in Tiruchirapalli District in the state of Tamil Nadu. Additionally, this business had developed significant renewable assets comprising of 62 MW of wind and solar power in the state of Tamil Nadu.

The Company produces value-added yarn such as GIZA, SUPIMA, Australian, and CmiA Yarn, Woven and Knitted Fabric for the domestic and international markets. The Company manufactures specialized products against tailor-made applications through specialized yarn, thereby enhancing the brand name through customer communication. The product basket has increased manifold, penetrating new markets for different applications to maintain sustainability. GHCL Textiles prioritizes traceability as per the needs of certain customers for authenticity and origin of premium cotton types such as Egyptian and Supima cotton, which will be continued in future.

GHCL Textiles placed great emphasis on establishing strategic business partnerships in both domestic and international markets, which had enabled our business unit to maintain a competitive edge among peers.

Operational excellence is a cornerstone of GHCL Textiles success, which will be further strengthened in years to come. The company's well-managed production process helps us to minimize waste and maximize productivity while maintaining a reliable supply chain for raw materials. Quality control is paramount, and the Company shall strive to deliver the best products to its customers. The company's dedication to worker safety and a clean work environment fosters a positive and productive workplace culture. Our organization has a strong commitment to green energy, and we have made significant progress in this towards goal of 75% of total energy requirement from renewal means.

### OPPORTUNITY AND CONCERNS

Business expansion of 25 thousand spindles has positioned us well for medium-term benefits. As part of our commitment to increasing spindles capacity, we

intend to expand our product basket, grow our value-added segment, realign our customer base, penetrate into Woven and Knitted Fabric Market and achieve operational excellence. Additionally, we will continue to prioritize sustainability by deploying additional renewable energy sources to meet a minimum of 80% of our energy requirements from renewable assets.

Despite the aforementioned growth initiatives, we acknowledge the existence of certain market challenges, including volatility in cotton prices and the availability of high-quality cotton crops. We also anticipate headwinds in downstream segments, such as home textiles, while demand from the apparels and innerwear segment continues to recover. The domestic and Exports Textile markets may remain moderate for some more time. Furthermore, we anticipate that changes in trade policies and fluctuations in foreign exchange rates may impact the prices of imported cotton, potentially affecting our competitive position in the global market.

To maintain a sustainable and resilient business, we have adopted several key principles. These principles include cash conversion, in-depth knowledge of the cotton market, supply chain resilience, Value added processes, innovation, and a strong focus on customer satisfaction. These principles serve as critical enablers that set us apart from our competitors and contribute to our ability to sustainably grow and prosper in the future.

### COMPANY PERFORMANCE – PERFORMANCE HIGHLIGHTS

- Revenue for the financial year ended March 31, 2024 is Rs. 1053.87 crores.
- Profit before financial expenses and depreciation for the financial year March 31, 2024 is Rs. 89.26 crores.
- PBT (Profit before tax) for the financial year ended March 31, 2024 is Rs. 34.55 crores.

### DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH

As per the Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details

of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company including explanations therefor have been provided in Note no. 42(9) at page no. 150 of the Annual report.

## INTERNAL CONTROLS AND RISK MANAGEMENT

GHCL Textiles Limited has received a legacy of well-established framework of internal controls of the businesses and operations. The Company has adequate monitoring procedures and has appointed competent personnel to safeguard its assets, protect loss from unauthorized use or disposition ensuring reliably authorized, accurately recorded and transparently reported transactions. Establishment of highly efficient management information and reporting systems combined with robust corporate policies form the overall control mechanisms.

The Company conducts its business with integrity, high standards of ethical behavior and in compliance with all applicable laws and regulations that govern its business. To supplement the internal control mechanism, the Company appointed external independent internal audit agencies to carry out concurrent internal audit at all its locations for its business. Audit Committee of the Board of Directors has started to review the internal control systems on a regular basis to improve their effectiveness besides verifying statutory compliances. The Audit Committee shall meet periodically to discuss findings of the internal auditors along with the remedial actions (i.e. Action Taken Report). The statutory audits are conducted by globally recognized 'Big 4' audit agencies to ensure that the company's practices are in line with global best practices. A compliance management tool had also been adopted to ensure timely compliance with legal, financial, environmental, labour, governance, safety and other relevant regulations.

Apart from the above, the Company believes that Risk Management and Internal Audit functions complement each other to form an elaborate risk management system that evaluates the efficacy of the framework relating to risk identification and mitigation. The Company strives

to adopt a de-risking strategy in its operations while making growth investments. This involves setting up and monitoring risks on a regular basis. GHCL Textiles Limited has voluntarily formed Risk & Sustainability Committee in line with the requirement of Regulation 21 of the Listing Regulations. The Company shall continue to adopt Risk Management in a well-defined, integrated framework, which promotes awareness of risks and an understanding of the Company's risk tolerances. The management monitors the internal control system, designed to identify, assess, monitor and manage risks, associated with the Company. Each risk is provided with different number of control measures depending upon its potential impact and probability of occurrence. The risk management framework incorporates both financial and non-financial risks.

## HUMAN CAPITAL MANAGEMENT

In GHCL Textiles we are really proud of our "HUMAN RESOURCES". We believe that our employees make a key difference to our business success. Employees are one of our five key stakeholders and needless to mention that managing our human capital has been our key strength and pride. It is our firm belief that nurturing and strengthening the human resource capital is of utmost importance to run the organization effectively and smoothly. Therefore, the HR function takes pride in managing the human capital both with warmth and care as a hallmark of a caring organization. The Human Capital is managed in a structured manner with key focus areas being Talent Management, Organizational capability Development, Employee Engagement and harmonious Industrial Relations. This contributes to our unique corporate identity in our journey towards high performance Coaching & Mentoring culture. Good human resource management is vital for the success of any business, therefore GHCL Textiles regularly reviews & revisits its various HR policies and practices to ensure that we comply with the values of the Company and can be benchmarked against the leaders in the industry. Our HR Mission emphasizes on creating a value driven, high performance learning organization in an engaged and digitized environment so that we are one among the employer of choice. As on March 31, 2024, number of people employed by GHCL Textiles Limited are 2939 including all categories.

# Corporate Governance for the Financial Year Ended March 31, 2024

(as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

## 1. Company's Philosophy on Code of Corporate Governance

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. The Company continues to focus on good Corporate Governance, in line with the best practices in the areas of Corporate Governance.

Your Company believes that sustainable and long-term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

The Governance for your Company means being true to own belief and constantly strengthening and increasing stakeholders' values and return on investment by adopting principles of transparency, accountability and adherence of committed value creation principles. We are firm in the belief that Corporate Governance means commitment for achievement of value based growth and meeting the commitment within the predefined time frame without compromising with ethical standards, set paradigms, transparency in transactions and fixing of accountability.

In order to strengthen corporate governance practices, company had adopted a code of conduct for Employees and Other Stakeholders, Policy on Board Diversity, Policy for determination of materiality, Policy on succession plan for appointment to the Board and Senior management, Whistle Blower Policy, Risk Management Policy, Policy on preservation of documents and Archival Policy, Policy for determining Material Subsidiary, Dividend Distribution Policy, Policy on Materiality and dealing with Related Party Transactions, Nomination & Remuneration Policy and Supplier's Code of Conduct etc. of the Company. These policies and code of conduct are available on the website of the Company. The Company's corporate governance philosophy shall be further strengthened through the code of practices and procedures for fair disclosures of unpublished price sensitive information and Code of Conduct to Regulate, Monitor and Report Trading by Designate Persons pursuant to SEBI (Prohibition of Insiders Trading) Regulations, 2015. The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

## 2. Board of Directors

The Company understands that good and quality governance is a powerful competitive differentiator and critical to economic and social progress. The "Board", being the trustee of the Company, responsible for the establishment of cultural, ethical and accountable growth of the Company, is constituted with a high level of integrated, knowledgeable and committed professionals. The Board of the Company is independent in making its decision and also capable and committed to address conflict of interest and impress upon the functionaries of the Company to focus on transparency, accountability, probity, integrity, equity and responsibility. Apart from that the Board also discharges its responsibilities / duties as mentioned under the provisions of Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (hereinafter referred as Listing Regulations) and other applicable laws.

Role and responsibilities of Board of Directors is also extended towards strengthening of CSR activities and sustainability of the business. In addition to the above, Board is also responsible for the following:

- (i) To play an oversight role with an objective to ensure that companies have systems in place to effectively manage key risks, including the potential for reputational harm and legal liability associated with adverse social and environmental impacts.
- (ii) To establish and reinforce an overarching set of expectations with regard to the short- and long-term management of social and environmental risks.
- (iii) To make strategies on CSR and developing framework for its implantation.
- (iv) To ensure that the executive management has complied with the applicable statutory compliances related to CSR and other applicable laws.

## 2.1 Composition:

The Composition of the Board as on March 31, 2024 is given herein below:

<b>COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2024</b>			
<b>Category</b>	<b>Name of Directors</b>	<b>No. of Directors</b>	<b>% of total number of Directors</b>
Promoter Director	Mr. Neelabh Dalmia – Non-Executive Director	1	16.67%
Independent Directors*	Mrs. Vijaylaxmi Joshi (Ex-IAS)	3	50.00%
	Dr. Manoj Vaish		
	Mr. Arun Kumar Jain (Ex-IRS)		
Non-Executive Director	Mr. R S Jalan	2	33.33%
	Mr. Raman Chopra		
	<b>TOTAL NO. OF DIRECTORS</b>	<b>6</b>	<b>100%</b>

**Note:** Subsequent to the financial year end, (i) Mr. Anurag Dalmia was appointed as Non-Executive Director w.e.f. April 01, 2024 and (ii) Justice Ravindra Singh (Retd.) was appointed as Independent Director of the Company w.e.f. April 01, 2024.

As on March 31, 2024, the Board of GHCL Textiles Limited is having an optimum combination and the Board consists of six Non - Executive Directors including one-woman independent director and effective from April 01, 2024, Board consists of eight Non - Executive Directors including four Independent Director including one-woman independent director, after appointment of two non-executive Director. Executive functions of the Company are being discharged by the Key Managerial Personnel (KMP) of the Company, who are not members of the Board but KMPs are regularly attending Board / Committee meetings to apprise the Board members about the functioning of the Company. The Company is having all Non-Executive Directors and directors elect one among themselves as chairman in the respective Board Meeting and there is no permanent Chairman of Board of Directors of the Company during FY 2023-24, hence the requirement that at least half of the Board shall

consist of Independent Directors is complied with. The Board of Directors in its meeting held on May 06, 2024, approved the appointment of Mr. Anurag Dalmia, as Non-Executive Chairman of the Board. The requirement of at least half of the Board shall consist of Independent Directors is complied with as the Company have four (50%) Independent Directors on the Board.

All the Non-Executive Directors, including Independent Directors, play a critical role in imparting balance to the Board processes by bringing independent judgement in issues of strategy, performance, resource allocation, compliance of code of conduct and standards of the Company's conduct etc.

All the Independent Directors are considered by the Board to be independent in character and judgment of the management of the Company and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment.

As on March 31, 2024, there were no director who are related to other Directors of the Company. However as on date of this report, Mr. Neelabh Dalmia and Mr. Anurag Dalmia are related to each other as Mr. Neelabh Dalmia is son of Mr. Anurag Dalmia. Except this none of the Director of the Company is related to any other Director on the Board

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, budget, the annual financial plan, significant contracts and capital investment along with strategic decisions like Restructuring of Business, Debt and Human Resources etc. Wherever appropriate, the Board delegates its authority to Committees of Directors like Banking & Operations Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee, Audit Committee, CSR Committee and Risk Management Committee. Information is provided to the Board in advance of every meeting and the Chairman ensures that all Directors are properly briefed on the matters being discussed. The Board reviews compliance reports of applicable laws in the Board meetings and also deliberates the compliance of code of conduct for Board Members and Senior Management.

All the recommendations of Audit Committee and other Committees made to the Board of Directors were duly accepted by the Board of Directors. There has been no such incidence where the Board has not accepted the recommendation of any Committees of the Board during the financial year 2023-24.

With an objective to ensure maximum presence of our Directors in the Board Meeting, dates of the Board Meeting are fixed in advance after consultation with individual directors and consideration of their convenience. The agenda and explanatory notes are circulated to the Directors at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda, the same is circulated before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item on the agenda is permitted after obtaining permission of the Chairman of the meeting and with the concurrence of Independent Directors. During the financial year ended March 31, 2024, four Board Meetings were held on April 12, 2023, August 07, 2023, November 03, 2023 and February 03, 2024. The gap between any two Meetings is not more than 120 days, ensuring compliance with the requirement of Regulation 17 of the Listing Regulations and the Companies Act 2013. The attendance of Directors at the Board Meeting held during the financial year ended March 31, 2024 is given herein below:

S. No.	Name	DATE OF BOARD MEETING & ATTENDANCE				AGM Attendance (September 09, 2023)
		April 12, 2023	August 07, 2023	November 03, 2023	February 03, 2024	
1	Dr. Manoj Vaish	Yes	Yes	Yes	Yes	Yes
2	Mrs. Vijaylaxmi Joshi, (Ex-IAS)	Yes	Yes	Yes	Yes	Yes
3	Mr. Arun Kumar Jain, (Ex-IRS)	Yes	Yes	Yes	Yes	Yes
4	Mr. R. S. Jalan	Yes	Yes	Yes	Yes	Yes
5	Mr. Raman Chopra	Yes	Yes	Yes	Yes	Yes
6	Mr. Neelabh Dalmia	Yes	Yes	Yes	Yes	Yes

**Note:**

Mr. Neelabh Dalmia, director retiring by rotation and is eligible for re-appointment. All the necessary information required under Regulation 36 (3) of the Listing Regulations has been provided under the notice of the Annual General Meeting (AGM).

The Directors of GHCL Textiles Limited meticulously adhere to regulatory mandates concerning their directorship positions and committee memberships in other public limited and equity-listed companies. None of the Directors, including alternate directors, hold directorship positions in more than 10 public limited companies or serve as directors in more than 7 equity-listed companies. For Independent Directors, the limit is set at 7 equity-listed companies, or 3 equity-listed companies if they serve as Whole-time Directors or Managing Directors.

Further, none of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 (1) of the Listing Regulations across all the listed Companies in which he/she is a Director. The necessary disclosure regarding Directorship and Committee positions have been made by the Directors who are on the Board of the Company as on March 31, 2024 and the same is reproduced herein below:

Sl. No.	Name of the Director	Director Identification Number (DIN)	No. of Directorship in other Indian Public Limited Companies*	No. of committee positions held as Chairman in other Public Companies**	No. of Committee positions held as Member in other Public Companies**	No. of Equity Shares of GHCL Textiles Limited held by the Director #	Name of other Listed Entity and Category of Directorship
1	Dr. Manoj Vaish	00157082	2	1	0	-	GHCL Limited – Independent Director
2	Mrs. Vijaylaxmi Joshi	00032055	2	1	2	-	1. GHCL Limited – Independent Director 2. Adani Enterprises Ltd – Independent Director
3	Mr. Arun Kumar Jain	07563704	2	0	2	-	GHCL Limited – Independent Director
4	Mr. R S Jalan	00121260	1	-	-	6,50,000	GHCL Limited – Managing Director
5	Mr. Raman Chopra	00954190	2	-	-	1,75,000	GHCL Limited- Whole Time Director
6	Mr. Neelabh Dalmia	00121760	1	-	-	1,68,150	GHCL Limited- Whole Time Director

**Note:**

\* In accordance with the relevant conditions of Regulation 26 of the Listing Regulations, the limit on the number of directorship and chairmanship/member of committees excludes Private Limited Companies, Foreign Companies, and Companies under Section 8 of the Companies Act, 2013. This exclusion aligns with the requirements of the regulation.

The names of the listed companies, along with the categories of directorship, in which any of the directors mentioned above hold positions as directors, are provided under the respective Director's profile.

\*\* In order to determine the limit of committees, only the chairmanship/membership of the Audit Committee and the Stakeholders' Relationship Committee have been taken into consideration. This approach allows for a focused evaluation of the director's committee roles in line with regulatory requirements. The Company remains committed to adhering to corporate governance principles and maintaining transparency in its directorship positions and committee memberships.

# The Company has not issued any convertible instruments, none of the director is holding any convertible instrument of the Company as on March 31, 2024.

During the financial year ended March 31, 2024, the Company has not entered into any material transactions with its Non-Executive Directors. The Company has also received declaration from Independent Directors confirming their independence as well as confirmation that "he / she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge his / her duties with an objective independent judgement and without any external influence". Accordingly, requirement of Section 149(6) of the Companies Act, 2013 read with Regulation 16(1) (b) & 25 (8) of the Listing Regulations are duly complied with. Based on the declarations received from all the Independent Directors, the Board of Directors is of the opinion that the independent directors fulfill the conditions specified in Companies Act, 2013 and the Listing Regulations and are independent of the management.

The Audit Committee of the Board of the Company has reviewed the financial statements of the Company.

At present, Company do not have any subsidiary, hence, provisions related to appointment of an Independent Director of the Company on the Board of the Indian Subsidiaries is not applicable to the Company.

The Board of Directors in its meeting held on March 6, 2023 had constituted various Committees of the Board and Board of Directors have accepted all the recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10 (j) of schedule V of the SEBI Listing Regulations.

## 2.2 Independent Directors' Meeting

During the year, meeting of Independent Directors was held on October 26, 2023, inter alia, to discuss:

- (a) Evaluation of the performance of Non-Independent Directors;
- (b) Evaluation of the performance the Board of Directors & Committees as a whole;
- (c) Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties effectively.

## 2.3 Familiarisation Programme for Independent Directors

The Company has a familiarisation programme for its Independent Directors. The objective of the programme is to familiarise the Independent Directors to enable them to understand the Company, its operations, business, industry and environment in which it functions and the regulatory environment applicable to it. At the time of appointment of a Director (including Independent Director), a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the

Company. The Director is also explained the compliance required from him / her under the Companies Act, 2013, Listing Regulations and other applicable laws. The management of the Company also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. On the request of the individual director, site visits to various plant locations will be organized by the company for the directors to enable them to understand the operations of the company. Further, on an ongoing basis as a part of Agenda of Board & Committee meetings, presentation are regularly made on various matters inter alia covering the Company's business and operations, industry and regulatory updates etc.

The details of familiarisation programmes for Independent Directors are available on the Company's website: <https://ghcltextiles.co.in/wp-content/uploads/2023/02/Familiarisation-Programme-for-Independent-Directors.pdf>

## 2.4 Key Skills, Expertise, and Competencies of the Board of Directors

The Board of our Company is structured in a manner that promotes a high degree of diversity in terms of age, education/qualifications, professional background, sector expertise, special skills, and geography. This diversity is considered crucial for the effective functioning of the Company and to bring a wide range of perspectives to the decision-making process.

The Board of Directors has identified the following core skills, expertise, and competencies that are required in the context of the Company's businesses and sectors:

### 1. Leadership, Strategic Thinking, Technical Skills of the Industry, and General Management:

- **Leadership:** Inspiring and guiding others towards common goals.
- **Strategic Thinking:** Analyzing complex situations and developing long-term plans.
- **Technical Skills of the Industry:** knowledge of Textiles processes, manufacturing operations, quality control.
- **General Management:** Proficiency in financial management, operations, and strategic planning.

### 2. Public Policy and Public Advocacy:

- **Public Policy:** Understanding and influencing government actions to address social issues.
- **Policy Advocacy:** Actively supporting specific policies to advance organizational objectives.

### 3. Governance, Environment, Health & Safety (EHS), Sustainability, Corporate Social Responsibility (CSR), and Law:

- **Governance:** Establishing processes for decision-making and accountability.
- **EHS:** Implementing measures to protect the environment and ensure safety.
- **Sustainability:** Balancing social, environmental, and economic considerations.
- **CSR:** Contributing to societal well-being through responsible business practices.
- **Law:** Deep understanding of legal frameworks and compliance requirements.

### 4. Finance & Accounts and Capital Markets:

- **Finance & Accounts:** Proficiency in financial management and reporting processes.
- **Capital Markets:** Understanding primary and secondary markets and capital allocation.



## 5. Information Technology (IT), Cyber security, Data Protection, and Digitization:

- **Information Technology:** Utilizing computer systems for data processing and exchange.
- **Cybersecurity:** Protecting systems and data from cyber threats.
- **Data Protection:** Safeguarding important data from loss or compromise.
- **Digitization:** Converting information into digital formats for efficient processing.

The Board's mix of skills and expertise ensures that the Company is ready to handle whatever comes its way in the industries it operates in. With different talents and know-how on board, the Board can make smart decisions and see things from various angles. This diversity of skills helps the Company stay innovative and strong as it works towards its goals.

Each director's skills and expertise are aligned with strategic objectives of the Company, ensuring robust governance and informed decision-making across all areas of the Company's operations.

Name of Directors	Leadership, Strategic Thinking & General Management			Public Policy and Public advocacy		Governance, EHS, sustainability & CSR					Finance & Accounts and Capital Market		Information Technology, Cyber Security, Data Protection and Digitisation			
	Leadership	Strategic Thinking	General Management	Public Policy	Public	Governance	EHS	Sustainability	CSR	Law	Finance & Accounts	Capital Market	Information Technology	Cyber Security	Data Protection	Digitisation
Mr. Anurag Dalmia	Y	Y	Y	Y	Y				Y		Y	Y				
Mrs. Vijaylaxmi Joshi	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y					
Dr. Manoj Vaish	Y	Y	Y		Y	Y		Y	Y		Y	Y	Y		Y	Y
Justice Ravindra Singh	Y	Y	Y	Y	Y	Y			Y	Y	Y					
Mr. A.K. Jain	Y	Y	Y		Y	Y	Y		Y		Y	Y				
Mr. R. S. Jalan	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Raman Chopra	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Mr. Neelabh Dalmia	Y	Y	Y	Y	Y	Y	Y	Y	Y		Y	Y	Y			

## 2.5 Code of Conduct

The Company has adopted a Code of Conduct for its employees. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors, which includes Code of Conduct for Independent Directors, which suitably incorporates the duties of Independent Directors as laid down in the Act. All Board members and senior management personnel have affirmed compliance with their respective Code of Conduct. The CEO & CFO has also confirmed and declared the same. The declaration is reproduced at the end of this Report.

## 2.6 Directors' Profile:

The brief profile of each Director of the Company is given below:

### Mr. Anurag Dalmia

Mr. Anurag Dalmia (DOB - May 11, 1956) is a Non-executive Chairman (Promoter) of the Company. With his extensive experience as an eminent Industrialist, he brings a wealth of knowledge and expertise to the Board. Mr. Dalmia is actively involved in various industry associations and has represented organizations such as PHD Chambers of Commerce and Industry, as well as the Confederation of Indian Textile Industry.

Mr. Anurag Dalmia is non-executive Chairman of GHCL Limited, where he contributes with his strong leadership and strategic thinking abilities. Mr. Dalmia also serves as the Chairman of the CSR Committee of GHCL Limited,

and also serves as a member of the Risk & Sustainability Committee of GHCL Limited, where he contributes his insights on managing risks and driving sustainable practices.

His general management skills, coupled with his deep understanding of the industry, make him a valuable asset to the Company. He is actively engaged in public policy and advocacy, ensuring that the Company's activities align with societal needs and expectations. Additionally, Mr. Anurag Dalmia possesses a sound understanding of the capital market and finance & accounts, further enhancing the Board's expertise in these areas.

Mr. Dalmia is neither a member of more than 10 Committees nor a Chairman of more than 5 Committee. In GHCL Textiles Ltd, he is holding 1,40,225 equity shares in personal account and 605,124 equity share in HUF account.

### **Mrs. Vijaylaxmi Joshi (Ex-IAS)**

Mrs. Vijaylaxmi Joshi (DOB – August 1, 1958) is a highly respected and accomplished Non-Executive Independent Director of the Company, joined the Board of GHCL Textiles Limited as on March 06, 2023. Mrs. Vijaylaxmi Joshi is 1980 batch IAS officer of the Gujarat cadre. Throughout her distinguished tenure, Mrs. Joshi has held various significant positions at both the State and Central levels, demonstrating her exceptional leadership capabilities and strategic acumen. She had served in various posts in the State and in the Centre including Joint and Additional Secretary in the Commerce Ministry; Secretary in the Ministry of Panchayati Raj. She had also been appointed as Officer on Special Duty in the Ministry of Drinking Water and Sanitation. Moreover, Mrs. Joshi has excelled in her role as Managing Director of Gujarat Mineral Development Corporation Ltd, a government Company.

