

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**To
The Board of Directors of
GHCL Textiles Limited****Report on the audit of the Financial Results****Opinion**

We have audited the accompanying statement of quarterly and year to date financial results of GHCL Textiles Limited (the "Company") for the quarter ended March 31, 2024 and for the year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 and for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 2 to the financial results, which indicates that the demerger has been accounted on the Appointed date, i.e. April 01, 2023, being the date of filing of certified true copy of the National Company Law Tribunal ('NCLT') order along with the sanctioned Scheme of Arrangement with the Registrar of Companies, instead of accounting for demerger in the previous year ended March 31, 2023 from the beginning of the comparative period presented, since as per the applicable Indian Accounting Standards prescribed under Section 133 of the Act, the substantial conditions relating to transfer of demerged undertaking were met during the aforesaid previous year.

Our opinion is not modified in respect of this matter.



Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

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 Statement, 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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



S.R. BATLIBOI & Co. LLP

Chartered Accountants

in our auditor's report to the related disclosures in the financial results 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 Statement, including the disclosures, and whether the Statement represents 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.

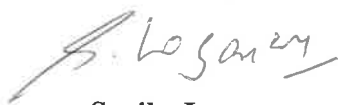
Other Matter

- (a) The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.