As a Director on the Board of Adani Enterprises Limited and GHCL Limited, Mrs. Joshi brings her profound knowledge and expertise in finance, accounts, and corporate governance to these organizations. She actively contributes as a member of the Audit Committee in both companies, ensuring financial transparency and accountability. In her position as Chairperson of the Nomination & Remuneration Committee within the Company, she oversees the appointment and remuneration of key personnel, fostering a culture of meritocracy and fairness.

Mrs. Vijaylaxmi Joshi's dedication to environmental sustainability and EHS practices makes her an invaluable asset to the Company. Her strong belief in responsible and ethical business practices aligns with the Company's commitment to sustainable development. She is also the chairperson of the CSR Committee within the Company.

Mrs. Vijaylaxmi Joshi is also the Chairperson of Nomination and Remuneration Committee of GHCL Limited and a member of Audit & Compliance Committee and Corporate Social Responsibility (CSR) Committee of GHCL Limited.

Furthermore, Mrs. Joshi's deep understanding of public policy and advocacy enables her to contribute valuable insights to the Board's decision-making processes. Her leadership qualities and strategic thinking abilities empower her to shape policies that address crucial societal issues.

With her extensive knowledge and experience, Mrs. Vijaylaxmi Joshi enriches the Board's discussions and deliberations, offering a unique perspective on matters of finance, governance, sustainability, and societal impact. Her commitment to excellence and unwavering dedication to the Company's stakeholders make her an exemplary Non-Executive Independent Director. Mrs. Joshi is neither a member of more than 10 Committees nor a Chairperson of more than 5 Committees. She does not hold any shares in the Company

### **Dr. Manoj Vaish**

Dr. Manoj Vaish (DOB – May 24, 1961) is a highly esteemed Non-Executive Independent Director of the Company, having joined the Board of GHCL Textiles Limited on March 6, 2023. Dr. Vaish holds a B.Com. (Hons) from S.R.C.C. Delhi, an M.B.A. with a major in Finance from F.M.S., Delhi University, and a Ph.D. in his field of study.

With a remarkable background in finance, forex, and securities markets, Dr. Vaish has accumulated a wealth of experience through his notable roles in prominent organizations as a CEO in BSE, NSDL Database Management Ltd., and Dun & Bradstreet and also served in Deutsche Bank, and His expertise extends to areas including financial education and training, sales and marketing, risk management, credit ratings, and e-governance.

Dr. Manoj Vaish serves as a Director on the Board of Mirae Asset Trustee Company Private Limited and GHCL Limited. He is chairman of the Audit Committee and member of the Nomination & Remuneration Committee of GHCL Textiles Limited and Chairman of Audit & Compliance Committee of GHCL Limited. In his capacity as Chairman of the Audit & Compliance Committee at GHCL Limited and Audit Committee of GHCL Textiles Limited, he ensures effective financial oversight and compliance. Dr. Manoj Vaish is a member of Nomination and Remuneration Committee of GHCL Limited and GHCL Textiles Limited wherein he plays a crucial role in setting the framework for succession planning, ensuring gender diversity, equal pay, non-discrimination and respect for human rights. He is also a member of the Audit Committee at Mirae Asset Trustee Company Private Limited.

Dr. Manoj Vaish is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is not a member or Chairman of any Board or Committee in any other listed Company. He does not hold any shares in the Company

#### **Justice Ravindra Singh (Retd.)**

Justice Ravindra Singh (Retd.) [DOB – July 2, 1953] is a highly esteemed Non-Executive Independent Director of the Company, having joined the Board of GHCL Textiles Limited on April 1, 2024. With a distinguished academic background, Justice Ravindra Singh (Retd.) holds a B.Sc. and LL.B. He embarked on an illustrious legal career as an Advocate in Allahabad High Court and Chairman of U. P. Law Commission before being elevated as a judge of the Allahabad High Court in 2004. After a remarkable tenure, he retired on July 1, 2015. Recognizing his exceptional contributions to the legal profession, he was designated as a Senior Advocate by the Supreme Court of India on August 31, 2016.

Justice Ravindra Singh (Retd.) brings a wealth of legal experience to the Company, that makes him an icon in the legal arena. His deep understanding of the law, coupled with his astute financial acumen, empowers him to contribute effectively to the Board's deliberations on governance matters.

Beyond his legal prowess, Justice Ravindra Singh (Retd.) possesses strong leadership and strategic thinking abilities. His general management skills enable him to provide valuable insights and guidance in shaping the Company's strategic direction. Moreover, his commitment to public advocacy and public policy positions him as a trusted advocate for stakeholders' interests.

With his extensive legal expertise, financial understanding, and multifaceted leadership skills, Justice Ravindra Singh (Retd.) enhances the Company's ability to navigate complex legal and governance landscapes. His presence on the Board not only strengthens the Company's commitment to excellence but also ensures that it upholds the highest standards of ethics and integrity.

Besides the directorship in GHCL Textiles Limited, Justice Ravindra Singh (Retd.) serves as a Director on the Board of GHCL Limited. He is a Chairman of Stakeholders' Relationship Committee of GHCL Limited and a member of Corporate Social Responsibility (CSR) and Nomination and Remuneration Committee of GHCL Limited.

Justice Ravindra Singh (Retd.) is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is not a member or Chairman of any Board or Committee in any other Company. He does not hold any shares in the Company.

**Mr. Arun Kumar Jain (Ex-IRS)**

Mr Arun Kumar Jain, IRS (DOB – January 4, 1956) is a highly esteemed Non-Executive Independent Director of the Company, having joined the Board of GHCL Textiles Limited on March 06, 2023.

With an impressive academic background, Mr. Jain holds a M.Sc. and LL.B. He served the nation with distinction as a retired Indian Revenue Service (IRS) officer, holding various eminent positions within the Department of Revenue, including the prestigious role of Chairman of the Central Board of Direct Taxes. His extensive experience in taxation positions him as a leading authority in this field

Mr. Jain is Chairman of the Stakeholders' Relationship Committee & Risk Management Committee and member of Audit Committee and Nomination & Remuneration Committee of GHCL Textiles Limited.

Mr. Jain is also serving as Independent Director on the Board of GHCL Limited, M R Technofin Consultant Pvt. Ltd and Sahara India Life Insurance Limited. Mr. Jain is Chairman of the Risk Management Committee of GHCL Limited and member of Audit & Compliance Committee, Stakeholder's Relationship Committee of GHCL Limited. Mr. Jain is also member of the Audit Committee of Sahara India Life Insurance Limited.

Mr. Arun Kumar Jain's vast knowledge, experience, and strategic acumen make him a valuable asset to the Company. His dedication to upholding the highest standards of governance and his contributions to the field of taxation exemplify his commitment to excellence. Through his multifaceted expertise, he enhances the Company's ability to navigate complex financial and regulatory landscapes while ensuring the welfare of its stakeholders

Mr. Jain is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He does not hold any shares in the Company.

**Mr. R S Jalan**

Mr. R S Jalan (DOB - October 10, 1957) is Non-Executive Director of the Company.

With more than three decades of experience in the corporate world, Mr. Jalan is a distinguished leader known for his exceptional leadership, strategic thinking, and industry expertise. He holds a 1<sup>st</sup> Class Commerce Graduate (Hons) degree and is a Fellow Member of the Institute of Chartered Accountants of India, New Delhi (FCA).

Mr. Jalan's journey in the corporate sector began with various notable organizations such as Modi Investment Corporations Limited, Sanjay Paper and Chemicals Limited, Dalmia Industries Limited, Dalmia (Bros.) Private Ltd. and GTC Industries Limited. However, his association with the Dalmia Group of Companies has been particularly instrumental in his career growth. At present, Mr. Jalan is serving as a Managing Director of GHCL Limited and as a Director on the Board of Sachin Tradex Pvt. Ltd, India Hostels Pvt. Ltd and Designated partner in Sumedha Worldwide LLP. and Partner in Moustache Hotels and Resorts LLP. Mr. Jalan is member of CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee GHCL Limited and GHCL Textiles Limited. Mr. Jalan is also member of Risk Management Committee of GHCL Textiles Limited and Risk & Sustainability Committee of GHCL Limited.

Through his strategic guidance, financial acumen, and unwavering commitment to excellence, Mr. R S Jalan has played a pivotal role in driving GHCL Group's growth and establishing it as a frontrunner in the industry. His leadership, industry expertise, and the seven mantras he introduced continue to shape GHCL's trajectory, ensuring its continued success in the dynamic corporate landscape.

Mr. Jalan is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. Mr. Jalan hold 6,50,000 equity shares of the Company.

**Mr. Raman Chopra**

Mr. Raman Chopra (DOB – November 25, 1965) is Non-Executive Director of the Company. He is a graduate in Commerce and Fellow member of Institute of Chartered Accountants of India. Mr. Chopra is having wide experience in Corporate Finance and Textiles. Mr. Chopra has more than three decades of Industrial experience. At present, Mr. Chopra is an Executive Director and CFO of GHCL Limited. Mr. Chopra possesses a profound understanding of corporate finance, governance, and sustainability, enabling him to navigate complex financial landscapes with ease. He is actively involved in various committees, including the CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee, and Risk Management Committee of GHCL Textiles Limited. Mr. Chopra is also member of CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee, and Risk & Sustainability Committee of GHCL Limited.

His astute financial acumen, unparalleled negotiation skills, and dedication to integrating the latest technological advancements have been instrumental in enhancing the business processes of the Company and ensuring its financial stability. In addition to his financial expertise, Mr. Chopra exemplifies a strong sense of social responsibility. He actively contributes to GHCL's CSR initiatives, demonstrating his dedication to creating a positive impact on society. Furthermore, his leadership extends to areas such as law, EHS, capital market, digitization, data projection, and public advocacy, making him a well-rounded professional in the corporate sphere. His exceptional leadership qualities, coupled with his expertise in finance and accounts, governance, and public policy, make him an invaluable asset of the company.

Mr. Chopra is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is also holding 1,75,000 equity shares in the Company.

**Mr. Neelabh Dalmia**

Mr. Neelabh Dalmia (DOB – August 16, 1983) is Non-Executive Director of the Company. With a robust educational background, holding an MBA from the Kelley School of Business at Indiana University, USA, and a Bachelor's degree in Business Administration with a specialization in Finance & Entrepreneurship, Mr. Dalmia brings a wealth of knowledge and expertise to his role.

Mr. Neelabh Dalmia is Executive Director of GHCL Limited and member of CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee and Risk & Sustainability Committee of GHCL Limited. He is also member of CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee and Risk Management Committee of GHCL Textiles Limited.

Beyond his professional endeavours, Mr. Dalmia demonstrates a strong sense of social responsibility and environmental consciousness. He is a passionate wildlife photographer, and dedicates his spare time to exploring India's forests with unique animal and bird habitats. His concern for the environment and the increasing inequity in Indian society led him to mentor and initiate extensive corporate social responsibility (CSR) programmes. He thinks CSR for any company will create immense value in the long run for the company via smoother functioning through local partnerships and generate tremendous economic and social value for the country. He believes that these initiatives will not only facilitate smoother operations through local partnerships but also generate significant economic and social value for the company in the long run.

Furthermore, Mr. Neelabh Dalmia holds the position of Co-Chairman of the International Affairs Committee for ASEAN East Asia & Oceania at the PHD Chamber of Commerce and Industry (PHDCCI). The PHDCCI, an esteemed industry chamber of India, has been actively advocating for policies and regulations to contribute to India's growth story since its establishment in 1905. Mr. Dalmia's involvement in this role further underscores his commitment to public policy, advocacy, and fostering international collaborations.

He is neither a member of more than 10 committees nor a Chairman of more than 5 committees. He is also holding 1,68,150 equity shares of the Company.

### 3. Committees of the Board

#### (i) Audit Committee

The Board of Directors, in its meeting held on March 6, 2023 had constituted the Audit Committee as per the requirement of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. As on March 31, 2024, there were three independent directors having expertise in financial and accounting areas, as members of the Committee. Company Secretary of the Company acts as Secretary to the Committee. The Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors.

#### Terms of Reference:

**The details of terms of reference is available at company website:**

<https://ghcltextiles.co.in/wp-content/uploads/2024/04/Term-of-Reference-of-Committees-of-the-Company.pdf>

Executive summary of the Audit Committee Meetings is placed before the immediate next Board Meeting held after the Audit Committee Meetings for deliberation and the full minutes of the same are placed before the following Board Meeting for record. The Chairman of the Audit Committee apprises the Board on the recommendations made by the Committee. Dates of the Audit Committee Meetings are fixed in advance and agenda along with explanatory notes are circulated at least seven days before the meeting. Wherever it is not practicable to attach any document to the agenda the same is tabled before the Meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. In certain emergency situation and /or to maintain the price sensitivity of the transaction, Audit Committee meeting is convened on shorter notice after complying necessary requirement for the same.

During the financial year ended March 31, 2024, the Audit Committee of the Board met four times on April 12, 2023, August 07, 2023, November 03, 2023 and February 03, 2024 and the gap between any two meetings of the Audit Committee is not more than 120 days, ensuring compliance with the requirement of Regulation 18 of the Listing Regulations and the Companies Act 2013. The adequate quorums were present at every Audit Committee meeting. The Composition of Audit Committee and attendance of members at the meetings are given herein below:

Category	Name of the Audit Committee members		
	<b>Dr. Manoj Vaish</b> Chairman of the Committee	<b>Mrs. Vijaylaxmi Joshi</b> Member of the Committee	<b>Mr. Arun Kumar Jain</b> Member of the Committee
	Non- Executive -Independent Director (Expertise in Finance, account, forex, tax and securities market)	Non-Executive-Independent Director - (Ex –IAS) (Expertise in administration, finance & taxation, CSR)	Non-Executive - Independent Director (Ex-IRS) (Expertise in Finance, accounts, taxation & sustainability)
<b>Date of the Meeting</b>			
April 12, 2023	Yes	Yes	Yes
August 07, 2023	Yes	Yes	Yes
November 03, 2023	Yes	Yes	Yes
February 03, 2024	Yes	Yes	Yes
Whether attended Last AGM (Yes/ No)	Yes	Yes	Yes

**Note:** The Audit Committee ensures that relevant stakeholders are invited to its meetings as required. Invitees include the Directors, CEO, CFO, Statutory Auditors, Internal Auditors, and other concerned employees responsible for Internal Audit/accounts. Their presence and inputs contribute to comprehensive discussions and informed decision-making during the committee meetings.

The Company has complied with the requirements of Regulation 18 of the Listing Regulations as regards composition of the Audit Committee. Dr. Manoj Vaish, an esteemed expert in Finance and Accounting, with a wealth of knowledge in areas such as forex and securities market. Dr. Vaish's expertise and experience contribute significantly to the committee's effectiveness.

As required under Regulation 18 (3) of the Listing Regulations, the Audit Committee had reviewed the following information:

- Management Discussion and Analysis of financial condition and results of operations.
- Management letter(s)/letters of Internal control, weaknesses issued by the Statutory Auditors.
- Internal Auditor's Reports relating to internal control weaknesses and
- the Appointment, removal and terms of remuneration of the Chief internal auditors.
- Statement of deviations:
- Quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32 (1):- **Not applicable**
- Annual statement of funds utilised for purposes other than those stated in the offer document/Prospectus/ notice in terms of Regulation 32 (7):- **Not applicable**

**(ii) Nomination & Remuneration Committee:**

The Board of Directors in its meeting held on March 6, 2023 had constituted the Nomination & Remuneration Committee of the Company as per the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. As on March 31, 2024, Nomination & Remuneration Committee comprises of three Independent Directors and also the Chairperson of this Committee is an Independent Director. Company Secretary of the Company acts as Secretary to the Committee.

In line with the requirement of Section 178(2) of the Companies Act, 2013 read with Regulation 19(4) of the Listing Regulations, the Nomination and Remuneration Committee shall be responsible for following activities:

1. To identify persons who are qualified:
  - (a) to become directors and
  - (b) who may be appointed in senior management in accordance with the criteria laid down by the company. The expression "senior management" means shall mean officers/personnel of the listed entity who are members of its core management team excluding the Board of Directors and normally this shall comprise all members of management one level below the CEO/MD/Whole Time Director and shall specifically include Company Secretary, functional head and Chief Financial Officer.
2. To recommend to the Board the appointment and removal of person identified under point (1) above.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

4. To devise a policy on diversity of Board of Directors.
5. To formulate the criteria for evaluation of performance of Independent Directors and Board of Directors.
6. To decide whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. Any other activities as per the requirement of Regulation 19 of the Listing Regulations and the Companies Act, 2013.

During the financial year ended March 31, 2024, meeting of the Nomination and Remuneration Committee was held on January 23, 2024. The Composition of Nomination & Remuneration Committee and attendance of members at the meetings are given herein below.

<b>Composition and Attendance of Members at the Nomination &amp; Remuneration Committee Meetings held during the Financial year ended March 31, 2024</b>			
	Name of the Nomination & Remuneration Committee Members		
Category	<b>Mrs. Vijaylaxmi Joshi</b> Chairperson of the Committee	<b>Dr. Manoj Vaish</b> Member of the Committee	<b>Mr. Arun Kumar Jain</b> Member of the Committee
	Non-Executive-Independent Director - (Ex –IAS) (Expertise in administration, finance & taxation, CSR)	Non- Executive -Independent Director (Expertise in Finance, account, forex, tax and securities market)	Non-Executive -Independent Director (Ex-IRS) (Expertise in Finance, accounts, taxation & sustainability)
Date of the Meeting			
January 23, 2024	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	Yes	Yes

### Remuneration Policy:

The Nomination & Remuneration Policy of the Company has been posted on the website of the Company at <https://ghcltextiles.co.in/wp-content/uploads/2024/04/GHCL-Textiles-Limited-Nomination-and-Remuneration-Policy.pdf>. The Company's Compensation Policy and Practices have been formulated and maintained to meet inter-alia the following objectives:

1. To attract, retain and motivate qualified and competent individuals at Director, Key Managerial and other employee levels to carry out company's business operations as assigned to them.
2. To ensure payment of salaries and perks that are comparable to market salary levels so as to remain competitive in the industry.
3. To revise the remuneration of its employees periodically for their performance, potential and value addition after systematic assessment of such performance and potential.



4. To ensure disbursement of salary and perks in total compliance to the applicable statutory provisions and prevailing tax laws of the Country.

In order to meet the above objectives, the company undertakes various processes in an ongoing manner such as conducting of salary survey's, periodic review of its performance appraisal and reward systems, institution of incentive schemes, providing skill and competency development to its manpower on a regular basis, providing fast track career growth paths to high performers, modification of salary structure in line with the changes in the tax laws etc.

With regard to the annual revision of the employees, respective reporting managers assess the performance of employees. However, the authority for reviewing the performance and reward rests with the Nomination and Remuneration Committee of the Board of Directors of the company. In this assessment, the performance, potential and value addition to the company are assessed as per the policy of the Company.

Additionally, in order to get best talent from the market and retain them for longer period, company has a policy to pay compensation better than prevailing market practice to deserving candidates. In any circumstance, remuneration shall not be less than prevailing market trend.

In addition to the above, remuneration to directors, key managerial personnel, and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. Payment of remuneration to the Chief Executive Officer and Chief Financial Officer are governed by the policy of the Company. Their Remuneration structure comprises salary, perquisites and allowances, contribution to Provident Fund and Superannuation Fund and premium on Gratuity Policy etc.

The Non-Executive Directors including Independent Directors do not draw any remuneration from the Company other than the sitting fee and such commission as may be determined by the Board from time to time within the overall approval given by the shareholders in the 3<sup>rd</sup> Annual General Meeting of the Company held on September 09, 2023 and pursuant to the relevant provisions of the Companies Act, 2013. The commission payable to the Non - Executive Directors is limited to a fixed amount per year as determined and approved by the Board, the sum of which is within the limit of 1% of net profit for the year, calculated as per the provisions of the Companies Act, 2013. The actual amount of commission payable to each Non - Executive Director is decided by the Board, upon recommendation of the Nomination & Remuneration Committee, on the following criteria: -

- Attendance and time spent in the board meeting, audit committee meeting, nomination & remuneration committee meeting, CSR committee meeting and risk management committee meeting during the financial year;
- Outcome of the evaluation process;
- Role and Responsibility as Chairman and /or Member of the Board / Committee;
- Individual contribution at the meetings and contribution made by directors other than in the meetings;

During the financial year 2023-24, the Company paid sitting fees of Rs. 15,000/- per meeting to the Independent Directors for attending each meeting of the Board and Rs. 5000/- per meeting for Committee Meetings. On recommendation of Nomination & Remuneration Committee (NRC), the Board of Directors in their meeting held on May 6, 2024 approved the revised Sitting Fees of Rs. 25,000/- (Rupees Twenty-Five Thousand) per meeting for attending Board Meeting and Committee Meetings (Audit, NRC, CSR, Risk Management and

Independent Directors Meeting). The Board had also approved the proposal for payment of sitting fees to all Directors of the Company for attending Board / Committee Meeting.

Details of sitting fee paid/payable to the Directors of the Company for the financial year ended March 31, 2024 are given below:

Non- Executive Directors	Amount (INR in Lacs)	
	Sitting Fees	Commission
Dr. Manoj Vaish	1	4.21
Mrs. Vijaylaxmi Joshi	1	4.21
Mr. Arun Kumar Jain	1	4.21
Mr. R S Jalan	0	4.21
Mr. Raman Copra	0	4.21
Mr. Neelabh Dalmia	0	4.21
<b>TOTAL</b>	<b>3</b>	<b>25.26</b>

**Note:** keeping in view that after demerger of spinning division of GHCL Limited with GHCL Textiles Limited, the business of the GHCL Textiles Limited is in initial stage, hence Mr. R S Jalan being Managing Director, Mr. Raman Chopra and Mr. Neelabh Dalmia, being Whole Time Directors in GHCL Limited and Non- Executive Directors of GHCL Textiles Limited, have voluntarily offered, not to take any sitting fees from GHCL Textiles Limited for attending meetings of Board and Committees during FY 2023-24.

Company had started its business operations w.e.f. April 01, 2023 (effective date of demerger of spinning division of GHCL Limited with GHCL Textiles Limited) and during the financial year 2022-23, there was no business operations and accordingly the Company has not paid any commission to the directors for financial year ended on March 31, 2023. However, on recommendation of Nomination and Remuneration Committee, the Board of Directors in its meeting held on May 06, 2024 approved the payment of commission for Financial year 2023-24 to Non-Executive Directors which is within overall limit of 1% of net profit of the year.

### Service Contracts, Notice Periods, Severance Fees

The service contracts, Notice Periods and severance fees to all the Directors including Non-Executive and Independent Directors are governed through Board/ Shareholders Resolutions related to appointment or re-appointment of the concerned directors.

### All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company:

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors and Independent Directors during the FY 2023-24 except for the Sitting Fees and Commission paid or payable to them respectively as approved by the Board from time to time.

### Stock Options

During the financial year 2023-24, company had not granted any stock option to Director or employees of the Company.

### **Performance Evaluation:**

In line with the provisions of the Companies Act, 2013 and SEBI Guidance Note on Board evaluation issued vide SEBI Master circular dated July 11, 2023 read with relevant provisions of the SEBI Listing Regulations, 2015, the Board has carried out an annual evaluation of its own performance and that of its Committees and individual Directors through the separate meeting of independent directors and the Board as a whole. The performance of the independent directors was evaluated by the entire Board except the person being evaluation in their meeting held on November 03, 2023. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. A separate meeting of Independent Directors was held on October 26, 2023, to review the performance of Non-Independent Directors', performance of the Board and Committee as a whole. The performance evaluation of the Board and its constituents was conducted on the basis of functions, responsibilities, competencies, strategy, tone at the top, risk identification and its control, diversity, and nature of business. A structured questionnaire was circulated to the members of the Board covering various aspects of the Board's functioning, Board culture, execution and performance of specific duties, professional obligations and governance. The questionnaire was designed to judge knowledge of directors, their independence while taking business decisions; their participation in formulation of business plans; their constructive engagement with colleagues and understanding the risk profile of the company, etc. In addition to the above, the chairman of the Board and / or committee is evaluated on the basis of their leadership, coordination and steering skills.

Thereafter, the Nomination and Remuneration Committee used to review the performance of individual Directors on the basis of their contribution as a member of the board or committee. The quantum of profit-based commission, payable to directors is decided by the Nomination and Remuneration Committee on the basis of overall performance of individual directors.

### **(iii) Stakeholders Relationship Committee:**

In line with the requirement of Section 178(6) of the Companies Act, 2013 read with Regulation 20(4) of the Listing Regulations, the Stakeholders Relationship Committee shall be responsible inter-alia for the following activities:

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 Registrar & Share Transfer Agent (RTA).
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Board had constituted the Stakeholders Relationship Committee, which meets the requirement of Section 178(5) of the Companies Act, 2013 read with Regulation 20(2) & (2A) of the Listing Regulations. The Committee look into various aspects of the interest of the shareholders. The committee expedite the process of redressal of complaints like non-transfer of shares, non-receipt of Annual Report etc. The committee regularly viewed the complaints filed online at SEBI Complaints Redressal System (SCORES) and action taken report (ATR) thereon. During the financial year 2023-24, three meeting of the Stakeholder Relationship Committee were held on July 15, 2023, October 7, 2023 and January 15, 2024.

The Composition of Stakeholders Relationship Committee as on March 31, 2024 and attendance of members at the meetings held during FY 2023-24 are given herein below:

<b>Composition and Attendance of Members at the Stake holders Relationship Committee Meetings held during the Financial year ended March 31, 2024</b>				
<b>Category</b>	<b>Name of SRC Committee Members</b>			
	<b>Mr. Arun Kumar Jain</b> Chairman of the Committee	<b>Mr. R S Jalan</b> Member of the Committee	<b>Mr. Raman Chopra</b> Member of the Committee	<b>Mr. Neelabh Dalmia</b> Member of the Committee
	Non-Executive -Independent Director	Non-Executive - Director	Non-Executive - Director	Non-Executive - Director
<b>Date of the Meeting</b>				
January 15, 2024	Yes	Yes	Yes	Yes
October 07, 2023	Yes	Yes	Yes	Yes
July 15, 2023	Yes	Yes	Yes	Yes
Whether attended Last AGM (Yes/No)	Yes	Yes	Yes	Yes

The Stakeholders Relationship Committee is empowered to review the summary of the complaints received and also to take appropriate action promptly. No requests for share transfer are pending apart from those that are disputed or sub-judice. All complaints are resolved within 15 days except those which are of legal nature. The Company received five complaints from shareholders through Stock Exchanges and/or SEBI or directly that inter-alia includes non-receipt of shares, share transfer (including Demat etc.), claim of shares from suspense Escrow account and non - receipt of annual report. The Complaints were duly attended and the Company has furnished necessary documents / information to the shareholders.

Company Secretary of the Company is the Secretary to the Committee and also the Compliance Officer of the Company.

During the financial year 2023-24, Company had received five complaint from shareholder, which were resolved within stipulated time and there is no shareholder's complaint is pending as on March 31, 2024.

#### **(iv) Banking and Operations Committee**

The Board of Directors in its meeting held on March 6, 2023 had constituted the Banking and Operations Committee to expedite the day to day functioning and exercise of delegated powers of the Board. This Committee meets as per the requirement of business, to expedite all matters relating to operations and granting authority for various functional requirements such as issue of Power of Attorney, arranging / negotiating of term loans, working capital loan, short term loan, dealings with Central / State Governments including their agents and various statutory / judicial / regulatory / local / commercial / excise / customs / port / sales tax / income tax / electricity board etc. and other authorities on behalf of the Company in line with the delegated authority of Board of Directors from time to time.

The composition of the Banking and Operations Committee as on March 31, 2024 is as under:

Sl. No.	Name of directors	Status
1	Mr. R S Jalan – Non-Executive Director	Member
2.	Mr. Raman Chopra – Non-Executive Director	Member
3	Mr. Neelabh Dalmia – Non-Executive Director	Member

**(v) Corporate Social Responsibility (CSR) Committee & CSR activities**

The Board of Directors in its meeting held on March 6, 2023, had constituted the Corporate Social Responsibility (CSR) Committee as per the requirement of Section 135 of the Companies Act, 2013. This Committee was constituted to strengthen and monitor CSR policy of the Company. Further, CSR Committee of the Board meets the criteria prescribed by Section 135 of the Companies Act, 2013, which states that every CSR Committee of the Board shall be consisting of three or more directors, out of which at least one director shall be an Independent Director. The brief term of reference of CSR committee is available on the website of the Company at <https://ghcltextiles.co.in/wp-content/uploads/2024/04/Term-of-Reference-of-Committees-of-the-Company.pdf>

The Board of Directors of GHCL Textiles Limited through CSR Committee / GHCL Foundation Trust / management is responsible for following CSR related activities:

- To approve CSR strategies, budgets, plans and corporate policies;
- To approve CSR’s risk management strategy and frameworks and monitoring their effectiveness;
- Considering the social, ethical and environmental impact of CSR’s activities and monitoring compliance with CSR’s sustainability policies and practices;
- To review the CSR activities undertaken during the financial year;
- To review and modify the approved budget based on the progress report of GHCL Foundation Trust as recommended by CSR Committee from time to time;
- Inclusion and modification of CSR activities based on the survey conducted by the independent agency and impact assessment analysis with respect to CSR activities undertaken by the Company;
- To empower CSR committee and Chief Executive Officer for taken appropriate steps with an objective to achieve CSR goal determined by the Board;
- To ensure that company shall respect human rights concern throughout its operations and if required develop a framework for managing, mitigating and preventing adverse human rights impacts;
- Reconstitution of CSR Committee as and when required depending upon the vacancy in CSR Committee;
- To review of the progress report of CSR Activities;
- Giving of directions for effective implementation of CSR projects.

All CSR activities of GHCL Textiles Limited will be carried out by a dedicated team engaged in the GHCL Foundation Trust and progress will be monitored by the management every month. The thrust areas are Water Resource, Sanitation, Health & Hygiene, Agro based livelihood, Animal Husbandry, Education, Women Empowerment, Skill development etc.

During the financial year ended March 31, 2024, CSR provisions were not applicable upon the Company, accordingly, CSR Committee meeting was not held during FY 2023-24.

Composition of the Corporate Social Responsibility Committee as on March 31, 2024 is as under:

<b>Corporate Social Responsibility (CSR) Committee</b>		
Sl. No.	Name of the Directors	Status
1	Mrs. Vijaylaxmi Joshi	Chairperson
2	Mr. R S Jalan	Member
3	Mr. Raman Chopra	Member
4	Mr. Neelabh Dalmia	Member

#### **(vi) Risk Management Committee**

In compliance with the provisions of Regulation 21 of the Listing Regulations and other applicable provisions, if any, the Board of Directors in its meeting held on March 6, 2023 had voluntarily constituted the Risk Management Committee. The Company satisfies the requirement of Regulation 21 of the Listing Regulations, which states that the majority of Committee shall consist of members of the Board of Directors; senior executives of the Company may be members of the said committee but Chairman of the Risk Committee shall be member of the Board of Directors. The Company is having well defined Risk Management Policy and Risk Management Framework. Risk Management Policy of the Company has been posted on the website of the Company. However as on preceding financial year (i.e. March 31, 2023), being an unlisted Company, provisions of Regulation 21 of SEBI Listing Regulations 2015 were not applicable upon the Company for FY 2023-24. Accordingly, meeting of the Risk Management Committee was not held during FY 2023-24.

The composition of the Risk Management Committee as on March 31, 2024 is as under:

Sl. No.	Name of the Directors	Status
1	Mr. Arun Kumar Jain	Chairman
2	Mr. R S Jalan	Member
3	Mr. Raman Chopra	Member
4	Mr. Neelabh Dalmia	Member

#### **Risk Management Framework**

Details of Risk management framework is as given below;

- (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 listed entity, 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 keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) To review of appointment, removal and terms of remuneration of the Chief Risk Officer (if any) in line with the SEBI LODR regulations.
- (7) Advise sustainable strategy and policy on climate change, health, safety and environment, social and community matters;
- (8) Ensure appropriateness of the Sustainability management systems and frameworks.
- (9) Ensure effectiveness of the company's external reporting of sustainability performance and its participation in external benchmarking indices.
- (10) Ensure that a safe and healthy working environment is a primary objective and is fundamental to the Company's business operations;
- (11) Keep upto date with Environmental, Social and Governance (ESG) best practices and thought leadership.
- (12) Responsible for the oversight of diversity & inclusion (D&I) matters, people and community engagement and monitoring of corporate culture in support of the company's purpose and values, reporting to the Board on such matters as appropriate.
- (13) Balance non-financial targets and commitments with the sustainability strategy with the delivery of financial value for shareholders and other stakeholders.
- (14) Monitor and review changes in the company's reputation and its stakeholders' expectations on sustainability and ensure the Board is kept appropriately informed;
- (15) Bring best practice thinking and ongoing awareness of global developments in sustainability.
- (16) Any other activities as per the requirement of the Listing Regulations and /or the Companies Act, 2013 and other applicable provisions or suggested norms, if any.

#### 4. General Body Meeting:

- a) **Annual General Meetings:** The last three Annual General Meetings (AGM) of the Company were held within the Statutory Time period and the details of the same are reproduced herein below:

Financial Year	Date	Time	Venue / Mode
2022-23	September 09, 2023	2.30 P.M.	Through Video Conferencing (VC) or Other Audio Visual Means (OVAM)
2021-22	June 29, 2022	10.00 A.M.	Through Video Conferencing (VC) or Other Audio Visual Means (OVAM)
2020-21	June 18, 2021	10.00 A.M.	Through Video Conferencing (VC) or Other Audio Visual Means (OVAM)

**(b) Details of Special Resolutions passed in previous three AGMs are as follows:**

The information regarding Special Resolution passed in the previous three Annual General Meetings are as follows:

AGM No.	Date of AGM	Special Resolutions passed on AGM
3 <sup>rd</sup> AGM	September 09, 2023	(a) Appointment of Dr. Manoj Vaish (DIN: 00157082), as an Independent Director of the Company. (b) Appointment of Mrs. Vijaylaxmi Joshi, Ex-IAS (DIN: 00032055), as an Independent Director of the Company. (c) Appointment of Mr. Arun Kumar Jain, Ex-IRS (DIN: 07563704), as an Independent Director of the Company.
2 <sup>nd</sup> AGM	June 29, 2022	No Special resolution passed
1 <sup>st</sup> AGM	June 18, 2021	No Special resolution passed

**(c) Extraordinary General Meeting (EGM)**

During the previous three financial years, one Extra Ordinary Meeting (AGM) was held i.e. on September 27, 2021 for (i) approval of borrowing limit upto Rs. 1000 Crores; and (ii) Creation of charges or mortgages and hypothecations on Company's properties.

**(d) Special Resolution passed last year through Postal Ballot**

Please note that no resolution was passed in the financial year 2022-23. However, during the Financial year 2023-24, one special resolution was passed through postal ballot (remote e-voting only) for appointment of-

- Justice (Retd.) Ravindra Singh (DIN: 08344852), as an Independent Director of the Company.

**Postal Ballot details:**

Date of Notice of Postal Ballot: February 03, 2024

Cut-off date: Friday, February 09, 2024

Dispatch of Notice to Shareholder: Tuesday, February 13, 2024

Voting Period: Friday, February 16, 2024 at 09:00 a.m. (IST) to Saturday, March 16, 2024 at 05:00 p.m. (IST)

Date of Declaration of Result: Saturday, March 16, 2024

Date of Approval: Saturday, March 16, 2024



**Summary of the voting pattern is as follows:**

Item No.	Resolution	No. of Votes Polled	No. of Votes in favour	No. of Votes against	% of Votes Polled in favour	% of Votes Polled against
1.	Appointment of Justice (Retd.) Ravindra Singh (DIN: 08344852), as an Independent Director of the Company (Special Resolution)	42177108	42173289	3819	99.99%	0.01%

Both resolutions were approved by a requisite majority, demonstrating strong shareholder support. The Company ensured strict compliance with postal ballot provisions, fostering transparency and integrity in the process. By offering an e-voting option, the Company enhanced shareholder engagement

**Person who conducted the Postal Ballot exercise**

Pursuant to the requirement of Companies Act, 2013 read with Rule 22(5) of the Companies (Management and Administration) Rules 2014, the Board had appointed Mr. Manoj R. Hurkat, Practicing Company Secretary holding Membership No. F4287 and Certificate of Practice No. 2574 as the Scrutinizer for conducting the voting process through Postal Ballot /E-Voting in accordance with the law in a fair and transparent manner.

**Procedure of Postal Ballot**

In Compliance with the provisions of Section 110 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 the Company completed the dispatch of Postal Ballot Notice on February 13, 2024 through e-mails to the Shareholders whose names appeared in the register of shareholders/list of beneficiaries as on cut-off date ( i.e. Friday, February 09, 2024). The Company also published a notice in the newspapers intimating completion of dispatch of Notice and providing other information as mandated under the Act and applicable rules. Further, the Company also provided the facility of remote e-voting to the Members to cast their votes electronically, in accordance with Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations. Company had engaged the services of Central Depository Services Limited (CDSL) for providing the e-voting platform for its members to enable them to cast their votes electronically on the resolutions as set out in the Notice of Postal Ballot.

Mr. Manoj R. Hurkat, Scrutinizer, submitted his report on the result of Postal Ballot on March 16, 2024 and the results of Postal Ballot was announced on the same day. The said results of postal ballot through e-voting were placed on the website of the Company and also communicated to Stock Exchanges, Depository and its Registrar and Share Transfer Agent. For further details on the above the Shareholders may visit website of the Company [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in)

Further, no resolution is proposed for approval of the members by way of Postal Ballot as on the date of this report.

- (e) Outcome of 3<sup>rd</sup> AGM:** Three Special Resolutions were passed in the 3<sup>rd</sup> Annual General Meeting. the Notice for convening 3<sup>rd</sup> AGM contained seven Resolutions. All the Seven resolutions were passed by the Shareholders with the requisite majority by combined results of the Remote e-voting and e-voting at AGM.

## 5. Means of communication:

<b>Publication of Unaudited Quarterly / Half yearly Results and Related Matters</b>							
<b>S r. No.</b>	<b>Particulars</b>		<b>Quarter I</b>	<b>Quarter II</b>	<b>Quarter III</b>	<b>Quarter IV</b>	<b>Financial Year ended March 31, 2024 (Audited)</b>
1	English Newspapers in Which quarterly results were published / to be published	The Hindu - Business Line (all edition) The Economic Times (Ahmedabad edition)	August 8, 2023	November 4, 2023	February 05, 2024	May 7, 2024	May 7, 2024
2	Vernacular Newspapers in which quarterly results were published / to be published	Jai Hind (Gujarati) Financials Express (Gujarati)	August 8, 2023	November 4, 2023	February 05, 2024	May 7, 2024	May 7, 2024
3	Website Address of the Company on which financial results are posted	<a href="http://www.ghcltextiles.co.in">www.ghcltextiles.co.in</a>					
4	Website Address of the Stock Exchange(s) on which financial results are posted.						
	Name of Stock Exchange						
	National Stock Exchange of India Limited (NSE)	<a href="http://www.nseindia.com">www.nseindia.com</a>	August 07, 2023	November 03, 2023	February 03, 2024	May 06, 2024	May 06, 2024
	BSE Limited (BSE)	<a href="http://www.bseindia.com">www.bseindia.com</a>	August 07, 2023	November 03, 2023	February 03, 2024	May 06, 2024	May 06, 2024
5.	Presentation made to institutional investors or to the analysts	During the year under review, conference call and /or Investors meeting were facilitated on February 06, 2024 to discuss the financials and / or other business update of the Company, with the investors / analysts. Copy of the presentation and /or transcripts, wherever available regarding said Investors' conference / meetings held with the management were filed with the Stock Exchanges and the same were also uploaded on the website of the Company.					

## 6. General shareholder's Information:

GENERAL SHAREHOLDER INFORMATION				
Sl. No.	Particulars	Details		
1	Annual General Meeting	Monday, July 08, 2024	12.30 PM	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM), as per the framework issued by the Ministry of Corporate Affairs (MCA) read with applicable circulars. Deemed venue of the Meeting is registered office of the Company i.e. "GHCL HOUSE", opp. Punjabi Hall, Navrangpura, Ahmedabad, Gujarat-380009.
2	Financial Calendar			
	Financial Reporting for - Quarter - I (ending June 30, 2024)	By 2 <sup>nd</sup> week of August 2024		
	Financial Reporting for - Quarter - II (ending September 30, 2024)	By 2 <sup>nd</sup> week of November 2024		
	Financial Reporting for - Quarter - III (ending December 31, 2024)	By 2 <sup>nd</sup> week of February 2025		
	Financial Reporting for - Quarter - IV (ending March 31, 2025)	By 4 <sup>th</sup> week of May 2025		
	Financial Year of the Company is for a period of 12 months commencing from 1 <sup>st</sup> April and ending on 31 <sup>st</sup> March.			
3	Record Date / Cut-off Date	Monday, July 01, 2024 (for remote e-voting and to attend AGM and dividend)		
4	E-voting date	The e-Voting commences on Wednesday, July 03, 2024 at 09:00 AM and ends on Sunday, July 07, 2024 at 05:00 PM through CDSL e-voting platform.		
5	Dividend Payment Date	On or after July 08, 2024 (Monday)		
6	Listing on Stock Exchanges	Name & Address of Stock Exchanges	Stock Code	ISIN WITH NSDL & CDSL
		BSE Limited, (BSE) Phiroze Jeejeebhoy, Dalal Street, Mumbai - 400 001	543918	INE0PA801013
		National Stock Exchange of India Limited, (NSE) "Exchange Plaza", Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	GHCLTEXTIL	INE0PA801013

**GENERAL SHAREHOLDER INFORMATION**

Sl. No.	Particulars	Details																								
7	Corporate Identification Number (CIN)	L18101GJ2020PLC114004																								
8	Listing fees:	Listing fee for all the aforesaid Stock Exchanges have been paid for the financial year ended March 31, 2024.																								
9	Details of Registrar and Share Transfer Agent	Link Intime India Private Limited, C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083. Tel No: +91-8108116767, Fax:+912249186060 (Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a> )																								
10 (a)	Outstanding GDRs / ADRs / Warrants or any convertible instruments:	Not applicable																								
10(b)	In case the Securities are suspended from trading, the directors report shall explain the reason thereof	Not applicable as securities of the Company not suspended for trading on any stock exchanges during FY 2023-24																								
11	Commodity price risk or foreign exchange risk and hedging activities: As per the SEBI Circular dated November 15, 2018 read with Clauses 9(n) & 9(g) of Part C to Schedule V of the Listing Regulation, disclosure regarding exposure of the Company to various commodities for the financial year ended on March 31, 2024, is as under: a. Total exposure of the Company to commodities in INR: 567.55 Crore b. Exposure of the Company to various commodities:	<table border="1"> <thead> <tr> <th rowspan="3">Commodity Name</th> <th rowspan="3">Exposure towards the particular commodity (Rs. in Crore)</th> <th rowspan="3">Exposure in quantity terms towards the particular commodity (MT)</th> <th colspan="4">% of such exposure hedged through commodity derivatives</th> </tr> <tr> <th colspan="2">Domestic market</th> <th colspan="2">International Market</th> <th rowspan="2">Total</th> </tr> <tr> <th>OTC</th> <th>Exchange</th> <th>OTC</th> <th>Exchange</th> </tr> </thead> <tbody> <tr> <td>cotton</td> <td>567.55</td> <td>31,096</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Commodity Name	Exposure towards the particular commodity (Rs. in Crore)	Exposure in quantity terms towards the particular commodity (MT)	% of such exposure hedged through commodity derivatives				Domestic market		International Market		Total	OTC	Exchange	OTC	Exchange	cotton	567.55	31,096	Nil	Nil	Nil	Nil	Nil
Commodity Name	Exposure towards the particular commodity (Rs. in Crore)	Exposure in quantity terms towards the particular commodity (MT)				% of such exposure hedged through commodity derivatives																				
						Domestic market		International Market		Total																
			OTC	Exchange	OTC	Exchange																				
cotton	567.55	31,096	Nil	Nil	Nil	Nil	Nil																			
	c. Commodity risks faced by the listed entity during the year and how they have been managed Senior management monitors commodity price risk and foreign exchange risk and based on the expert advice taken necessary step for its coverage / hedging as given below: For Cotton: Company has a very robust and well proven policies of cotton sourcing. Most of the cotton procurement is done at the beginning of the season which starts from October onwards every year and covers almost 70-80% of its yearly requirement during October – March period where the quality of the cotton is the best and prices are generally on the lower side. The Company has adequate working capital arrangements in place to adhere to the above policy of cotton procurement every year. <b>Foreign Exchange risk &amp; Hedging Activities by the Company for the FY 2023-24:</b> Company has institutionalized arrangements for Monthly Operational Review / Quarterly review of the Forex Exposures of Import / Export / FTCL by the top management. The Exchange Risk on the above exposures is mitigated / managed by way of Hedging as explained below:																									

**GENERAL SHAREHOLDER INFORMATION**

Sl. No.	Particulars	Details
	<p><b>Export Exposures</b></p> <p>The Company takes forward cover of around 50% to 65% of its export for the next 12 months on a continuous basis. Balance export proceeds are converted on the prevailing exchange rate. PCFC is availed for the export on regular basis.</p> <p><b>Import Exposures - Raw materials</b></p> <p>GHCL Textiles follows the strategy for Hedging the Import Exposures. The Company takes the Forward Cover for the next 1-3 Months imports payables of raw-materials on a regular basis.</p> <p><b>Import Exposures – Capital Goods</b></p> <p>The company takes the Forward cover for the Capital goods import payments after the receipt of import documents and submission of acceptance to the bank.</p> <p><b>Import Exposures – Trading division</b></p> <p>The company takes the Forward cover for the Trading division import payments after the receipt of import documents and submission of acceptance to the bank.</p> <p><b>FTCL / FCNRB Exposures</b></p> <p>As a policy, the Company takes forward cover for the repayment of FTCL / FCNRB maturing next 3 Months basis</p>	
12	Address for Correspondence	
	Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar & Share Transfer Agent (RTA) on a weekly basis. The Company provides facility for simultaneous transfer and dematerialization of equity shares as per the procedures provided by NSDL/CDSL. For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, or annual report or any other query relating to shares be addressed to <b>Link Intime India Private Limited, C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083.</b> <b>Tel No: +91-8108116767, Fax: +91-22-49186060</b> <b>Email : <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></b>	
	For General Correspondence: <b>GHCL Textiles Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380 009. Phone: 079 -26427818/26442677, 079-39324100, Email: <a href="mailto:secretarial@ghcltextiles.co.in">secretarial@ghcltextiles.co.in</a></b>	
13	<p><b>Dematerialization of Shares and Liquidity:</b> As on March 31, 2024, 100% of the Company's equity shares representing 9,55,85,786 equity shares were in Demat form.</p> <p>Total paid-up capital of the Company as on March 31, 2024, amounts to Rs. 19,11,71,572/- divided into 9,55,85,786 equity shares of Rs. 2/- each.</p> <p>Pursuant to approved Scheme of Demerger effective from April 1, 2023, the Board of Directors of Resulting Company (GHCL Textiles Limited) in its meeting held on April 12, 2023 had issued and allotted 9, 55,85,786 equity shares of Rs, 2/- each to a shareholder of Demerged Company (GHCL Limited) who were holding shares of demerged company as on cut-off date (i.e. April 08, 2023). Shares of the resulting Company got listed and admitted for trading on stock exchanges (BSE &amp; NSE) w.e.f. June 12, 2023. Further as per approved Scheme and in compliance of SEBI guidelines, Company issued and allotted shares in Demat mode only and all the shares as per entitlement of physical shareholders were kept in a separate Escrow Suspense Account of the Company.</p>	

### GENERAL SHAREHOLDER INFORMATION

Sl. No.	Particulars	Details
	Further Company also credited 10,90,366 equity shares of Rs. 2/- in IEPF Account in respect of those shareholders who were holding shares in GHCL Limited and whose shares already transferred in IEPF account by GHCL Limited.	
	<b>Note: 1.</b> Procedure for claiming of shares from Suspense Escrow Demat Account is given in Board's Report at page no. 15 and also available on the website of the Company at <a href="https://ghcltextiles.co.in/claim-procedure-physical-shares/">https://ghcltextiles.co.in/claim-procedure-physical-shares/</a>	
	2. Procedure for claiming of shares from IEPF is given in Board's Report at page no. 15 and also available on the website of the Company at <a href="https://ghcltextiles.co.in/claim-procedure-iefp">https://ghcltextiles.co.in/claim-procedure-iefp</a>	
14	As required under Regulation 36(3) of the Listing Regulations, particulars of Directors seeking appointment/ re- appointment are given in Notice to the ensuing Annual General Meeting.	

## 7. Shareholders Reference

### A. Distribution of Shareholding as on March 31, 2024

No. of Shares held of Rs. 2/- each between		Number of Shareholders	% of Total Shareholders	Total Shares for The Range	% of Issued Capital
From	To				
1	500	58099	87.95%	6055760	6.33%
501	1000	3759	5.69%	3072827	3.21%
1001	2000	1870	2.83%	2865694	3.00%
2001	3000	653	0.99%	1690425	1.77%
3001	4000	279	0.42%	1004301	1.05%
4001	5000	324	0.49%	1547578	1.62%
5001	10000	487	0.74%	3625888	3.79%
10001	above	587	0.89%	75723313	79.23%
	<b>Total</b>	<b>66058</b>	<b>100%</b>	<b>95585786</b>	<b>100%</b>

### B. Shareholding Pattern as on March 31, 2024

S. No.	Category	No. of shares held	% of share holding
A	Promoters & Promoters Group Holding		
1	<b>Promoters</b>		
	Indian Promoters	1,28,01,135	13.39%
	Foreign Promoters	55,07,900	5.76%
2	<b>Others</b>	0	0.00%
	<b>Sub-Total</b>	<b>1,83,09,035</b>	<b>19.15%</b>
B	Non-promoters Holding		
3	<b>Institutional Investors</b>		

S. No.	Category	No. of shares held	% of share holding
	Mutual Funds	42,56,245	4.45%
	Banks, Financial Institutions	200	0.00%
	Insurance Companies (including LICI ASM Non-Par)	7,41,598	0.78%
	Foreign Portfolio Investors (including FIIs)	1,51,42,164	15.84%
	Alternate Investment Funds	7,48,000	0.78%
	<b>Sub-Total</b>	<b>2,08,88,207</b>	<b>21.85%</b>
4	<b>Non-institutional Investors</b>		
	Bodies Corporate	1,52,31,203	15.93%
	NBFC registered with RBI	1,535	0.00%
	Indian public (Individuals & HUF)	3,36,90,662	35.25%
	NRIs, Foreign Nationals & Foreign Companies	14,55,511	1.52%
	Government Companies (i.e. IEPF)	10,90,366	1.14%
	Other Directors & relatives	8,50,000	0.89%
	GHCL Textiles Limited Suspense Escrow Account	19,54,028	2.04%
	Any Others (Trusts, Clearing Members, Body Corp-Ltd Liability Partnership and Central & State Government)	21,15,239	2.21%
	<b>Sub-Total</b>	<b>5,63,88,544</b>	<b>59.00%</b>
	<b>Grand Total</b>	<b>9,55,85,786</b>	<b>100.00%</b>

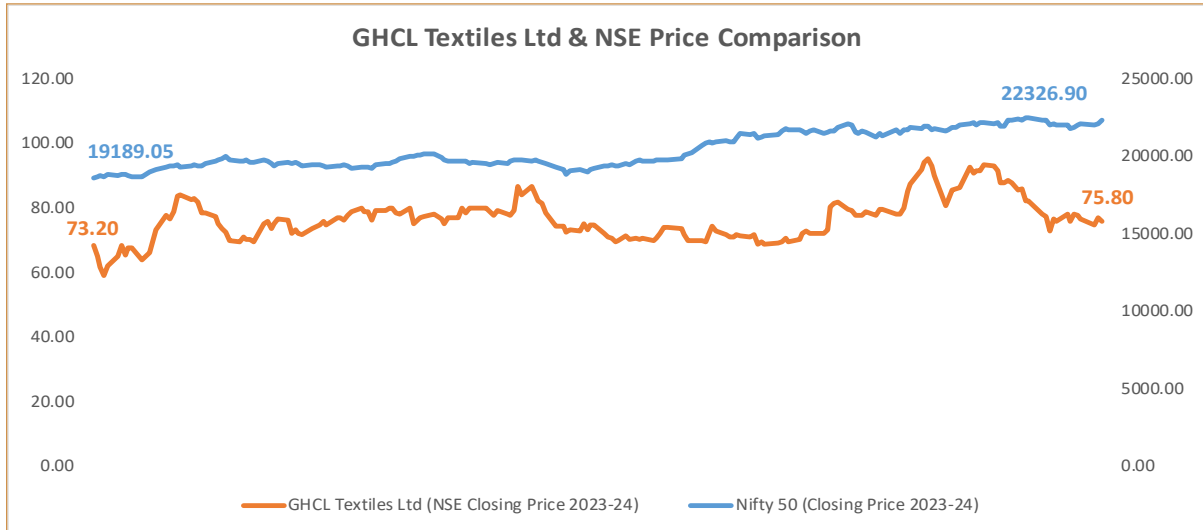
**D. Month-wise stock market data (BSE & NSE) relating to equity shares of the company for the financial year ended on March 31, 2024.**

Market Price Data						
Month of the financial year 2023-24	BSE			NSE		
	High	Low	Traded Quantity	High	Low	Traded Quantity
April 2023	NA	NA	NA	NA	NA	NA
May, 2023	NA	NA	NA	NA	NA	NA
June 2023	77.70	60.00	23,26,177	76.15	58.70	75,30,160
July 2023	86.00	67.71	17,77,124	86.00	68.00	1,75,58,426
August 2023	81.30	68.50	7,85,880	81.55	70.05	86,86,491
September 2023	84.00	73.00	8,28,070	84.00	73.30	78,24,448
October 2023	93.00	70.43	7,11,724	92.50	70.50	1,14,53,740
November 2023	77.25	69.00	6,74,149	77.40	68.80	71,93,610
December 2023	76.20	68.00	5,43,830	76.50	68.25	63,92,047
January 2024	84.55	69.91	15,02,617	84.95	69.75	1,77,02,664
February 2024	97.95	78.26	33,44,389	98.25	78.25	2,74,71,282
March 2024	92.60	71.10	8,49,989	90.40	71.25	1,02,67,081

**Note:** Shares of the Company got listed and admitted for trading on Stock Exchanges (BSE & NSE) w.e.f. June 12, 2023, hence share price details is not applicable (NA) for April and May 2023.

**E. Performance in comparison to broad based indices such as NSE**

Date	Nifty 50 (Closing Price 2023-24)	GHCL Textiles Ltd (NSE Closing Price 2023-24)
30-Jun-23	19189.05	73.20
31-Jul-23	19753.80	75.05
31-Aug-23	19253.80	76.35
29-Sep-23	19638.30	80.00
31-Oct-23	19079.60	75.00
30-Nov-23	20133.15	70.00
29-Dec-23	21731.40	69.65
31-Jan-24	21725.70	80.05
29-Feb-24	21982.80	87.80
28-Mar-24	22326.90	75.80



**8. Plant Locations:**

Plant : Paravai, Samayanallur P.O, Distt.: Madurai, Tamil Nadu – 625402  
 Thiagesar Alai P.O, Manapara, Distt.: Trichy, Tamil Nadu – 621312

**9. List of all Credit Ratings (along with revisions) obtained by the Company during the financial year ended March 31, 2024:**

During the financial year 2023-24, CARE Ratings Limited had assigned CARE A- (Single A Minus) with Outlook Stable for Long Term Bank Facilities of the Company and CARE A2+ (A Two Plus) for Short Term Bank Facilities of the Company.



## 10. Management Discussion and Analysis Report form part of this Annual Report

The complete reports on Management Discussion and Analysis report are placed in the separate section of the Annual Report.

## 11. Disclosures:

### 11.1 Disclosure on materially significant related party transactions that may have potential conflict with the interests of Company at large

There were no Related Party transactions of significant material nature that have a potential conflict with the interest of Company at large. During the FY 2023-24 all the Related Party transactions entered into were in the normal course of business and at arms-length basis. The Company has ensured that no transactions of a material nature have been entered into with its promoters, Directors, or management, or their relatives that could potentially create a conflict of interest. To maintain transparency, the management provides details of related party transactions on a quarterly basis, following the guidelines of Ind-AS. The Annual Report contains comprehensive information on the transactions between the Company and related parties, which are disclosed in the notes to the accounts.

### 11.2 Details of non - compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on the matter related to capital markets, during the last three years.

During financial year 2021-22 and 2022-23 status of the Company was unlisted and Equity shares of the Company got listed on BSE and NSE w.e.f. June 12, 2023. There have been no non-compliances and no penalties/strictures have been imposed on the Company by Stock Exchange(s) or SEBI or any other statutory authority, on any matter related to capital markets, during the FY 2023-24.

### 11.3 Vigil mechanism / Whistle Blower Policy

Regulation 22 of the Listing Regulations & Sub-section (9 & 10) of Section 177 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, inter-alia, provides, for all listed companies to establish a vigil mechanism called “Whistle Blower Policy” for directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company’s code of conduct or ethics policy.

As a conscious and vigilant organization, GHCL Textiles Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. In its endeavour to provide its employee a secure and a fearless working environment, GHCL Textiles Limited has established the “Whistle Blower Policy”, which has made effective from January 2, 2023. The Whistle Blower policy and establishment of Vigil Mechanism have been appropriately communicated within the Company. The Whistle Blower Policy is also posted on the website of the Company.

Under this policy, individuals can report their concerns to designated authorities, including the CEO (Mr. R Balakrishnan), Ombudsperson (Mr. R S Jalan, Non- Executive Director), Whistle Officer (Mr. Lalit Narayan Dwivedi - Compliance Officer), or the Audit Committee. The purpose of the Whistle Blower Policy is to encourage a culture of integrity and accountability, ensuring that any reported concerns are promptly addressed and appropriate actions are taken.

GHCL Textiles Limited remains dedicated to upholding the highest standards of professionalism, honesty, integrity, and ethical behavior throughout its operations. The Whistle Blower Policy serves as a vital tool in maintaining a vigilant and transparent organization.

**The details of person with whom complaints can be filed:**

**Mr. R S Jalan**

Non- Executive Director and Ombudsman for Whistle Blower Policy

Email: [rsjalan@ghcl.co.in](mailto:rsjalan@ghcl.co.in)

**Mr. R Balakrishnan**

Chief Executive Officer

Email: [rbalu@ghcltextiles.co.in](mailto:rbalu@ghcltextiles.co.in)

**Mr. Lalit Narayan Dwivedi – Company Secretary**

Email: [lalitdwivedi@ghcltextiles.co.in](mailto:lalitdwivedi@ghcltextiles.co.in)

In exceptional cases, where the Whistle Blower is not satisfied with the outcome of the investigation and the decision, he or she can make a direct appeal to the Chairman of the Audit Committee.

During the financial year 2023-24, the Company has not received any complaint under Vigil Mechanism / Whistle Blower Policy. Further, no personnel has been denied access to the Audit Committee.

**11.4 Disclosures regarding web link of the Company**

Policy for determining material subsidiaries and posted on Company's website (<https://ghcltextiles.co.in/wp-content/uploads/2023/02/Policy-for-Determining-Material-Subsidiary.pdf>) and RPT Policy on materiality and dealing with related party of the Company are posted on the Company's website (<https://ghcltextiles.co.in/wp-content/uploads/2023/02/Policy-for-Related-Party-Transactions.pdf>).

**11.5 Details of compliance with mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and adoption of the non- mandatory requirements of Regulation 27(1) of the Listing Regulations.**

Demerger scheme was effective on April 1, 2023 and thereafter the Stock Exchanges (BSE & NSE) had granted their final listing & trading approval for listing of Shares of GHCL Textiles Limited (GTL) on June 12, 2023.

The Company diligently adheres to all mandatory provisions of Corporate Governance as prescribed by the Listing Regulations and other applicable provisions. Furthermore, the Company is committed to maintaining compliance with non-mandatory requirements outlined in Regulation 27(1) in conjunction with Part E of Schedule II of the Listing Regulations. By doing so, the Company aims to foster a strong corporate governance framework that ensures transparency, accountability, and protection of stakeholders' interests.

The status of compliance with requirements of Regulation 27(1) read with Part E of Schedule II of the Listing Regulations are as under:

- (a) The Board:** A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties. The Company is having all non-executive directors and directors themselves elect one of them as Chairman in the respective Board Meeting. The Company does not incur expenses for maintaining Chairman's office.
- (b) Shareholders' Rights:** As the half-yearly declaration of financial performance including summary of the significant events in the last six months, may be sent to each household of shareholders. The Company publishes its half-yearly (including quarterly) financial performance in newspapers, providing wider access



to this information. These financial updates are also promptly posted on the Company’s website, allowing shareholders and other interested parties to access the information easily

Furthermore, the Company diligently reports significant events to the stock exchanges in a timely manner, as required by regulatory obligations. This proactive approach to disclosure ensures that shareholders and the market are promptly informed about material developments that may impact the Company’s operations or financial position.

By adopting multiple communication channels, including newspaper publications, website postings, mass email services, and stock exchange notifications, the Company strives to provide comprehensive and accessible information to its shareholders, promoting transparency and fostering trust among its stakeholders

- (c) **Modified opinion(s) on Audit Reports:** During the period under review, there is no audit qualifications in the Company’s financial statements. GHCL Textiles Limited continues to adopt best practices to ensure a regime of unqualified financial statements. However, the observations of the secretarial auditors in their report are self-explanatory and therefore, the directors do not have any further comments to offer on the same
- (d) **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** During the period under review, the company is in compliance of the requirement of separate posts of Chairperson and Chief Executive Officer.
- (e) **Reporting of Internal Auditor:** GHCL Textiles Limited engaged Independent Internal Auditor, ensuring a robust internal audit function. The Internal Auditors submit their reports to the CFO or the designated authority responsible for this purpose. These reports are then shared with the members of the Audit Committee for their review and assessment. This practice enhances the effectiveness of internal controls and risk management across the organization, contributing to strong corporate governance.

**11.6 Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under regulation 32(7A).**

This clause is not applicable to the Company as the Company has not raised any funds through preferential allotment and /or QIP.

**11.7 Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part.**

Details of total fees paid by the Company to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part, have been given under the Statement of Profit and Loss of the Company as Notes no. 28A which is reproduced here in under:

	<b>Amount (INR in Crore)</b>
Fees to S.R. Batliboi & Co LLP: (Audit fee+ Limited review)	0.48
Other services (certification)	0.02
Fees for Other related services paid to S.R. Batliboi & Affiliates firms and to entities of the network of which the statutory auditor is a part	0.00
Out of Pocket Expenses	0.01
<b>Total Fees</b>	<b>0.51</b>

**11.8 The disclosures of the compliance with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.**

Demerger scheme was effective on April 1, 2023 and the Stock Exchanges (BSE & NSE) had granted their final listing & trading approval for the Shares of GHCL Textiles Limited w.e.f. June 12, 2023. GHCL Textiles Limited is in compliance of the corporate governance requirements outlined in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015. The Company adheres to these regulations to ensure transparency, accountability, and the protection of stakeholders' interests. By complying with these governance standards, Company maintains a strong foundation of corporate governance practices that contribute to its overall success.

**11.9 Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Board / Ministry of Corporate Affairs or any such statutory authority.**

GHCL Textiles Limited has obtained a certificate from M/s Chandrasekaran Associates, Company Secretaries, who serve as the Secretarial Auditor of the Company. The certificate confirms that none of the directors on the board of the Company have been debarred or disqualified from holding directorship by SEBI, Ministry of Corporate Affairs, or any other relevant statutory authority. This certificate is attached as an annexure to this Report, further demonstrating the Company's commitment to upholding corporate governance standards and ensuring the suitability and eligibility of its directors.

**11.10 Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

Company has formulated and adopted a policy on sexual harassment.

As per Section 134(3) of the Act read with Rule 8 of Companies (Accounts) Rules, 2014, a "Statement that the Company has complied with the provisions related to Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)" has to be included in the Board's Report.

In accordance with the above-mentioned provisions of POSH, the Company is in compliance with and has adopted the "Policy on Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the related aspects. The constitution of ICC is as per the provisions of POSH and includes external Members from NGO or those individuals having relevant experience.

The Committee meets as and when required and provides a platform for female employees for registration of concerns and complaints, if any.

During the year under review i.e. FY 2023-24, twelve meetings and one awareness sessions were held across all manufacturing locations to discuss on strengthening the safety of employees at workplace.

In addition, the awareness about the Policy and the provisions of Prevention of Sexual Harassment Act was also carried out in the said meetings. Further, as per the applicable provisions of POSH, the Company continues to submit Annual Report to the District Officer consisting of details as stipulated under the said Act.

We are pleased to inform you that no complaints related to sexual harassment were reported during the year under the POSH Act

**11.11 Disclosure by the Company and its subsidiary of ‘Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount’.**

The Company has not given any loans or advances in the nature of loans to firms/companies in which directors are interested during the Financial year 2023-24.

**11.12 Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

There is no subsidiary of the Company, hence this disclosure is not applicable upon the company for the financial year 2023-24.

**11.13 The disclosure about Directors and Officers (D & O) Liability Insurance in line with the requirement of Regulation 25 (10) of the SEBI (LODR) Regulations, 2015.**

Provisions of Regulation 25(10) of the Listing Regulations, is applicable upon the top 1000 listed entities by market capitalization calculated as on March 31 of the preceding financial year. As on end of preceding financial year (i.e. March 31, 2023), Company was unlisted and not covered under top 1000 Listed Companies, hence these provisions are not applicable upon the Company for FY 2023-24.

**11.14 Non Compliance of any requirement of Corporate Governance Report of sub paras (2) to (10) of Schedule V of Listing Regulations, with reasons thereof shall be disclosed.**

The Company is fully compliant with all the requirements of Corporate Governance Report as stated in sub paras (2) to (10) of Schedule V of Listing Regulations.

**11.15 Disclosures related to demat suspense account/ unclaimed suspense account**

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, the Company reports the following details in respect of the equity shares lying in the suspense Escrow Demat account of the Company:

Particulars	No. of Shareholders	No. of Equity Shares
Number of Shareholders and shares allotted pursuant to demerger and credited in Suspense Escrow Account as on April 12, 2023 (date of allotment)	8,468	19,96,007
Less: Number of Shareholders who claimed shares from suspense Account and to whom shares were transferred during the year 2023-24	153	41,979
Number of Shareholders and outstanding shares lying at the end of the year i.e. as on March 31, 2024	8,315	19,54,028
Voting rights on these shares shall remain frozen till the rightful owner of such shares claim the shares.		

**11.16 Particulars of Senior Management**

S. No	Name of Senior Management and Functional Head	Designation
1	Mr. R Balakrishnan	CEO
2	Mr. Ramesh Babu D	Sr. General Manager - Operations
3	Mr. N Rajagopal	Sr. General Manager- Technical
4	Mr. Gaurav V	CFO
5	Mr. Lalit Narayan Dwivedi	Company Secretary

There was no change in Senior management of the Company during FY 2023-24.

## 12. Code of Conduct to Regulate, Monitor and Report Trading by Designate Persons

In compliance with the SEBI regulation on prevention of Insider Trading, the Company has placed a comprehensive code of conduct for its directors, designated employees of the Company and their immediate relatives. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. Subsequently, the Company has its code in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code of Conduct to Regulate, Monitor and Report Trading by Designate Persons is posted on the website of the Company <https://ghcltextiles.co.in/wp-content/uploads/2023/02/Code-of-Conduct-for-to-Regulate-Monitor-and-Report-by-Designated-Persons.pdf>

The Company has implemented automated track in system for effective administration and monitoring of trading by insiders in the shares of the Company. There is system generated report prepared by service provider after comparing with benepos report. Automatic email sent to respective employees for giving them instructions that they should not indulge in counter transaction within the prohibited time period.

## 13. Disclosure of certain types of agreements binding listed entities.

Please note that there is no agreement (which are binding to the Company) disclosed under clause 5A of paragraph A of Part A of Schedule III to the Listing Regulations.

## 14. Code of Conduct:

GHCL Textiles Limited has a robust policy framework that guides the ethical and professional conduct of its Board Members and Senior Management. The Code of Conduct encompasses both fundamental ethical considerations and specific guidelines for professional behavior. The company ensures compliance with this code, as stated in the Annual Report, by the Board Members and Senior Management.

In addition to the aforementioned policy, GHCL Textiles Limited has also adopted a “Code of Conduct for employees and other stakeholders.” This code sets the highest standards for personal and professional integrity, honesty, and ethical conduct, guiding employees and stakeholders in their actions. The Code of Conduct is also posted on the website of the company <https://ghcltextiles.co.in/wp-content/uploads/2023/02/Code-of-Conduct-for-Employees-and-Other-Stakeholders.pdf>

## 15. Functional website of the Company as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Pursuant to the requirement of Regulation 46 of the Listing Regulations, the Company maintains a functional website of the Company and website address of the Company is [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in). Website of the Company provides the basic information about the Company e.g. details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the Company is regularly updating the Information provided on its website.

## 16. Share Capital & Reconciliation of Share Capital Audit

The Scheme of Arrangement in the nature of Demerger of the Spinning Division of GHCL Limited (“Demerged Company”) to GHCL Textiles Limited (“Resulting Company”) has been in effect from April 1, 2023.

Demerger scheme was effective on April 1, 2023 after filing of INC 28 w.r.t. NCLT order sanctioning the Scheme and thereafter the Stock Exchanges (BSE & NSE) had granted their final listing & trading approval for the Shares of GHCL Textiles Limited (GTL) w.e.f. June 12, 2023.

The Board of Directors in its meeting held on April 12, 2023 had allotted 9,55,85,786 equity shares of INR 2/- (Rupees Two Only) fully paid-up, in accordance with Clause 5 of the Scheme, to eligible equity shareholders of GHCL Limited.

With effect from April 1, 2023, a qualified practicing Company Secretary will be carried out Audit every quarter to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL) and the total issued and listed capital. The Audit confirms that total issued / paid up capital is in agreement with the aggregate total number of shares are held in dematerialised form with NSDL and CDSL.

### 17. Unclaimed/Unpaid Dividends and Shares

Pursuant to the provisions of Section 124 & 125 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 the Dividend which remains unclaimed/unpaid for a period of 7 years from the date of transfer to the Unpaid Dividend Account shall be transferred to Investor Education and Protection Fund (IEPF). This provisions is not applicable upon the Company as Company started its business operation from April 01, 2023 and Company not declared any dividend in previous financial years.

### 18. List of all Credit Ratings (along with revisions) obtained by the Company during the financial year ended March 31, 2024

During the financial year 2023-24, Company had received initial Credit rating for bank facilities issued by CARE Ratings Limited, one of the Credit Rating Agency to the GHCL Textiles Limited on May 29, 2023 and assigned following ratings to the Company

Facilities	Amount (Rs. Crore)	Rating	Rating Action
Long Term Bank Facilities	78.74	<b>CARE A -</b> (i.e. Single A Minus; outlook: stable)	Assigned
Long / Short Term Bank Facilities	500.00	<b>CARE A-; Stable /CARE A2+</b> (i.e. Single A Minus; outlook: Stable /A Two plus)	Assigned
Short Term Bank Facilities	100.00	<b>CARE A2+</b> (i.e. A Two plus)	Assigned
<b>Total Facilities</b>	<b>678.74</b>		

### 19. Compliance Management System

We believe in conducting business legally and ethically, and our actions reflect our commitment to these principles. To ensure comprehensive compliance, we have implemented an online Compliance Management System that monitors adherence to applicable laws. The Board regularly reviews compliance reports to uphold our robust compliance framework. By prioritizing compliance, we foster trust among stakeholders and promote sustainable growth.

### 20. CEO/CFO CERTIFICATE

The Chief Executive Officer and Chief Financial Officer, and have furnished the requisite certificate to the Board of Directors pursuant to Regulation 17(8) of the Listing Regulations which forms part of this Report

## DECLARATION

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company, which is posted on the Website of the Company. The Board Members and Senior Management Personnel have affirmed to the compliance with the Code of Conduct for the financial year ended March 31, 2024.

For GHCL TEXTILES LIMITED

Sd/-  
R Balakrishnan  
CEO

Sd/-  
Gaurav V  
CFO

**Date: May 06, 2024**

## CERTIFICATE UNDER REGULATION 17 (8) OF THE SEBI (LODR) REGULATIONS, 2015

### The Board of Directors GHCL Textiles Limited

We the undersigned certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2024 and that to the best of our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and follow existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee-
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For GHCL TEXTILES LIMITED

Sd/-  
R Balakrishnan  
CEO

Sd/-  
Gaurav V  
CFO

**Date: May 06, 2024**



## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members

**GHCL Textiles Limited**

GHCL House Opp. Punjabi Hall, Navrangpura

Ahmedabad, Gujarat-380009

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GHCL Textiles Limited and having CIN L18101GJ2020PLC114004 and having registered office at GHCL House Opp. Punjabi Hall, Navrangpura, Ahmedabad, Gujarat-380009 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of director	DIN	Original Date of appointment in Company
1	Mr. Ravi Shanker Jalan	00121260	17/06/2020
2	Mr. Neelabh Dalmia	00121760	17/06/2020
3	Mr. Raman Chopra	00954190	17/06/2020
4	Dr. Manoj Vaish	00157082	06/03/2023
5	Mrs. Vijay Laxmi Joshi	00032055	06/03/2023
6	Mr. Arun Kumar Jain	07563704	06/03/2023

Ensuring the eligibility of for the 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. 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.

For Chandrasekaran Associates,

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 4186/2023

Sd/-

Dr. S. Chandrasekaran

Senior Partner

Membership No. F1644

Certificate of Practice No. 715

UDIN: A016302F000310750

Date : May 06, 2024

Place : Delhi

## Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

### The Members of GHCL Textiles Limited

GHCL House, Opp: Punjabi Hall, Navrangpura  
Ahmedabad 380009

1. The Corporate Governance Report prepared by GHCL Textiles Limited (hereinafter the "Company"), contains details as specified in Regulations 17 to 27, clauses (b) to (i) and (t) of Sub – Regulation (2) of Regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") (Applicable Criteria) for the year ended March 31, 2014 as required by the Company for annual submission to the Stock exchange.

### Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2024 and verified that at least one independent woman director was on the Board of Directors throughout the year;
  - iv. Obtained and read the minutes of the following meetings of board of Directors / committee meetings / other meetings held from April 01, 2023 to March 31, 2024:
    - (a) Board of Directors;

- (b) Audit Committee;
  - (c) Annual General Meeting (AGM) / Extra Ordinary General Meeting (EGM);
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Banking & Operations Committee;
  - (g) Separate Meeting of Independent Directors;
  - (h) CSR Committee
- v. Obtained necessary declarations from the directors of the Company.
- vi. Obtained and read the policy adopted by the Company for related party transactions.
- vii. Obtained the schedule of related party transactions during the year and balances at the year- end.
- viii. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
- ix. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

#### **Opinion**

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2024, referred to in paragraph 4 above.

#### **Other matters and Restriction on Use**

10. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

**ICAI Firm Registration Number:** 301003E/E300005

Sd/-

**per Sonika Loganey**

Partner

Membership Number: 502220

UDIN: 24502220BKDLMW2842

Place of Signature: New Delhi

Date: May 06, 2024

# Independent Auditor's Report

## To the Members of GHCL Textiles Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of GHCL Textiles Limited (“the Company”), which comprise the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material 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 financial statements give the information required by the Companies Act, 2013, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 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 together with the ethical requirements that are relevant to our audit of the 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 audit opinion on the financial statements.

### Emphasis of Matter

We draw attention to Note 41 of the financial statements, which indicates that the demerger has been accounted on April 01, 2023, being the appointed date mentioned in the Scheme of Arrangement (‘the Scheme’) i.e. date of filing of certified true copy of the National Company Law Tribunal (‘NCLT’) order along with the sanctioned Scheme with the Registrar of Company, instead of accounting the demerger in the previous year from the beginning of the comparative period presented, since the substantial conditions relating to transfer of demerged undertaking were met during the previous year, as required under applicable Indian Accounting Standards prescribed under Section 133 of the Act. Accordingly, accounting treatment in respect of the demerger has been carried out in these financial results, as the sanctioned Scheme prevails over the applicable Indian Accounting Standards.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matter described below to be the key audit matter to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the

financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matter	How our audit addressed the key audit matter
<p>Accounting for demerger of Spinning division into the Company (as described in Note 41 of the financial statements)</p> <p>During the current year, the Spinning division of GHCL Limited has been demerged into the Company pursuant to Scheme of Arrangement (“the Scheme”). The Company acquired net assets of Rs. 1,359.28 crores, recorded equity share capital (including securities premium of Rs. 1,597.28 crores and debited capital reserve of Rs. 238.00 crores.</p> <p>There was no business operations until March 31, 2023 and the accounting of the demerger has a significant impact on assets, liabilities, income, expense and reserves shown in the financial statements of the Company.</p> <p>Demerger is a significant non-routine transaction and determination of fair values of assets and liabilities for the purposes of accounting involves significant judgments and estimates which are sensitive to underlying assumptions especially those relating to forecast of future cash flows, growth rate, weighted average cost of capital and discount rates. These judgements/ estimates could have an impact on the recognition of the amount of securities premium and capital reserve.</p> <p>Considering the magnitude of the transaction and the judgements/ estimates involved as stated above, the determination of fair value has been considered a key audit matter.</p>	<p>Our audit procedures were not limited to, but included following:</p> <ul style="list-style-type: none"> <li>• Read and assessed the sanctioned Scheme of Arrangement.</li> <li>• Evaluated the accounting treatment followed by the management considering accounting principles prescribed in the Scheme and the requirements of the applicable accounting standards.</li> <li>• Obtained and tested the management’s working for identification of the assets and liabilities transferred from the demerged undertaking and the amounts therein.</li> <li>• Obtained the report of the management’s expert for determination fair value of assets acquired. Evaluated the competence and objectivity of the management’s expert.</li> <li>• Obtained and assessed the projections and performed sensitivity analysis on the underlying fair valuation.</li> <li>• Involved valuation specialist to evaluate the methodology and key assumptions considered by management to determine the fair value.</li> <li>• Evaluated the adequacy of disclosures as per the applicable accounting standards.</li> </ul>

### Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the 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 for the 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 financial statements that give a true and fair view of the financial position, 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 Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 these 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 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 with reference to financial statements 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 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 financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2024 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 Sub-Section (11) of Section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g);
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g);
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;

- (i) 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, as amended 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 financial statements – Refer Note 33 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a) The management has represented that, to the best of its 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 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;
- b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), 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; and
- c) Based on such audit procedures performed that have 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) contain any material misstatement.
- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for (a) certain changes made using privileged/ administrative access rights; (b) certain other matters relating to property, plant and equipment and (c) in respect of other software used by the Company to maintain payroll records, as described in note 44 to the financial statements. Wherever audit trail is enabled, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of abovesaid software.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Sd/-  
per Sonika Loganey  
Partner  
Membership Number: 502220  
UDIN: 24502220BKDLMV2899  
Place of Signature : New Delhi  
Date : May 06, 2024



## Annexure 1 referred to in paragraph under the heading “Report on other legal and regulatory requirements” of our report of even date

### Re: GHCL Textiles Limited (“the Company”)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (i) (a) (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, plant and equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) 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 lessee) disclosed in Note 3 to the financial statements in the nature of freehold land & buildings, as indicated in the below mentioned cases which were acquired pursuant to a Scheme of Arrangement approved by National Company Law Tribunal’s (“NCLT”) order dated February 08, 2023, are not individually held in the name of the Company, however the order of NCLT has been filed by the Company with the Registrar of Companies on April 01, 2023.

Description of Property	Gross Carrying Value (INR in Crores)	Held in name of	Whether promoter, director or their relative or employee	Period held since which date	Reason for not being held in the name of Company
Freehold Land	211.20	GHCL Limited	Not Applicable	April 01, 2023	Under process due to Scheme of Arrangement
Buildings including roads	149.53	GHCL Limited	Not Applicable	April 01, 2023	Under process due to Scheme of Arrangement
Asset held for sale	0.36	GHCL Limited	Not Applicable	April 01, 2023	Under process due to Scheme of Arrangement

- (d) The Company has not revalued its Property, plant and equipment or intangible assets during the year ended March 31, 2024. The Company does not have right of use assets.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties and goods in transit. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2024 and discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations and on physical verification of

inventories. In respect of goods in-transit, subsequent evidence of receipts/delivery acknowledgement/bill of lading has been verified with inventory/sales records.

- (b) As disclosed in note 16B to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company. The Company does not have sanctioned working capital limits in excess of Rs. five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

- (iii) (a) During the year the Company has provided loans to employees as follows:

(Rs. In Crores)

Particulars	Amount
Aggregate amount granted/ provided during the year	0.20
- Loan to Employees	
Balance outstanding as at balance sheet date in respect of above case	
- Loan to Employees	0.21

During the year the Company has not provided advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties.

- (b) During the year the terms and conditions of the grant of all loans to employees, are not prejudicial to the Company's interest. During the year the Company has not made investment, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (c) The Company has granted loans during the year to employees where the schedule of repayment of principal has been stipulated and the repayment or receipts are regular. During the year the Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.
- (d) There are no amounts of loans granted to employees which are overdue for more than ninety days. The Company has not granted loans or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that 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 or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans and investments in respect of which provisions of Section 186 of the Companies Act, 2013 is applicable have been complied with by the Company. There are no loans, investments, guarantees, and security in respect of which provisions of Section 185 of the Companies Act, 2013 is applicable and there are no guarantees and security in respect of which provisions of Section 186 of the Companies Act, 2013 is applicable.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of Textile products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of provident fund. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company.
- (b) The dues of employees' state insurance and goods and service tax, that have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Demand raised (Amount in Rs Crore)	Pre - Deposit (Amount in Rs Crore)	Period to which the amount relates	Forum where dispute is pending
The Employee's State Insurance Act, 1948	Contribution Demand	0.09	-	F.Y. 2005-06 and 2006-07	High Court (Madurai Bench), Tamil Nadu
The Employee's State Insurance Act, 1948	Contribution Demand	0.03	-	F.Y. 1989-2002	ESI Court, Madurai, Tamil Nadu
GST Act, 2017	Penalty for improper documentation under GST	0.28	-	FY 2018-19	Commercial Tax Officer, Madurai, Tamil Nadu

There are no dues of provident fund, income tax, duty of customs, cess and other statutory dues which have not been deposited on account of any dispute. The provisions related to sales tax, service tax, duty of excise and value added taxes are not applicable to the Company.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short- term basis have been used for long-term purposes by the Company.
- (e) and (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under Sub-Section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a), (b) and (c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi)(a) The provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) and (d) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) and 3(xvi)(d) of the Order are not applicable to the Company.

- (xvii) The Company has not incurred cash losses in the current year. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 0.00 crores (represents Rs. 67,450/-).
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 42 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the 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 that 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) and (b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and 3(xx)(b) of the Order are not applicable to the Company.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Sonika Loganey

Partner

Membership Number: 502200

UDIN: 24502220BKDLMV2899

Place of Signature : New Delhi

Date : May 06, 2024

## Annexure 2 to the Independent Auditor's Report of even date on the Financial Statements of GHCL Textiles Limited

### Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of GHCL Textiles Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the 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 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 ("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 the 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 Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified 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 with reference to these financial statements 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to these financial statements.

### Meaning of Internal Financial Controls with Reference to these Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, 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 issued by the ICAI.

For S.R. Batliboi & Co. LLP  
Chartered Accountants  
ICAI Firm Registration Number: 301003E/E300005

Sd/-  
per Sonika Loganey  
Partner  
Membership Number: 502200  
UDIN: 24502220BKDLMV2899  
Place of Signature : New Delhi  
Date : May 06, 2024

## Balance Sheet as at March 31, 2024

(INR in crores)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
<b>I. Assets</b>			
(1) <b>Non-current assets</b>			
(a) Property, plant and equipment	3	1,064.85	-
(b) Capital work-in-progress	3	4.84	-
(c) Intangible assets	4	0.18	-
(d) Financial Assets			
(i) Investments	5	1.83	-
(ii) Loans	6A	0.04	-
(iii) Other non-current financial assets	6B	14.96	-
(e) Non current tax assets (net)	12	1.15	-
(f) Other-non current assets	7	12.73	-
<b>Total non-current assets</b>		<b>1,100.58</b>	<b>-</b>
(2) <b>Current assets</b>			
(a) Inventories	8	347.33	-
(b) Financial Assets			
(i) Trade receivables	9	117.12	-
(ii) Cash and cash equivalents	10A	10.30	0.00
(iii) Bank balances other than cash and cash equivalents	10B	1.66	-
(iv) Loans	11A	0.17	-
(v) Other current financial asset	11B	8.99	-
(c) Other current assets	13	46.35	-
<b>Total current assets</b>		<b>531.92</b>	<b>0.00</b>
Assets held for sale	43	0.36	-
<b>Total assets</b>		<b>1,632.86</b>	<b>0.00</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	14	19.12	0.01
(b) Other equity	15	1,366.64	(0.01)
<b>Total equity</b>		<b>1,385.76</b>	<b>(0.00)</b>
<b>Liabilities</b>			
(1) <b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16A	29.18	-
(b) Deferred tax liabilities (net)	12	128.51	-
<b>Total non-current liabilities</b>		<b>157.69</b>	<b>-</b>
(2) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	16B	42.64	-
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	18	4.08	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	18	24.80	0.00
(iii) Derivative instruments	19A	0.00	-
(iv) Other current financial liabilities	19B	4.80	-
(b) Other current liabilities			
(i) Contract liabilities	21.2	5.02	-
(ii) Other current liabilities	20	6.06	-
(c) Provisions	17	2.01	-
<b>Total current liabilities</b>		<b>89.41</b>	<b>0.00</b>
Liabilities directly associated with the assets held for sale		-	-
<b>Total Liabilities</b>		<b>247.10</b>	<b>0.00</b>
<b>Total equity and liabilities</b>		<b>1,632.86</b>	<b>0.00</b>

The accompanying notes are Integral part of the financial statements.

**As per report of even date**

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-

per Sonika Loganey  
Partner

Membership No. 502220

Place : New Delhi

Date: May 06, 2024

**For and on behalf of the Board of Directors of**

**GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)**

Sd/-

Anurag Dalmia  
Chairman  
DIN: 00120710

Sd/-

Dr Manoj Vaish  
Director  
DIN: 00157082

Place : New Delhi

Date: May 06, 2024

Sd/-

R Balakrishnan  
(Chief Executive officer)

Sd/-

Gaurav V  
(Chief Financial officer)

Sd/-

Lalit N. Dwivedi  
(Company Secretary)  
Membership No. FCS10487



## Statement of Profit and Loss for the year ended March 31, 2024

(INR in crores)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Income</b>			
Revenue from operations	21	1,053.87	-
Other income	22	5.63	-
<b>Total Income</b>		<b>1,059.50</b>	-
<b>Expenses</b>			
Cost of raw materials consumed	23	731.67	-
Purchase of stock in trade		4.69	-
(Increase) in inventories of finished goods, stock-in-trade and work-in-progress	24	(6.94)	-
Power, fuel and water		71.45	-
Employee benefit expenses	25	61.90	-
Finance costs	26	7.35	-
Depreciation and amortization expense	27	47.36	-
Other expenses	28	107.47	0.01
<b>Total expenses</b>		<b>1,024.95</b>	<b>0.01</b>
<b>Profit/(loss) before tax</b>		34.55	(0.01)
<b>Tax expenses:</b>	12		
Current tax		-	-
Deferred tax charge		9.50	-
<b>Total tax expenses</b>		<b>9.50</b>	-
<b>Profit/(loss) for the year</b>		<b>25.05</b>	<b>(0.01)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss in subsequent years</b>			
Re-measurement gain on defined benefit plans		1.93	-
Income tax effect		(0.49)	-
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent years</b>	29	<b>1.44</b>	-
<b>Total comprehensive income for the year, net of tax</b>		<b>26.49</b>	<b>(0.01)</b>
<b>Earnings per equity share nominal value of shares INR 2 each (Previous year INR 2 each)</b>	30		
<b>Basic and Diluted (INR)</b>		2.62	(1.37)

The accompanying notes are Integral part of the financial statements.

### As per report of even date

#### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-  
per Sonika Loganey  
Partner  
Membership No. 502220

Place : New Delhi  
Date: May 06, 2024

#### For and on behalf of the Board of Directors of

#### GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)

Sd/-  
Anurag Dalmia  
Chairman  
DIN: 00120710

Sd/-  
Dr Manoj Vaish  
Director  
DIN: 00157082

Place : New Delhi  
Date: May 06, 2024

Sd/-  
R Balakrishnan  
(Chief Executive officer)

Sd/-  
Gaurav V  
(Chief Financial officer)

Sd/-  
Lalit N. Dwivedi  
(Company Secretary)  
Membership No. FCS10487

## Statement of Cash Flows for the year ended March 31, 2024

(INR in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Operating activities</b>		
Profit/(loss) before tax	34.55	(0.01)
<b>Adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation and amortisation expenses	47.36	-
Profit on sale of current investments	(1.94)	-
(Reversal) of provision for onerous contract	(7.84)	-
Provision for doubtful debts	0.04	-
(Gain) on sale/disposal of property, plant and equipment (net)	(0.89)	-
Interest income	(1.14)	-
Finance costs	7.35	-
Unrealised exchange gain (net)	(0.58)	-
<b>Operating profit before working capital changes</b>	<b>76.91</b>	<b>(0.01)</b>
<b>Working capital adjustments</b>		
<b>Adjustments for (Increase)/decrease in Operating assets:</b>		
Trade receivables	(27.56)	-
Inventories	3.46	-
Other current financial assets	(2.16)	-
Other current assets	18.19	-
Non-current financial assets	(0.61)	-
<b>Adjustments for Increase/(decrease) in Operating liabilities:</b>		
Contract liabilities	1.22	-
Trade payables	(15.69)	0.00
Other current financial liabilities	(0.11)	-
Other current liabilities	5.25	(0.00)
Provisions	0.15	-
<b>Cash generated/ (used in) from operations</b>	<b>59.05</b>	<b>(0.01)</b>
Income tax paid (net)	(1.15)	-
<b>Net cash generated/ (used in) from operating activities (A)</b>	<b>57.90</b>	<b>(0.01)</b>
<b>Cash flow from investing activities</b>		
Payment for purchase of Property, plant and equipment, capital work in progress and intangible assets	(73.02)	-
Proceeds from sale of Property, plant and equipment	2.53	-
Proceeds from sale of current investments	320.32	-
Purchase of non-current investments	(0.60)	-
Purchase of current investments	(318.38)	-
Bank deposits not considered as cash and cash equivalents - matured	0.82	-
Bank deposits not considered as cash and cash equivalents - placed	(2.57)	-
Interest received	0.31	-

## Statement of Cash Flows for the year ended March 31, 2024

(INR in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Net cash (used in) investing activities (B)</b>	<b>(70.59)</b>	-
<b>Cash flow from financing activities</b>		
Proceeds / (repayment) of short-term borrowings	17.30	-
Repayment of long-term borrowings	(24.35)	-
Interest paid	(7.19)	-
<b>Net cash (used) in financing activities (C)</b>	<b>(14.24)</b>	-
<b>Net (decrease) in cash and cash equivalents (D = A+B+C)</b>	<b>(26.93)</b>	<b>(0.01)</b>
Cash and cash equivalents at the beginning of the year (E)	0.00	0.01
Cash and cash equivalents acquired Pursuant to Scheme of Arrangement (F)	37.23	-
<b>Cash and cash equivalents at the end of the year (D+E+F)</b>	<b>10.30</b>	<b>0.00</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.01	-
Balances with banks:		
- On current accounts	10.29	0.00
<b>Total cash and cash equivalents</b>	<b>10.30</b>	<b>0.00</b>

**Note:**

- The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- Refer Note 10B for Change in liabilities arising from financing activities.

The accompanying notes are Integral part of the financial statements.

**As per report of even date**

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-  
per Sonika Loganey  
Partner  
Membership No. 502220

Place : New Delhi  
Date: May 06, 2024

**For and on behalf of the Board of Directors of**

**GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)**

Sd/-  
Anurag Dalmia  
Chairman  
DIN: 00120710

Sd/-  
Dr Manoj Vaish  
Director  
DIN: 00157082

Place : New Delhi  
Date: May 06, 2024

Sd/-  
R Balakrishnan  
(Chief Executive officer)

Sd/-  
Gaurav V  
(Chief Financial officer)

Sd/-  
Lalit N. Dwivedi  
(Company Secretary)  
Membership No. FCS10487

## Statement of changes in equity for the year ended March 31, 2024

(INR in crores)

### A. Equity share capital

#### For the year ended March 31, 2024

Equity shares of INR 2 each issued, subscribed and fully paid up

Particulars	Number of shares	Amount
<b>As at April 01, 2023</b>	50,000	0.01
Add: Issued pursuant to Scheme of Arrangement (Refer Note 41)	9,55,85,786	19.12
Less: Shares cancelled pursuant to the Scheme of Arrangement (Refer Note 41)	(50,000)	(0.01)
<b>Balance as at March 31, 2024</b>	<b>9,55,85,786</b>	<b>19.12</b>

#### For the year ended March 31, 2023

Equity Shares of INR 2 each issued, subscribed and fully paid up

Particulars	Number of shares	Amount
<b>As at April 01, 2022</b>	50,000	0.01
Add: Changes during the year	-	-
<b>Balance as at March 31, 2023</b>	<b>50,000</b>	<b>0.01</b>

### B. Other equity

Particulars	Reserves and Surplus (Refer note 15)			Total
	Capital reserve (A)	Securities premium (B)	Retained earnings (C)	
<b>As at April 01, 2022</b>		-	<b>(0.00)</b>	<b>(0.00)</b>
(Loss) for the year	-	-	(0.01)	(0.01)
<b>Balance as at March 31, 2023</b>	-	-	<b>(0.01)</b>	<b>(0.01)</b>
Adjustments pursuant to the Scheme of Arrangement (Refer Note 41)	(238.00)	1,578.16	-	1,340.16
Profit for the year	-	-	25.05	25.05
Other comprehensive income for the year, net of tax (Refer Note 29)	-	-	1.44	1.44
<b>Balance as at March 31, 2024</b>	<b>(238.00)</b>	<b>1,578.16</b>	<b>26.48</b>	<b>1,366.64</b>

The accompanying notes are Integral part of the financial statements.

#### As per report of even date

#### For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 301003E/E300005

Sd/-  
per Sonika Loganey  
Partner  
Membership No. 502220

Place : New Delhi  
Date: May 06, 2024

#### For and on behalf of the Board of Directors of

#### GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)

Sd/-  
Anurag Dalmia  
Chairman  
DIN: 00120710

Sd/-  
Dr Manoj Vaish  
Director  
DIN: 00157082

Place : New Delhi  
Date: May 06, 2024

Sd/-  
R Balakrishnan  
(Chief Executive officer)

Sd/-  
Gaurav V  
(Chief Financial officer)

Sd/-  
Lalit N. Dwivedi  
(Company Secretary)  
Membership No. FCS10487

## Notes to the Financial Statements as at and for the year ended March 31, 2024 (INR in crores unless specified otherwise)

### 1. CORPORATE INFORMATION

GHCL Textiles Limited (“GTL” or the “Company”) (CIN: L18101GJ2020PLC114004) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India.

The Board of Directors of the Company at their meeting held on December 06, 2021 approved a Scheme of Arrangement under Section 230 – 232 of the Companies Act 2013 of demerger of Spinning Division of GHCL Limited (“Demerged Company”) into GHCL Textiles Limited (“Resulting Company”/“Company”) (“the Scheme”) and the said Scheme was approved by National Company Law Tribunal (“NCLT”), Ahmedabad, on February 08, 2023.

As per the Scheme, the accounting in respect of the Scheme has been carried out on April 01, 2023 being the Appointed date and effective date i.e. the date on which the Company filed the Certified True Copy of the NCLT order along with the sanctioned Scheme with the ROC and accordingly, the Spinning division (along with all assets and liabilities thereof as at the appointed date stated in the Scheme) have been transferred to the Company on a going concern w.e.f. April 01, 2023. Refer Note 41 for further details.

As required by the Scheme, the equity shares of the Company got listed on Bombay Stock Exchange and National Stock Exchange w.e.f. June 12, 2023.

Post implementation of the Scheme, the Company is engaged in the business of Manufacturing and trading of Yarn and fabric.

The registered office of the Company is located at GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat.

The financial statements are approved for issue in accordance with a resolution of the Board of Directors on May 06, 2024.

### 2. MATERIAL ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III).

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities that have been carried at fair value:

- Derivative financial instruments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees (INR) and all values are recorded to the nearest crores (INR’00,00,000), except otherwise indicated.

The Company has prepared the financial statement on the basis that it will continue to operate as a going concern.

#### 2.2 Summary of material accounting policies

##### a) Current versus non-current classification

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

##### b) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly

transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

External valuers are involved for valuation of significant assets and significant liabilities.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions (note 31)
- Quantitative disclosure of Fair Value hierarchy (note 38)
- Financial instruments (including those carried at amortised cost) (note 37)

### c) Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 31.

### Sale of Goods

Revenue from Sale of Goods is recognised at the point in time when control of the goods is transferred i.e. when the goods have been delivered to the specific location (delivery). Following delivery, the customer

has full discretion over the responsibility, manner of distribution, price to sell the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. The average payment terms range between 45-120 days. In determining the transaction price for the Sale of goods, the Company considers the effects of variable consideration and the existence of significant financing components.

#### **Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Company recognizes changes in the estimated amount of variable consideration in the year in which the change occurs. Some contracts for the sale of goods provide customers with a right of return the goods within a specified period, volume rebates and pricing incentives, which give rise to variable consideration. The Company provides retrospective volume rebates and pricing incentives to certain customers once the quantity of products purchased during the year exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining

estimates of variable consideration and recognises a liability for the expected future rebates.

The disclosures of significant estimates and assumptions relating to the estimation of variable consideration for volume rebates are provided in Note 31.

#### **Significant financing component**

The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised good and the payment is one year or less.

#### **Contract balances**

##### **Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (p) Financial instruments – initial recognition and subsequent measurement.

##### **Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

##### **Cost to obtain a contract**

The Company pays sales commission to its selling agents for each contract that they obtain for the Company. The Company applies the optional practical expedient to immediately expense costs to obtain a contract if amortisation period would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of other Expenses. Costs to fulfil a contract i.e. freight, insurance and other selling expenses are recognized as an expense in the year in which related revenue is recognised.

#### d) Other revenue streams

##### Export Benefits

Export entitlements in the form of Advance license, Duty Drawback and MEIS (Merchandise Exports from India Scheme) are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

##### Interest Income

For all debt instruments measured either at amortised cost interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter year, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

##### Scrap Sales

Income from Sales of Scrap is recognized at the point in time when control of the assets is transferred to the customers.

##### Insurance Claims

Insurance claims are recognized when there exists no significant uncertainty with regards to the amount to be realised and ultimate collection thereof.

#### e) Taxes

Tax expense comprises current tax expense and deferred tax.

##### 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 substantively enacted, at the reporting date in accordance with income tax Act, 1961.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other comprehensive income (OCI) or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

##### Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, except:

When the deferred tax liability arises on an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except :



- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences.

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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future year in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Goods and Service taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation

authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**f) Property, plant and equipment**

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Items such as spare parts, stand-by equipment and servicing equipment are recognized as property, plant and equipment when they meet the definition of property, plant and equipment. Otherwise, such items are classified as inventory. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for long term construction projects if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred.

Depreciation on Property, plant and equipment is provided on the straight-line method over the useful lives of assets estimated by the management. Depreciation for assets purchased/ sold during a year is proportionately charged.. The Management estimates the useful lives for the fixed assets, as follows:

Particulars	Life Considered
Buildings	30/60 years
Carpeted Roads- RCC (included under Buildings)	10 years
Carpeted Roads- Other than RCC (included under Buildings)	5 years

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

Particulars	Life Considered
Plant & Equipment (other than electrical installations)	5 to 25 years*
Electrical Installations and Equipment (included in plant & equipment)	10 years
End user devices, such as, desktops, laptops, etc. (included under office equipments)	3 years
Servers and networks (included under office equipments)	6 years
Office Equipments	5 years
Furniture & Fixture	10 years
Vehicles	8 to 10 years
Wind Turbine	22 years
Solar Power	22 years

\* For these class of assets, based on internal assessment, the management believes that the useful lives as given above best represent the year over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the year over which the assets are likely to be used.

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. 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 income statement when the asset is derecognised.

**g) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial

recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation year and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation year or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets comprising of computer software with finite useful life are amortised on straight line basis over estimated useful life of three years

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon 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.

**h) Non- Current asset held for for sale**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-

current assets when the exchange has commercial substance. The criteria for held for sale classification is regarded met only when the assets is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset,
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Assets and liabilities 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) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other

costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **j) Leases**

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 year of time in exchange for consideration.

##### **Company as a lessee**

##### **Short-term leases**

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

#### **k) Inventories**

Inventories are valued at cost or net realizable value, whichever is lower. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average cost basis.
- Finished goods (Including goods in transit) & Work in progress: Cost includes material cost, cost of conversion, depreciation, other overheads to the extent applicable. Cost is determined on weighted average basis.
- Traded Goods: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average cost basis.

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

- Stores and spares: are stated at cost less provision, if any, for obsolescence. Cost is determined on moving weighted average cost basis and cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

**l) 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, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally

cover a year of five years. For longer years, a long-term growth rate is calculated and applied to project future cash flows after the third year. To estimate cash flow projections beyond years covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit and loss section of the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

**m) Provisions**

**General**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Onerous Contract**

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract. An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Company cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. The cost of fulfilling a contract comprises the costs that relate directly to the contract (i.e., both incremental costs and an allocation of costs directly related to contract activities).

**n) Gratuity and other post-employment benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

**o) Share-based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the year in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting year has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a year represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached

to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**p) 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.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised 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. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in

the market place (regular day trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

#### Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised 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.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised 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 amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company financial assets at amortised cost includes trade receivables and loan included under other financial assets.

#### Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes derivative instruments and mutual/liquid funds investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised 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 Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) 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.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Companies continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

**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 designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised 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 and derivative financial instruments.

**Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. 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.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Financial liabilities at amortised cost (Loans and Borrowings)**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note 16.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another 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 recognised in the statement of profit or loss.

#### Reclassification of financial assets

The Company determines classification and measurement of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest. The following table shows various reclassification and how they are accounted for as per below:

- i) Amortised cost to FVTPL - Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
- ii) FVTPL to Amortised Cost - Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.

#### 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### q) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with a original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

#### r) Dividend

The Company recognises a liability to pay dividend to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders A corresponding amount is recognised directly in equity.

#### s) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions complied in. When the grant relates to an expense item, it is recognised as Income on a systematic basis over the years that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as an income in equal amounts over the expected useful life of the related asset.

#### t) Foreign currencies

The company's financial statements are presented in INR, which is also the Company's functional currency.

#### Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency, using the spot exchange rates at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items recognised in Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
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using the exchange rates at the dates of the initial transactions.

**u) Contingent Liabilities and Contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by- the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize the contingent asset in its financial statements since this may result in the recognition of income that may never be realised. Where an inflow of economic benefits are probable, the company disclose a brief description of the nature of contingent assets at the end of the reporting period. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and the company recognize such assets.

**v) Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

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 the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**w) New and amended standards**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023, to amend the following Ind AS which are effective

for annual beginning on or after April 01, 2023. The Company applied for the first time these amendments.

**(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**3. Property, plant and equipment**

Gross block at cost	Freehold Land	Buildings	Plant and Equip-ments	Office Equip-ments	Furniture and Fixtures	Vehicles	Wind Turbine Generator	Solar Power	Total	Capital work in progress	Asset held for sale	Total Amount
<b>As at April 01, 2022</b>	-	-	-	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	-	-	-	-	-	-	-	-	-	-	-	-
Additions Pursuant to Scheme of Arrangement (Refer Note 41)	211.43	115.05	609.11	2.55	1.46	0.98	128.46	78.46	1,147.50	89.36	0.23	1,237.09
Additions	-	34.48	85.67	0.30	0.33	0.36	-	60.37	181.51	97.00	0.13	278.64
Disposals	(0.10)	-	(3.65)	(0.27)	(0.15)	(0.06)	-	-	(4.23)	(181.51)	-	(185.74)
Transferred to assets held for sale	(0.13)	-	-	-	-	-	-	-	(0.13)	-	-	(0.13)
<b>As at March 31, 2024</b>	<b>211.20</b>	<b>149.53</b>	<b>691.13</b>	<b>2.58</b>	<b>1.64</b>	<b>1.28</b>	<b>128.46</b>	<b>138.83</b>	<b>1,324.65</b>	<b>4.84</b>	<b>0.36</b>	<b>1,329.86</b>
<b>Accumulated Depreciation</b>												
<b>As at April 01, 2022</b>	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2023</b>	-	-	-	-	-	-	-	-	-	-	-	-
Additions Pursuant to Scheme of Arrangement (Refer Note 41)	-	21.68	134.56	1.80	0.34	0.49	50.89	5.34	215.10	-	-	215.10
Depreciation charge for the year	-	5.81	28.78	0.23	0.13	0.11	6.93	5.31	47.30	-	-	47.30
Disposals	-	-	(2.12)	(0.27)	(0.15)	(0.06)	-	-	(2.60)	-	-	(2.60)
<b>As at March 31, 2024</b>	<b>-</b>	<b>27.49</b>	<b>161.22</b>	<b>1.76</b>	<b>0.32</b>	<b>0.54</b>	<b>57.82</b>	<b>10.65</b>	<b>259.80</b>	<b>-</b>	<b>-</b>	<b>259.80</b>
<b>Net book value</b>												
<b>As at March 31, 2024</b>	211.20	122.04	529.91	0.82	1.32	0.74	70.64	128.18	1,064.85	4.84	0.36	1,070.05
<b>As at March 31, 2023</b>	-	-	-	-	-	-	-	-	-	-	-	-

**Notes:**

- (a) Property plant and equipment are subject to charge to secure the Company's borrowings as discussed in Note 16.  
(b) On transition to Ind AS (i.e. 1 April 2015), the Demerged Company i.e. GHCL Limited had elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment. Such carrying value of the assets have been taken over by the Company pursuant to the Scheme of Arrangement (Refer Note 41).

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

(c) Ageing schedule for capital work in progress aging schedule (CWIP)

CWIP	Amount in CWIP for a year of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress as at March 31, 2024	4.84	-	-	-	<b>4.84</b>
Projects temporarily suspended as at March 31, 2024	-	-	-	-	-
Projects in progress as at March 31, 2023	-	-	-	-	-
Projects temporarily suspended as at March 31, 2023	-	-	-	-	-

There is no project whose completion is overdue or has exceeded its cost compared its original plan during the financial year 2023-24.

(d) Details of title deeds of Immovable property not held in the name of the Company:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (INR in crores)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold Land	211.20	GHCL Limited	Not Applicable	01-04-2023	Under process due to Scheme of Arrangement
Property, plant and equipment	Buildings including roads	149.53	GHCL Limited	Not Applicable	01-04-2023	Under process due to Scheme of Arrangement
Assets Held for Sale	Freehold Land	0.36	GHCL Limited	Not Applicable	01-04-2023	Under process due to Scheme of Arrangement

**4. Intangible assets**

Gross block at cost	Computer Software	Total
<b>As at April 01, 2022</b>	-	-
Additions	-	-
Disposals	-	-
<b>As at March 31, 2023</b>	-	-
Additions Pursuant to Scheme of Arrangement (Refer Note 41)	2.96	2.96
Additions	0.08	0.08
Disposals	-	-
<b>As at March 31, 2024</b>	<b>3.04</b>	<b>3.04</b>
<b>Amortisation</b>		
<b>As at April 01, 2022</b>	-	-
Amortisation	-	-
Disposals	-	-
<b>As at March 31, 2023</b>	-	-
Additions Pursuant to Scheme of Arrangement (Refer Note 41)	2.80	2.80
Amortisation	0.06	0.06
Disposals	-	-
<b>As at March 31, 2024</b>	<b>2.86</b>	<b>2.86</b>
<b>Net book value</b>		
<b>As at March 31, 2024</b>	0.18	0.18
<b>As at March 31, 2023</b>	-	-

**Note:** On transition to Ind AS (i.e. 1 April 2015), the Demerged Company i.e. GHCL Limited had elected to continue with the carrying value of all Intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of Intangible assets. Such carrying value of the assets have been taken over by the Company pursuant to the Scheme of Arrangement (Refer Note 41).

## 5 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Non - current Investments in unquoted equity shares, at fair value through profit and loss, unless stated otherwise</b>		
5,200 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of DM Solar Farm Private Limited **	0.01	-
12,00,000 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of SSMT Power Private Limited**/#	1.20	-
950 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Puvaneshwari Enterprises Private Limited ##	0.00	-
950 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Sarojarajan Green Power Energy Private Limited ##	0.00	-
970 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of AFCM Wind Farms Private Limited##	0.00	-
970 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of AJSM Green Energy Private Limited ##	0.00	-
780 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of APGL Green Energy Private Limited ##	0.00	-
780 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Jaichander Wind Farms Private Limited ##	0.00	-
780 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Sushmitha Titiksha Green Energy Private Limited ##	0.00	-
2,440 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Premchander Wind Farms Private Limited ##	0.00	-
2,440 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Premchander Green Energy Private Limited ##	0.00	-
2,440 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Jayanthi Wind Farms Private Limited ##	0.00	-
2,440 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Jayanthi Green Energy Private Limited ##	0.00	-
2,600 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Vaayu Renewable Energy (Mandvi) Private Limited **/##	0.00	-
100 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of TCP Limited##	0.00	-
6,00,525 equity shares (March 31, 2023: Nil) of INR 10/- each fully paid up of Arkay Energy (Rameshwarm) Private Limited	0.60	-
<b>Total Investments</b>	<b>1.83</b>	<b>-</b>
<b>Aggregate value of unquoted investments</b>	<b>1.83</b>	<b>-</b>

\*\* The Company did not exercise any significant influence on DM Solar Farm Private Limited, Vaayu Renewable Energy (Mandvi) Private Limited & SSMT Power Private Limited were not considered as associates.

# Subsequent to year end, 02 April 2024, the investment sold at the value equal to the investment value

## represents amount below INR 50,000/-

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**6A Loans**

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good, unless stated otherwise) (at amortised cost)		
Loan to employees	0.04	-
<b>Total loan to employees</b>	<b>0.04</b>	<b>-</b>

No loans are due from directors or other officer's of the Company either severally or jointly with any other person.

**6B Other non-current financial assets**

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits, unsecured considered good	14.87	-
Bank deposits with remaining maturity of more than twelve months*	0.09	-
<b>Total other non-current financial assets</b>	<b>14.96</b>	<b>-</b>

\* Margin money held with banks against Letter of Credits (LC) and Bank guarantees.

**7 Other-non current assets**

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured considered good)		
Capital advances	12.73	-
<b>Total other non current assets</b>	<b>12.73</b>	<b>-</b>

No advances are due from directors or other officer's of the Company either severally or jointly with any other person.

**8 Inventories**

Particulars	As at March 31, 2024	As at March 31, 2023
Inventories valued at lower of cost and net realisable value		
Raw materials	253.60	-
[includes in transit INR 9.41 crores (March 31, 2023: Nil)]		
Work-in-progress	24.76	-
Stock-in-trade	0.08	-
Finished goods	65.85	-
[includes in transit INR 10.29 crores (March 31, 2023: Nil)]		
Stores and spares	3.04	-
<b>Total inventories</b>	<b>347.33</b>	<b>-</b>

As at year end, the above inventories are net of provision on account of net realisable value of INR 16.93 crores (March 31, 2023: Nil).

All inventories of the Company have been hypothecated to secure borrowings of the Company (refer note 16).

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**9 Trade receivables**

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables	117.12	-
	<b>117.12</b>	-
<b>Break-up for security details</b>		
Particulars	As at March 31, 2024	As at March 31, 2023
<b>Trade Receivables</b>		
- Secured, considered good	55.46	-
- Unsecured, considered good	61.66	-
- Credit impaired	0.41	-
	<b>117.53</b>	-
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
- Credit impaired	(0.41)	-
	<b>(0.41)</b>	-
<b>Total trade receivables</b>	<b>117.12</b>	-

**Trade Receivables Ageing Schedule :**

As at 31st March 2024

Particulars	Outstanding for following years from due date of payment						Total
	Current but Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	80.76	36.36	-	-	-	-	117.12
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	0.01	0.01	-	0.39	0.41
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	<b>80.76</b>	<b>36.36</b>	<b>0.01</b>	<b>0.01</b>	<b>-</b>	<b>0.39</b>	<b>117.53</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**As at 31 March 2023**

Particulars	Outstanding for following years from due date of payment						Total
	Current but Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	-	-	-	-	-	-
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

No trade or other receivable are due from directors or other officer's of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

Set out below is the movement in the allowance for expected credit losses of trade receivables:

	March 31, 2024	March 31, 2023
<b>As at April 01, 2023</b>	-	-
Addition pursuant to Scheme of Arrangement (Refer Note 41)	0.37	-
Provision for impairment allowance	0.04	-
<b>As at March 31, 2024</b>	<b>0.41</b>	-

**10A Cash and cash equivalents**

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with bank		
- On current accounts	10.29	0.00
Cash on hand	0.01	-
<b>Total cash and cash equivalents</b>	<b>10.30</b>	<b>0.00</b>

**10B Bank balances other than cash and cash equivalents**

Particulars	As at March 31, 2024	As at March 31, 2023
- On account of margin money deposited*	1.66	-
<b>Total bank balances other than cash and cash equivalents</b>	<b>1.66</b>	-

\* Margin money held with banks against letter of credit and bank guarantee.



**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**Changes in liabilities arising from financing activities**

Particulars	Current	
	As at March 31, 2024	As at March 31, 2023
Opening balance of current borrowings	-	-
Pursuant to Scheme of Arrangement (refer note 41)	25.17	-
Cash flows	17.30	-
Foreign exchange fluctuation	0.09	-
Others #	0.08	-
<b>Closing Balance of current borrowings</b>	<b>42.64</b>	<b>-</b>

**Changes in liabilities arising from financing activities**

Particulars	Non-Current	
	As at March 31, 2024	As at March 31, 2023
Opening balance of non-current borrowings	-	-
Pursuant to Scheme of Arrangement (refer note 41)	53.42	-
Cash flows	(24.35)	-
Foreign exchange fluctuation	0.02	-
Others #	0.09	-
<b>Closing Balance of non-current borrowings</b>	<b>29.18</b>	<b>-</b>

# includes the effect of interest accrued but not due on borrowings.

**11A Loans**

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good, unless stated otherwise)		
Loan to employees	0.17	-
<b>Total Loans</b>	<b>0.17</b>	<b>-</b>

No loans are due from directors or other officer's of the Company either severally or jointly with any other person.

**Breakup of financial assets carried at amortised cost**

Particulars	As at March 31, 2024	As at March 31, 2023
Loans (Refer Note 6A & 11A)	0.21	-
Security deposits (Refer Note 6B)	14.87	-
Bank deposits with remaining maturity of more than twelve months (Refer Note 6B)	0.09	-
Trade receivables (Refer Note 9)	117.12	-
Cash and cash equivalents (Refer Note 10A)	10.30	0.00
Other current financial assets (Refer Note 11B)	8.99	-
<b>Total financial assets carried at amortised cost</b>	<b>151.58</b>	<b>0.00</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**11B Other current financial asset**

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good, unless stated otherwise)		
Export incentives and other receivables from government authorities	6.70	-
Interest receivable	0.83	-
Other receivable*	1.46	-
<b>Total Other current financial asset</b>	<b>8.99</b>	<b>-</b>

\*Includes receivables from vendors and other recoverables.

**12 Income tax and deferred tax**

Non Current tax assets (net)	As at March 31, 2024	As at March 31, 2023
Advance Income tax including TDS (net of provisions)	1.15	-
<b>Total</b>	<b>1.15</b>	<b>-</b>

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024 and March 31, 2023:**

Particulars	As at March 31, 2024	As at March 31, 2023
Accounting profit before tax	34.55	(0.01)
At India's statutory income tax rate of 25.168%	8.70	-
<b>Adjustments of tax on following items to arrive at tax as per statement of profit and loss:</b>		
- Items disallowed under Income Tax Act, 1961	0.00	-
- Change in indexed cost of acquisition on fair valuation gain of land	(0.29)	-
- Items of capital nature	0.18	-
- Others	0.91	-
At the effective income tax rate of 27.51% (March 31, 2023: 0.00%)	<b>9.50</b>	<b>-</b>
Current tax expense reported in the statement of profit and loss	-	-
Deferred tax expense reported in the statement of profit and loss	9.50	-
<b>Total tax expenses</b>	<b>9.50</b>	<b>-</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax expense/(income) relates to the following:</b>		
Property, plant and equipment	(12.22)	-
Unamortised borrowing costs	0.02	-
Other comprehensive income	(0.49)	-
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961 & on other items	1.03	-
Items under Section 35 DDA of Income Tax Act, 1961	3.64	-
Provision for Onerous contract	(1.97)	-
<b>Deferred tax (credit)/expenses</b>	<b>(9.99)</b>	<b>-</b>
<b>Disclosed as follows:</b>		
Deferred tax expenses recognised in Other Comprehensive Income	0.49	-
Deferred tax expense recognised statement profit and loss under tax expense	9.50	-
<b>Total deferred tax expense</b>	<b>9.99</b>	<b>-</b>

**Deferred tax relates to the following:**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Deferred tax liabilities on:</b>		
Property, plant and equipment	133.17	-
Unamortised borrowing costs	0.02	-
Other comprehensive income	0.49	-
<b>Deferred tax assets on:</b>		
Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961 & on other items	(1.53)	-
Unabsorbed depreciation	(3.64)	-
<b>Net deferred tax liabilities</b>	<b>128.51</b>	<b>-</b>

**Reflected in the balance sheet as follows:**

Deferred tax assets	(5.17)	-
Deferred tax liabilities	133.68	-
<b>Net deferred tax liabilities</b>	<b>128.51</b>	<b>-</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The management at the end of each reporting period, assesses Company's ability to recognize deferred tax assets on unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based. Based on profits

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

earned during the current year, future profitability projections, considering expected future market, economic conditions and tax laws, the management is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above deferred tax assets on unabsorbed depreciation.

### 13 Other current assets

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good unless stated otherwise)		
Balances with statutory authorities	42.03	-
Advances to vendors	2.46	-
Prepaid expenses	0.38	-
Gratuity plan asset (net of defined benefit obligation) (Refer Note 32)	0.76	-
Others*	0.72	-
<b>Total other current assets</b>	<b>46.35</b>	<b>-</b>

No advances are due from directors or other officer's of the Company either severally or jointly with any other person. Nor any advances are due from firm or any private companies respectively in which any director is a partner, a director or a member.

\*Includes receivables for electricity wind units.

### 14 Share capital

#### Authorised share capital

Particulars	Number of Shares (of INR 10 each)	Amount
<b>As at April 01, 2022</b>	7,50,000	0.15
Increase/(Decrease) during the year	-	-
<b>As at March 31, 2023</b>	<b>7,50,000</b>	<b>0.15</b>
Increase pursuant to Scheme of Arrangement (Refer Note 41)	17,50,00,000	35.00
<b>As at March 31, 2024</b>	<b>17,57,50,000</b>	<b>35.15</b>

Pursuant to the Scheme of Arrangement becoming effective as at April 01, 2023; the authorised share capital of the Company stands increased to INR 35,15,00,000 divided into 17,57,50,000 equity share of INR 2/- each.

#### Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of INR 2/- per share. Each shareholder is entitled to one vote per equity share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting. In the event of liquidation on the Company, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding. The Company declares and pay dividend in Indian Rupee.

### Issued, Subscribed and fully paid up equity shares

Particulars	Number of Shares	Amount
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
<b>As at April 01, 2022</b>	50,000	0.01
Changes during the year	-	-
<b>As at March 31, 2023</b>	<b>50,000</b>	<b>0.01</b>
Add: Issued pursuant to Scheme of Arrangement (Refer Note 41)	9,55,85,786	19.12
Less: Shares cancelled pursuant to the Scheme of Arrangement (Refer Note 41)	(50,000)	(0.01)
<b>As at March 31, 2024</b>	<b>9,55,85,786</b>	<b>19.12</b>

### Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2024	As at March 31, 2023
Promoter & Promoter Group	19.15%	-
GHCL Limited	-	100.00%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No shares have been issued by the Company for consideration other than cash, during the year of five years immediately preceding the reporting date other than the equity shares issued during the year pursuant to Scheme of Arrangement (Refer Note 41)

### Details of shares held by promoters as at March 31, 2024:

S No.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	%of total shares	% Change during the year*
1	Hindustan Commercial Company Limited	-	29,44,737	29,44,737	3.08%	100.00%
2	Gems Commercial Company Limited	-	29,40,207	29,40,207	3.08%	100.00%
3	Banjax Limited	-	27,89,700	27,89,700	2.92%	100.00%
4	Hexabond Limited	-	27,18,200	27,18,200	2.84%	100.00%
5	Oval Investment Private Limited	-	25,88,848	25,88,848	2.71%	100.00%
6	Lhonak Enternational Private Limited	-	13,65,599	13,65,599	1.43%	100.00%
7	Anurag Dalmia HUF	-	6,05,124	6,05,124	0.63%	100.00%
8	Carissa Investment Private Limited	-	4,81,752	4,81,752	0.50%	100.00%
9	Harvatex Engineering And Processing Company Limited	-	4,15,723	4,15,723	0.43%	100.00%
10	Wgf Financial Services Limited	-	3,78,807	3,78,807	0.40%	100.00%
11	Anurag Trading Leasing And Investment Company Private Limited	-	2,87,200	2,87,200	0.30%	100.00%
12	Dalmia Finance Limited	-	2,00,244	2,00,244	0.21%	100.00%

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

S No.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	%of total shares	% Change during the year*
13	Archana Trading And Investment Company Private Limited	-	1,32,848	1,32,848	0.14%	100.00%
14	Anurag Dalmia	-	1,40,225	1,40,225	0.15%	100.00%
15	Neelabh Dalmia	-	1,68,150	1,68,150	0.18%	100.00%
16	GHCL Limited*	50,000	(50,000)	-	0.00%	-100.00%
17	Bharatpur Investment Limited	-	38,842	38,842	0.04%	100.00%
18	Sanjay Trading Investment Company Private Limited	-	29,100	29,100	0.03%	100.00%
19	General Exports And Credits Limited	-	17,000	17,000	0.02%	100.00%
20	Golden Tobacco Limited	-	16,578	16,578	0.02%	100.00%
21	Pashupatinath Commercial Private Limited	-	15,000	15,000	0.02%	100.00%
22	Sovereign Commercial Private Limited	-	6,000	6,000	0.01%	100.00%
23	Dalmia Housing Finance Limited	-	5,707	5,707	0.01%	100.00%
24	Trishul Commercial Private Limited	-	5,100	5,100	0.01%	100.00%
25	Swastik Commercial Private Limited	-	3,700	3,700	0.00%	100.00%
26	Alankar Commercial Private Limited	-	2,600	2,600	0.00%	100.00%
27	Ricklunsford Trade And Industrial Investment Limited	-	1,960	1,960	0.00%	100.00%
28	Chirawa Investment Limited	-	1,860	1,860	0.00%	100.00%
29	Mourya Finance Limited	-	1,860	1,860	0.00%	100.00%
30	Lakshmi Vishnu Investment Limited	-	1,860	1,860	0.00%	100.00%
31	Sikar Investment Company Limited	-	1,800	1,800	0.00%	100.00%
32	Antarctica Investment Private Limited	-	768	768	0.00%	100.00%
33	Comosum Investment Private Limited	-	701	701	0.00%	100.00%
34	Lovely Investment Private Limited	-	645	645	0.00%	100.00%
35	Altar Investment Private Limited	-	318	318	0.00%	100.00%
36	Ilac Investment Private Limited	-	217	217	0.00%	100.00%
37	Dear Investment Private Limited	-	55	55	0.00%	100.00%
<b>Total</b>		<b>50,000</b>	<b>1,82,59,035</b>	<b>1,83,09,035</b>	<b>19.15%</b>	

\* As per the Scheme of Arrangement, the Company has cancelled 50,000 equity shares held by GHCL Limited and 9,55,85,786 equity shares having face value of INR 2/- each has been allotted in the ratio of 1 equity share of the Company of face value INR 2/- each for every 1 equity share of GHCL Limited of face value INR 10/- each to the shareholders of GHCL Limited on April 08, 2023, being the record date fixed by the Company (Refer Note 41).

**Details of shares held by promoters as at 31st March 2023**

S No.	Promoter name	No. of Shares at beginning of the year	Change during the year	No. of Shares at the year end	%of total shares	% Change during the year*
1	GHCL Limited	50,000	-	50,000	100.00%	-

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**15 Other equity**

Particulars	As at March 31, 2024	As at March 31, 2023
Capital reserve (Note 15A)	(238.00)	-
Securities premium (Note 15B)	1,578.16	-
Retained earnings (Note 15C)	26.48	(0.01)
<b>Total</b>	<b>1,366.64</b>	<b>(0.01)</b>

**Movement, nature and purpose of reserves:**

**15A Capital reserve**

Particulars	Amount in crores
<b>As at April 01, 2022</b>	-
Changes during the year	-
<b>As at March 31, 2023</b>	-
Created pursuant to Scheme of Arrangement (Refer note 41)	(238.00)
<b>As at March 31, 2024</b>	<b>(238.00)</b>

This reserve represents the difference between the net assets acquired and the amount of equity share capital issued including Securities premium, in accordance with the Scheme of Arrangement.

**15B Securities premium**

Particulars	Amount
<b>As at April 01, 2022</b>	-
Changes during the year	-
<b>As at March 31, 2023</b>	-
Addition pursuant to Scheme of Arrangement (refer note 41)	1,578.16
<b>As at March 31, 2024</b>	<b>1,578.16</b>

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**15C Retained earnings**

Particulars	Amount
<b>As at April 01, 2022</b>	(0.00)
(Loss) for the year	(0.01)
Other comprehensive income	-
<b>As at March 31, 2023</b>	<b>(0.01)</b>
Profit for the year	25.05
Other comprehensive income -	1.44
Re-measurement gain on defined benefit plans (net of tax)	-
<b>As at March 31, 2024</b>	<b>26.48</b>

Retained earnings are the profit/(loss) that the Company has earned/incurred till date, less, dividends or other distributions paid to shareholders. Retained earnings include re-measurement gain / (loss) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

<b>Total as at March 31, 2022</b>	<b>(0.00)</b>
<b>Total as at March 31, 2023</b>	<b>(0.01)</b>
<b>Total as at March 31, 2024</b>	<b>1,366.64</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**Distributions made and proposed**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Proposed dividends on equity shares:</b>		
Proposed dividend for the year ended on March 31, 2024: INR 0.50 per equity share (March 31, 2023: Nil)	4.78	-
	<b>4.78</b>	-

Proposed dividend on equity shares is subject to approval at the Annual General Meeting and is not recognized as a liability as at year end.

**16 Borrowings**

Particulars	As at March 31, 2024	As at March 31, 2023
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**16A Non-current borrowings**

**Term loans (secured)**

**From banks**

- Rupee term loans	41.03	-
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**From financial institutions**

- Rupee term loans	5.88	-
- Foreign currency term loan	5.67	-

<b>Total non-current borrowings (including current maturities)</b>	<b>52.58</b>	-
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Less: Current maturities of non-current borrowings (refer note 16B)	23.40	-
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<b>Total non-current borrowings</b>	<b>29.18</b>	-
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**16.1 Term loans from Banks / institutions have been secured against:**

- a) Rupee term loans aggregating to INR 46.91 crores (March 31, 2023: Nil) is secured by exclusive charge on the specific fixed assets created out of the proceeds of the loan for Company's units situated in Tamil Nadu. The said loans carry interest rates ranging from 7.60% to 9.55% p.a. The remaining tenure of the loans is 1 to 4 years.
- b) Foreign currency term loan aggregating to INR 5.67 crores (March 31, 2023: Nil) is secured by an exclusive first charge over movable fixed assets pertaining to Windmill Project situated at Tirunelveli District, Tamil Nadu, both present and future, created out of the proceeds of the loan. The said loan carries interest rates ranging from 7.28% to 7.65% p.a. The remaining tenure of the loan is 1 to 2 years.
- c) Out of all the aforesaid secured Loans appearing in Note 16.1(a) to 16.1(b) totalling INR 52.58 crores (March 31, 2023: Nil), an amount of INR 23.40 crores (March 31, 2023: Nil) is due for payment in next 12 months and accordingly reported under Note 16(b) under the head "short term borrowings" as "current maturities of non-current borrowings".



### 16B Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Secured</b>		
<b>Loans repayable on demand</b>		
Bank overdraft	5.07	-
Working capital demand loans from banks	14.00	-
Current maturities of non-current borrowings (refer note 16A)	23.40	-
Interest accrued but not due on borrowings	0.17	-
<b>Total short term borrowings</b>	<b>42.64</b>	<b>-</b>

16.2 Short term borrowings: This facility is secured by way of first parri-passu charge on hypothecation on inventory and receivables, and second parri-passu charge on movable fixed assets of the Company situated at Paravai & Manaparai, Tamil Nadu; and borrowed as under:

- (a) Credit Facilities in Indian Rupees: The facilities availed by way of bank overdraft and working capital demand loan are repayable on demand and carries interest rate ranging between 7.30% to 10.00% p.a.
- (b) Quarterly returns or statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.

16.3 The Company has satisfied all the loan covenants.

16.4 As at March 31 2024, the Company has available INR 280.93 crores (As at March 31, 2023: Nil) of undrawn committed borrowing facilities.

### 17 Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences	2.01	-
<b>Total Provisions</b>	<b>2.01</b>	<b>-</b>

### 18 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (refer note 18B)	4.08	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	24.80	0.00
	<b>28.88</b>	<b>0.00</b>
Trade payables to related parties (refer note 34)	0.24	0.00
Trade payables other than related parties	28.64	0.00
	<b>28.88</b>	<b>0.00</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**18A Trade Payables Ageing Schedule :**

**As at 31st March 2024**

Particulars	Outstanding for following years from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	4.08	-	-	-	-	4.08
Total outstanding dues of creditors other than micro enterprises and small enterprises	12.30	7.26	4.32	0.15	0.27	0.50	24.80
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>12.30</b>	<b>11.34</b>	<b>4.32</b>	<b>0.15</b>	<b>0.27</b>	<b>0.50</b>	<b>28.88</b>

**As at 31 March 2023**

Particulars	Outstanding for following years from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.00	-	0.00	-	-	-	0.00
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>0.00</b>	<b>-</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00</b>

**\* Terms and conditions of the above trade payables :**

Trade payables are non-interest bearing and normally settled on 30-90 days terms.

For terms and conditions with related parties , refer note 34.

**18B Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 :**

Particulars	As at March 31, 2024	As at March 31, 2023
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises (including capital creditors of INR 0.39 crores)	4.47	-
- Interest due on above	-	-
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
- Principal	-	-
- Interest	-	-

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

Particulars	As at March 31, 2024	As at March 31, 2023
iii) The amount of interest due and payable for the year 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.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

**19 Financial Liabilities**

**19A Derivative instruments**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Derivative instruments at fair value through profit or loss</b>		
Derivatives not designated as hedges		
Foreign exchange forward contracts*	0.00	-
<b>Total derivative instruments</b>	<b>0.00</b>	<b>-</b>

While the Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these other contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

\* represents amount less than INR 50,000/-

**19B Other current financial liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>Other financial liabilities at amortised cost</b>		
Capital creditors*	4.80	-
<b>Total Other financial liabilities</b>	<b>4.80</b>	<b>-</b>

\* includes outstanding dues of micro and small enterprises of INR 0.39 crores (March 31, 2023: Nil) (refer note 18B)

**20 Other liabilities**

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues	1.37	-
Liability on advance authorisation	4.69	-
<b>Total other liabilities</b>	<b>6.06</b>	<b>-</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**21 Revenue from operations**

**1) Disaggregated revenue information**

Set out below is the disaggregation of the Company's revenue:

<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
<b>Revenue from contracts with customers</b>		-
- Sale of manufactured products	1,040.39	
- Sale of traded products	4.67	
<b>Total Sale of products</b>	<b>1,045.06</b>	-
<b>Other operating revenue</b>		
- Sale of Scrap	1.22	
- Export benefits	7.59	
<b>Total other operating revenue</b>	<b>8.81</b>	-
<b>Revenue from operations</b>	<b>1,053.87</b>	-
<b>Type of goods</b>		
<b>Sale of manufactured products</b>		
- Yarn	938.13	
- Fabric	64.10	
- Waste	38.16	
<b>Sale of traded products</b>		
- Fabric	4.67	
<b>Total revenue from contracts with customers</b>	<b>1,045.06</b>	-
India	889.83	
Outside India	155.23	
<b>Total revenue from contracts with customers</b>	<b>1,045.06</b>	-
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	1,045.06	
<b>Total revenue from contracts with customers</b>	<b>1,045.06</b>	-

**2) Contract balances**

The following table provides information about receivables and contract liabilities from contracts with customers

<b>Particulars</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Trade receivables *	117.12	-
Contract liabilities		
- Advances from customers**	5.02	-

**Set out below is the amount of revenue recognised from:**

	March 31, 2024	March 31, 2023
Amounts included in contract liabilities at the beginning of the year	-	-
Amounts included in contract liabilities acquired pursuant to scheme of arrangement (Refer note 41)	3.80	-
Performance obligations satisfied in previous years	-	-

\* Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

\*\* Advances from customers relate to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract.

**3) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue as per contracted price	1,049.39	-
<b>Adjustments :</b>		
Sales return	(2.99)	-
Discounts	(1.34)	-
<b>Revenue from contract with customers</b>	<b>1,045.06</b>	<b>-</b>

**4) The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at March 31, 2024 are, as follows:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Advance from Customers (Within one year)	5.02	-
	<b>5.02</b>	<b>-</b>

Management expects that the entire transaction price allocated to the unsatisfied contract as at the end of the reporting year will be recognised as revenue during the next financial year.

**22 Other income**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(a) Interest income from financial assets measured at amortised cost		
(i) from Bank deposits	0.24	-
(ii) Others	0.90	-
(b) Other non-operating income		
Gain on foreign exchange (net)	1.64	-
Profit on sale of current investments	1.94	-
Gain on sale/disposal of Property, plant and equipment (net)	0.89	-
Miscellaneous income	0.02	-
	<b>5.63</b>	<b>-</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**23 Cost of raw materials consumed**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventory at the beginning of the year	-	-
Add: Inventory acquired pursuant to Scheme of Arrangement (Refer Note 41)	263.22	-
Add: Purchases	722.05	-
	<u>985.27</u>	<u>-</u>
Less: Inventory at the end of the year	(253.60)	-
<b>Cost of raw material consumed</b>	<b><u>731.67</u></b>	<b><u>-</u></b>

**24 (Increase) in inventories of finished goods, stock-in-trade and work-in-progress**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Opening stock</b>	-	-
<b>Additions Pursuant to Scheme of Arrangement (Refer Note 41)</b>		
Finished goods	45.51	-
Work in progress	38.24	-
	<u>83.75</u>	<u>-</u>
<b>Closing stock</b>		
Finished goods	65.85	-
Work in progress	24.76	-
Stock-in-trade	0.08	-
	<u>90.69</u>	<u>-</u>
<b>(Increase)/decrease in inventories</b>		
Finished goods	(20.34)	-
Work in progress	13.48	-
Stock-in-trade	(0.08)	-
	<u>(6.94)</u>	<u>-</u>

**25 Employee benefit expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages and bonus	46.55	-
Contribution to provident and other funds	4.57	-
Gratuity expenses (Refer Note 32)	1.98	-
Staff welfare expenses	8.80	-
	<u>61.90</u>	<u>-</u>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**26 Finance costs**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
a) Interest expenses :		
Interest on borrowings	5.68	-
Interest on others	0.28	-
b) Other borrowing costs*	1.39	-
	<b>7.35</b>	<b>-</b>

\* includes commitment charges and loan processing charges

**27 Depreciation and amortization expense**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of property, plant and equipment (Refer Note 3)	47.30	-
Amortization of intangible assets (Refer Note 4)	0.06	-
	<b>47.36</b>	<b>-</b>

**28 Other expenses**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores and spares	26.45	-
Other manufacturing expenses	13.79	-
Packing expenses	17.56	-
Freight and forwarding charges	12.80	-
Commission on sales	7.58	-
Other selling expenses	2.78	-
Travelling and conveyance	2.09	-
Rent	0.45	-
<b>Repairs and maintenance :</b>		
- Plant and machinery	12.15	-
- Buildings	0.17	-
- Others	0.61	-
Rates and taxes	1.73	-
Insurance	3.50	-
Commission to Non Whole time Directors	0.25	-
Communication expenses	0.32	-
Legal and professional expenses (includes payment to auditors-refer note 28A)	2.34	0.00
Bank charges	0.57	0.00
Provision for doubtful debts	0.04	-
Advances written off	0.07	-
Miscellaneous expenses	2.22	0.00
	<b>107.47</b>	<b>0.01</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**28A Payment to Auditors:**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>To Statutory Auditors:</b>		
Audit fee	0.18	0.00
Limited reviews	0.30	-
<b>In other capacity</b>		-
Other services (certification fees)	0.02	-
Reimbursements of expenses	0.01	-
	<b>0.51</b>	<b>0.00</b>

28B Since the Company does not meet the prescribed criteria during the year, the provision of section 135(5) of the Companies Act, 2013 in relation to Corporate Social Responsibility (CSR) is not applicable to the Company.

**29 Components of Other comprehensive income (OCI)**

Particulars	Retained Earnings
The disaggregation of changes to OCI by each type of reserve in equity is shown below:	
<b>Year ended March 31, 2024</b>	
Re-measurement gain on defined benefit plan (net of tax)	1.44
<b>Total</b>	<b>1.44</b>
<b>Year ended March 31, 2023</b>	
Re-measurement gain on defined benefit plan (net of tax)	-
<b>Total</b>	-

**30 Earnings per share**

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

<b>The following reflects the income and share data used in computation of Basic EPS and Diluted EPS:</b>	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Profit/(loss) attributable to the equity holders of the Company	25.05	(0.01)
Weighted average number of equity shares for Basic EPS and Diluted EPS	9,55,85,786	50,000
Basic and Diluted earnings per share (Face value of INR 2/- per equity share)	2.62	(1.37)
Profit/(loss) attributable to the equity holders of the Company	25.05	(0.01)
Weighted average number of equity shares and common equivalent shares outstanding*	9,55,85,786	50,000
Diluted earnings per equity share - (face value of INR 10/- per equity share)	2.62	(1.37)

\*\*The effect of dilution on weighted avg no. of equity shares was anti dilutive (refer below details) . Therefore, weighted avg no. of equity shares considered for basic EPS and Diluted EPS were same in previous year.



**\*Weighted average number of Equity shares adjusted for the effect of dilution**

	<b>For the year ended March 31, 2024</b>	<b>For the year ended March 31, 2023</b>
Weighted average number of equity shares for Basic EPS	9,55,85,786	50,000
<b>Effect of dilution:</b>		
Weighted average number of equity shares and considered**	9,55,85,786	50,000

**31 Significant accounting judgements, estimates and assumptions**

The preparation of Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures and disclosure of contingent liabilities. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods.

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Financial risk management objectives and policies in Note 39
- Sensitivity analyses disclosures in Note 32 and Note 39
- Capital Management Note 40

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

**(i) Judgements**

In the process of applying the accounting policies, management has made the following judgements, which have significant effect on the amounts recognised in the financial statements:

**Revenue from contracts with customers**

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved, in writing, by the parties to the contract, the parties to contract are committed to perform the irrespective obligations under the contract, and the contract is legally enforceable.

Judgement is required to determine the transaction price for the contract and to ascertain the transaction price to each distinct performance obligation. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as a right of return the goods within a specified period, volume discounts, cash discount and price incentives. Any consideration payable to the customer is adjusted to the transaction price, unless it is a payment for a distinct product from the customer. The Company allocates the elements of variable considerations to all the performance obligations of the contract unless there is observable evidence that they pertain to one or more distinct performance obligations.

Notes to the Financial Statements as at and for the year ended March 31, 2024  
(INR in crores unless specified otherwise)

### **Provisions and contingencies**

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, contingent liabilities and contingent assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss.

#### **(ii) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### **(iii) Provision for expected credit losses of trade receivables and contract assets**

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **(iv) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to impairment assessment of Property plant and equipment and intangible assets.

#### **(v) Useful lives of Property, plant and equipment**

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flows from the asset. The Company reviews the useful life of Property, plant and equipment at the end of each reporting date.

#### **(vi) Post-retirement benefit plans**

Employee benefit obligations (gratuity obligation) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future.

These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds where remaining maturity of such bond correspond to expected term of defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 32.

**(vii) Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the Balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note 39 for further disclosures.

**32 Defined benefit and contribution plan**

**Defined contribution plan**

The Company makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits. Contribution paid for provident fund is recognised as expense for the year :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Employer’s contribution to provident fund/pension scheme excluding administration charges	3.46	-

**Defined benefit plan**

**Gratuity (funded)**

The employees’ gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each year of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Employees who are in continuous service for a year of 5 years are eligible for gratuity. The amount of gratuity payable to an employee upon leaving the Company is the 50% of Fixed cost to Company per month computed proportionately for 15/26 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the Company makes contributions to Gratuity Trust registered under Income Tax Act, 1961.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The plan assets are managed by the Gratuity Trust formed by the Company. The management of 100% of the funds is entrusted according to norms of Gratuity Trust, whose pattern of investment is available with the Company.

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2024 :**

	Gratuity cost charged to profit or loss				Re-measurement (gains) / losses in other comprehensive income						
	As at April 01, 2023	Addition on Pursuant to Scheme of Arrangement (Refer Note no.41)	Service cost	Net interest expense/ (Income)	Amount included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense) /Demographic Assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments included in OCI	Subtotal included by employer	Contributions As at March 31, 2024
Defined benefit obligation	-	10.52	1.32	0.66	1.98	(0.81)	-	-	(1.84)	-	9.85
Fair value of plan assets	-	10.52	-	-	-	-	(0.09)	-	(0.09)	-	10.61
<b>Benefit assets</b>	-	-	-	-	<b>1.98</b>	-	-	-	<b>(1.93)</b>	-	<b>(0.76)</b>

**Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at 31st March 2023:**

	Gratuity cost charged to profit or loss				Re-measurement (gains) / losses in other comprehensive income						
	As at April 01, 2022	Addition on Pursuant to Scheme of Arrangement (Refer Note no.41)	Service cost	Net interest expense/ (Income)	Amount included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in financial assumptions	Experience adjustments included in OCI	Subtotal included by employer	Contributions As at March 31, 2023
Defined benefit obligation	-	-	-	-	-	-	-	-	-	-	-
Fair value of plan assets	-	-	-	-	-	-	-	-	-	-	-
<b>Benefit assets</b>	-	-	-	-	-	-	-	-	-	-	-

The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Insurance fund	10.61	-

Particulars	As at March 31, 2024	As at March 31, 2023
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The principal assumptions used in determining gratuity are:

Mortality table - LIC	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)
Discount rate	7.19%	-
Estimated rate of return on plan assets	7.19%	-
Estimated future salary growth	9.00%	-
Rate of employee turnover	11.00%	-

A quantitative sensitivity analysis for significant assumption as at March 31, 2024 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(0.10)	0.11	0.59	(0.53)	(0.53)	0.60

A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

Assumptions	Employee turnover		Salary		Discount rate	
	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	-	-	-	-	-	-

The following payments are projected benefits payable in future years from the date of reporting from the fund:

	As at March 31, 2024	As at March 31, 2023
Within the next 12 months (next annual reporting year)	1.57	-
2nd Following Year	0.96	-
3rd Following Year	1.10	-
4th Following Year	1.11	-
5th Following Year	0.93	-
Sum of Years 6 to 10	4.04	-
Sum of Years 11 and above	7.16	-
<b>Total expected payments</b>	<b>16.88</b>	<b>-</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
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Expected contribution in the next year is INR 0.67 crores (March 31, 2023: INR Nil crores)

The average duration of the defined benefit plan obligation at the end of the reporting year is 7 years (March 31, 2023: NA).

**Risks associated with defined benefit plan**

Gratuity is a defined benefit plan and company is exposed to the Following Risks:

<b>Interest rate Risk:</b>	A fall in the discount rate which is linked to the Government Securities Rate will increase the present value of the liability requiring higher proportion. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.
<b>Salary Risk:</b>	The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.
<b>Investment Risk:</b>	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting year on Government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in Government securities, and other debt instruments.
<b>Asset Liability Matching Risk:</b>	The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM Risk.
<b>Mortality Risk:</b>	Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.
<b>Concentration Risk:</b>	Plan is having a concentration risk all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very low as insurance companies have to follow regulatory guidelines which mitigate risk.

**33. Commitments and contingencies**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>a) Commitments :</b>		
Estimated value of contracts remaining to be executed on Capital Account and not provided for (net of advance)	153.42	-
<b>b) Contingent liabilities :</b>		
- Unpaid labour dues#	1.57	-
- Other claims##	6.08	-

On the basis of current status of individual case for respective years and as per legal advice obtained by the Company, wherever applicable, the Company is confident of winning the above cases and is of the view that no provision is required in respect of above cases.

# Government of India vide its notification dated March 29, 2020, issued under the National Disaster Management Act 2005, directed that all employers shall make full payment of wages, of their workers at their workplaces, for the period of closure under the lockdown. Subsequently on the petition filed by some of the employers against the aforementioned notification, the Hon'ble Supreme Court of India, passed an interim order dated June 12, 2020 and directed employers to enter into a negotiation and settlement with workers for wages payment during the lockdown period. The aforesaid notification also stands withdrawn w.e.f May 18, 2020. In the meanwhile, the Company had made payments to its workers and will do the final settlement if any as per the final order of the Hon'ble Supreme Court of India. The estimated amount of possible liability is INR 1.57 crores which is dependent upon the outcome of the final order of the Hon'ble Supreme Court of India. The management has assessed that the chances of this liability getting materialized is low.

## Claims under this heading relate to legal cases pending in different courts under the jurisdiction of Hon'ble Supreme Court, Hon'ble Madras High Court and the courts subordinate to them. Claims relate to Cross-subsidy levied by TANGEDCO, which is challenged by HT power consumers in Tamil Nadu, currently directed to the Hon'ble Supreme Court. Apart from these certain disputes on account of delayed payments are also pending which on merit are weak and the Company has fair chances of winning these cases.

The aforesaid Appendix did not have an impact on the financial statements of the Company.

(c) EPCG Commitment (Value of Exports) - The Company has export obligations to the extent INR 156.55 crores (as at March 31, 2023: Nil) of on account of concessional rates of import duties paid on capital goods under the Export Promotion Capital Goods Scheme enacted by the Government of India which is to be fulfilled over the next six years. Due to the low likelihood of the Company being unable to meet its export obligations, the Company does not anticipate a loss with respect to these obligations and hence has not made any provision in its financial statements.	26.09	-
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### 34 Related Party Transactions

- a) The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for the relevant financial years.

#### A) Key Managerial Personnel

Mr. R Balakrishnan - Chief Executive officer (w.e.f. March 06, 2023)

Mr. Gaurav V - Chief Financial officer (w.e.f. March 06, 2023)

Mr. Lalit Narayan Dwivedi - Company Secretary (w.e.f. March 06, 2023)

#### B) Non-whole-time directors

Mr. Anurag Dalmia - Non-Executive Chairman (Promoter) (w.e.f. April 01, 2024)

Mr. R. S. Jalan - Non-Executive Director

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
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Mr. Raman Chopra - Non- Executive Director  
 Mr. Neelabh Dalmia - Non- Executive Director (Promoter)  
 Mrs. Vijaylaxmi Joshi - Non-Executive Independent Director (w.e.f. March 06, 2023)  
 Dr. Manoj Vaish - Non-Executive Independent Director (w.e.f. March 06, 2023)  
 Mr. Arun Kumar Jain - Non-Executive Independent Director (w.e.f. March 06, 2023)  
 Justice (Retd.) Ravindra Singh - Non-Executive Independent Director (w.e.f. April 01, 2024)

**C) Relative of Key Managerial Personnel**

Mrs. Banu B , w/o Mr. R Balakrishnan  
 Mr. Gnanendra Dadhich relative of Mr Gaurav V

**D) Enterprises over which directors / Key Managerial Personnel are able to exercise significant influence**

GHCL Limited  
 GHCL Textiles Employees Group Gratuity Scheme

Particulars	As at March 31, 2024	As at March 31, 2023
<b>b) Transactions with relative of Key Management Personnel</b>		
<b>Leasing &amp; hire purchase transactions</b>		
Mrs. Banu B , w/o Mr. R Balakrishnan	0.02	-
Mr. Gnanendra Dadhich relative of Mr Gaurav V	0.01	-
<b>c) Transactions with enterprises over which significant influence exercised by directors</b>		
GHCL Limited		
- Sale of Goods	18.48	-
- Sale of REC Certificate	0.30	-
- Business Support Services	0.60	-
- Reimbursement in respect of group insurance policy	0.80	-

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



**d) Compensation of Key Management Personnel of the Company**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Mr. R Balakrishnan	0.87	-
Mr. Gaurav V	0.29	-
Mr. Lalit Narayan Dwivedi	0.13	-
<b>Total compensation to Key Management Personnel #</b>	<b>1.29</b>	<b>-</b>

# includes leasing and hire purchase transaction entered with their respective relatives as mentioned in (c) above.

**e) Particulars**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Short-term employee benefits	1.10	-
Post-employment gratuity and medical benefits	0.19	-
<b>Total compensation paid to Key Management Personnel</b>	<b>1.29</b>	<b>-</b>

**f) Transactions with Non-whole-time directors**

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Sitting Fees	Commission	Sitting Fees	Commission
<b>Name</b>				
Dr. Manoj Vaish	0.01	0.042	0.00	-
Mrs. Vijaylaxmi Joshi	0.01	0.042	0.00	-
Mr. Arun Kumar Jain	0.01	0.042	0.00	-
Mr. R. S. Jalan	-	0.042	-	-
Mr. Raman Chopra	-	0.042	-	-
Mr. Neelabh Dalmia	-	0.042	-	-
	<b>0.03</b>	<b>0.252</b>	<b>0.00</b>	<b>-</b>

**g) Particulars**

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Trade payable</b>		
Sitting Fee payable	0.01	0.00
Commission payable to Non-whole time directors	0.23	-
	<b>0.24</b>	<b>0.00</b>

Notes to the Financial Statements as at and for the year ended March 31, 2024  
(INR in crores unless specified otherwise)

### 35 Segment information

The Company deals in only one business segment of manufacturing and sale of textile products and the Chief Operating Decision Maker (CODM) reviews the operations of the Company as a whole, hence there is no reportable segments as per Ind AS 108 “Operating Segments”. The management considers that the various goods provided by the Company constitutes single business segment, since the risk and rewards from these products are not different from one another. However the Company has disclosed the following geographical information as follows:

#### Geographic information

##### Revenue from external customers

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from contract with customers		
- India	889.83	-
- Outside India	155.23	-
<b>Total revenue per statement of profit and loss</b>	<b>1,045.06</b>	<b>-</b>

##### Non-Current Operating Assets

Particulars	As at March 31, 2024	As at March 31, 2023
- India	1,065.03	-
- Outside India	-	-
<b>Total</b>	<b>1,065.03</b>	<b>-</b>

#### Notes:

- (i) The revenue information above is based on the locations of the customers.
- (ii) Non-current assets for this purpose consist of Property, plant and equipment and Intangible assets.
- (iii) There are no customers having revenue exceeding 10% of total revenue of the Company

### 36 Hedging activities and derivatives

The Company is exposed to certain risks relating to its ongoing business operations. The primary risks managed using derivative instruments are foreign currency risk.

The Company’s risk management strategy and how it is applied to manage risk are explained in Note 37.

#### Derivatives not designated as hedging instruments

The Company uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for years consistent with foreign currency exposure of the underlying transactions, generally upto 4 months. These contracts are not designated in hedge relationships and are measured at fair value through profit or loss.

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

Particulars	Currency	Unhedged Exposure		Unhedged Exposure	
		As at March 31, 2024		As at March 31, 2023	
		Amount in Foreign Currency	Amount in INR	Amount in Foreign Currency	Amount in INR
<b>Financial Assets</b>					
Trade Receivables	USD	0.51	42.45	-	-
<b>Financial Liabilities</b>					
Borrowings	USD	0.07	5.78	-	-
Trade Payables	USD	0.01	0.49	-	-
	CHF	0.00	0.07	-	-

### 37 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying value	Fair value	Carrying value	Fair value
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023
<b>Financial assets measured at amortised cost</b>				
Investments in unquoted equity instruments (Refer Note 5)	1.83	1.83	-	-
Security deposits (refer note 6B)	14.87	14.87	-	-
Loan to employees (refer note 6A & 11A)	0.21	0.21	-	-
Others (refer note 11B)	8.99	8.99	-	-
<b>Financial liabilities at fair value</b>				
Derivative instruments ( refer note 19A)	0.00	0.00	-	-
<b>Financial liabilities not measured at amortised cost</b>				
Term loans (refer note 16)	52.58	52.58	-	-
Short term borrowings (refer note 16)	19.24	19.24	-	-

The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, export incentives and other receivables from government authorities, others trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The other current financial liabilities represents Security deposits, Capital creditors and Interest accrued on Bank deposits, the carrying value of which approximates the fair values as on the reporting date.

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**The following methods and assumptions were used to estimate the fair values:**

The fair value of the financial assets and liabilities is included at the amount at which the instrument is exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**38 The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.**

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2024:

Particulars	Date of valuation	Carrying amount	Fair value measurement using		
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets measured at Fair value through profit and loss</b>					
Investments in unquoted equity instruments (refer note 5)	March 31, 2024	1.83			1.83
	March 31, 2023	-			-
<b>Financial assets measured at amortised cost</b>					
Security deposits (refer note 6B)	March 31, 2024	14.87			14.87
	March 31, 2023	-			-
Loan to employees (refer note 6A & 11A)	March 31, 2024	0.21			0.21
	March 31, 2023	-			-
Others (refer note 11C)	March 31, 2024	8.99			8.99
	March 31, 2023	-			-
<b>Financial liability measured at fair value through profit and loss</b>					
Derivative instruments (refer note 19A)	March 31, 2024	0.00		0.00	
	March 31, 2023	-		-	
<b>Financial liabilities not measured at fair value</b>					
Floating rate borrowings	March 31, 2024	71.82			71.82
	March 31, 2023	-			-

There have been no transfers between Level 1 and Level 2 during the year.

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial assets measured at Fair value through profit and loss</b>			
Unquoted equity shares	Level 3	Discounted cash flow	Long-term growth rate for cash flows for subsequent years, weighted average cost of capital, long-term operating margin, discount for lack of marketability

Particulars	Fair value hierarchy	Valuation technique	Inputs used
<b>Financial assets measured at amortised cost</b>			
Security deposits	Level 3	Amortised Cost	Prevailing interest rates in the market, Future payouts
Loan to employees			
Others			
<b>Financial liabilities measured at fair value</b>			
Derivative instruments	Level 2	Market valuation techniques	Forward foreign currency exchange rates
<b>Financial liabilities measured at amortised cost</b>			
Floating rate borrowings (India)	Level 3	Amortised Cost	Prevailing interest rates in the market, future payouts

### 39 Financial risk management objectives and policies

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, lease liabilities trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Banking and Operations committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include investments, loans and borrowings, deposits and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at March 31, 2024 and March 31, 2023. The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

#### a) Interest rate risk

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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

The Company is not exposed the significant interest rate as at a respective reporting date.

**Interest rate sensitivity**

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is effected through the impact on floating rate borrowings, as follows:

Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2024	+/(-.50%	'(-)/+ 0.36
Particulars	Increase/decrease in basis points	Effect on PBT
March 31, 2023	+/(-.50%	-

**b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to its operating activities. The Company manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month for hedges of forecasted sales and purchases in foreign currency. The hedging is done through foreign currency forward contracts.

**Foreign currency sensitivity**

Particulars	Change in USD rate	Effect on PBT
March 31, 2024	+/(-)1%	'(-)/+ 0.37
Particulars	Change in USD rate	Effect on PBT in Rs
March 31, 2023	+/(-)1%	-
Particulars	Change in CHF rate	Effect on PBT
March 31, 2024	+/(-)1%	'(-)/+ 0.00
Particulars	Change in CHF rate	Effect on PBT
March 31, 2023	+/(-)1%	-

**c) Commodity risk**

The Company is impacted by the price volatility of cotton. Cotton is the key raw material. Due to the significant volatility of the price of cotton in international market, the Company has entered into purchase contract with its designated vendor(s). The price in the purchase contract is linked to the certain indices. The Company's commercial department has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

**d) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities

(primarily trade receivables) and from its financing activities, including deposits with Banks and financial institutions, foreign exchange transactions and other financial instruments.

### Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on customer profiling, credit worthiness and market intelligence. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance.

An impairment analysis is performed at each reporting date on an individual basis for major customers. In addition, a large number of minor receivables are categorized and assessed for impairment collectively. The calculation is based on exchange losses historical data. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Banking & Operations Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

The Company's maximum exposure to credit risk for the components of the Balance sheet at March 31, 2024 and March 31, 2023 is the carrying amounts as given in Note 9. The Company's maximum exposure relating to financial guarantees and financial derivative instruments is noted in note on commitments and contingencies and the liquidity table below.

### Liquidity risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Company to manage liquidity is to ensure, as far as possible, that it should have sufficient liquidity to meet its respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation. The Company also believes a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments :

As at March 31, 2024	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	19.24	23.40	29.18	-	71.82
Trade payables	-	28.88	-	-	28.88
Other financial liabilities	-	4.80	-	-	4.80
	<b>19.24</b>	<b>57.08</b>	<b>29.18</b>	<b>-</b>	<b>105.50</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

As at March 31, 2023	On Demand	0 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
	-	-	-	-	-

#### 40 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio of less than 75%. The Company includes within net debt, interest bearing loans and borrowings, lease liabilities, trade and other payables, less cash and cash equivalents.

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings (including short term borrowings)	71.82	-
Trade payables	28.88	-
Other financial liabilities	4.80	-
Less: Cash and bank balances	10.30	0.00
<b>Net debt</b>	<b>115.80</b>	<b>0.00</b>
Equity	1,385.76	(0.00)
<b>Capital and net debt</b>	<b>1,501.56</b>	<b>(0.00)</b>
Gearing ratio	7.71%	(77.99%)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024 and March 31, 2023.

#### 41 Accounting for Scheme of Arrangement - Spinning Division:

The Board of Directors of the Company at their meeting held on December 06, 2021 approved a Scheme of Arrangement under Section 230 – 232 of the Companies Act 2013 for demerger of Spinning Division of GHCL Limited ("Demerged Company") into GHCL Textiles Limited ("Resulting Company"/"Company") ("the Scheme") and the said Scheme was approved by National Company Law Tribunal ("NCLT"), Ahmedabad, on February 08, 2023.



**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

As per the Scheme, the accounting in respect of the Scheme has been carried out on April 01, 2023 being the Appointed date and effective date i.e. the date on which the Company filed the Certified True Copy of the NCLT order along with the sanctioned Scheme with the Registrar of Companies ("ROC").

Accordingly, the Spinning division (along with all assets and liabilities thereof as at the appointed date stated in the Scheme) have been transferred to the Company on a going concern basis at a book value of INR 1,359.28 crores. As a consideration for the Demerger, the Company has issued 9,55,85,786 equity shares of INR 2 each amounting INR 19.12 crores to the shareholders of Demerged Company as on the record date in a 1:1 swap ratio i.e. one equity share of INR 2 each has been issued by the Company for every one equity share of INR 10 each held in Demerged Company at a premium of INR 1,578.16 crores. The difference of INR 238.00 crores being the difference between the book value of net assets received and the equity share capital issued including securities premium has been debited to capital reserve.

Being a transaction of transfer of the spinning business from Demerged Company, Indian Accounting Standards notified under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time (Ind AS) and generally accepted accounting principles in India required the Company to account for such transfer of spinning business in the previous year ended March 31, 2023 by restating the financial information in respect of the prior year from the beginning of the comparative period presented as the substantial conditions for the transfer of demerged undertaking were met during the previous year ended March 31, 2023.

Since the Certified True Copy of the NCLT order along with the sanctioned Scheme with the ROC has been filed on April 01, 2023 accounting effect in respect of the Scheme has been given in these financial statements, as the approved scheme prevail over the applicable Indian Accounting Standards.

The Company has listed its equity shares on Bombay Stock Exchange and National Stock Exchange as required by the Scheme w.e.f June 12, 2023.

Major class of assets and liabilities transferred to the Company are presented below :

<b>Particulars</b>	<b>As at April 01, 2023</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Property, plant and equipment	932.40
Capital work-in-progress	89.36
Other intangible assets	0.16
Investments	1.23
Other non-current financial assets	14.20
Other-non current assets	34.57
<b>Total Non current assets (A)</b>	<b>1,071.92</b>
<b>Current assets</b>	
Inventories	350.79
Financial assets	
Trade receivables	88.91
Cash and cash equivalents	37.23
Loans current	0.33
Other current financial asset at amortised cost	5.84
Other current assets	62.60
<b>Total current assets (B)</b>	<b>545.70</b>
Assets held for sales (C)	0.23
<b>Total assets (D) = (A+B+C)</b>	<b>1,617.85</b>

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

Particulars	As at April 01, 2023
<b>Liabilities</b>	
<b>Non-current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	53.42
Deferred tax liabilities (net)	118.52
<b>Total Non current liabilities (E)</b>	<b>171.94</b>
<b>Current liabilities</b>	
<b>Financial liabilities</b>	
Borrowings	25.17
Trade payables	44.55
Derivative instruments	0.00
Other financial liabilities current	2.60
Provisions Short term	9.70
Contract liabilities	3.80
Other liabilities	0.81
<b>Total current liabilities (F)</b>	<b>86.63</b>
<b>Total liabilities (G) = (E+F)</b>	<b>258.57</b>
<b>Net Assets (D-G)</b>	<b>1,359.28</b>

Since, the Company has accounted for the demerger transaction w.e.f. April 01, 2023 therefore, the current year is not comparable with the previous year as the Company did not have any operations till March 31, 2023.

#### 42 Additional regulatory information

- 1 The Company does not have any Benami property under Benami Transactions (Prohibitions) Act, 1988 and the rules made thereunder, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2 The Company does not have any transactions with Companies struck off.
- 3 The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory year.
- 4 The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- 5 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
- 6 The Company 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 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 on behalf of the Ultimate Beneficiaries,
- 7 The Company does not any such transaction which are 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

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

(such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

8 The Company has not been declared as wilful defaulter by any bank or financial institution or other lender.

**9. Ratio Analysis and its elements\***

Particulars	Numerator	Denominator	March 31, 2024	March 31, 2023	Variation	Reason for variance
(a) Current Ratio (times)	Current Assets	Current Liabilities	5.95	0.30	1883.05%	
(b) Debt-Equity Ratio (times)	Total Debt	Shareholders Equity	0.05	Not Applicable	Not Applicable	
(c) Debt Service Coverage Ratio (times)	Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest	Debt service = Interest + Principal Repayments	2.53	Not Applicable	Not Applicable	
(d) Return on Equity Ratio (%)	Net Profits after taxes – Preference Dividend (if any)	Average Shareholder's Equity	1.83%	(16.67%)	(110.94%)	
(e) Inventory turnover ratio (times)	Cost of goods sold	Average Inventory	2.09	Not Applicable	Not Applicable	
(f) Trade Receivables turnover ratio (times)	Net credit sales = Gross credit sales - sales return	Avg. Trade Receivables	10.14	Not Applicable	Not Applicable	Since, the Company has accounted for the demerger transaction w.e.f. April 01, 2023 (refer note 41) therefore, the current year is not comparable with the previous year as the Company did not have any operations till March 31, 2023.
(g) Trade payables turnover ratio (times)	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	26.89	Not Applicable	Not Applicable	
(d) Net capital turnover ratio (times)	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	2.37	Not Applicable	Not Applicable	
(e) Net profit ratio (%)	Net Profit	Net sales = Total sales - sales return	2.38%	Not Applicable	Not Applicable	
(f) Return on Capital employed (%)	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	2.71%	(4.08%)	(166.50%)	
(k) Return on investment-Mutual fund (%)	Profit on sale of current investments	Investment	6.82%	Not Applicable	Not Applicable	
(g) Operating profit Margin (%)	Earning before interest and taxes	Revenue from operations	3.98%	Not Applicable	Not Applicable	
(h) Return on Net Worth (%)	Total comprehensive income for the year, net of tax	Net worth	1.91%	Not Applicable	Not Applicable	

\* The ratios have been calculated considering the assets and liabilities acquired by the Company pursuant to the scheme of arrangement as opening assets and liabilities.

**Notes to the Financial Statements as at and for the year ended March 31, 2024**  
(INR in crores unless specified otherwise)

**43 Assets held for Sale**

Particulars	As at March 31, 2024	As at March 31, 2023
<b>(a) Assets classified as held for Sale</b>		
Assets held for Sale -(footnote"i)	0.36	-

- (i) The management has balance excessive and surplus land of 0.72 acres (March 31, 2023: Nil acres) outside the premises of factory at Madurai, that is being disposed off and balance is held as non current asset held for sale.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Acres	Amount	Acres	Amount
Opening balance	-	-	-	-
Add: Addition pursuant to scheme of arrangement (Refer note 41)	0.47	0.23	-	-
Add: Transferred from Property, plant and Equipment	0.25	0.13	-	-
Less: Sold/Disposed	-	-	-	-
<b>Closing balance</b>	<b>0.72</b>	<b>0.36</b>	-	-

**44 Audit Trail**

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for (a) certain changes made using privileged/administrative access rights to the SAP application and/or the underlying Hanna database, (b) for tables for depreciation keys, depreciation area company codes in assets accounting and (c) in respect of other software used by the Company to maintain payroll records. Wherever audit trail is enabled, no instance of audit trail feature being tampered with was noted in respect of above said software.

**45 Standards notified but not yet effective**

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements.

As per report of even date  
**For S.R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 301003E/E300005

**For and on behalf of the Board of Directors of  
GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)**

Sd/-  
Anurag Dalmia  
Chairman  
DIN: 00120710

Sd/-  
R Balakrishnan  
(Chief Executive officer)

Sd/-  
per Sonika Loganey  
Partner  
Membership No. 502220

Sd/-  
Dr Manoj Vaish  
Director  
DIN: 00157082

Sd/-  
Gaurav V  
(Chief Financial officer)

Place : New Delhi  
Date: May 06, 2024

Place : New Delhi  
Date: May 06, 2024

Sd/-  
Lalit N. Dwivedi  
(Company Secretary)  
Membership No. FCS10487



**“GHCL House”**  
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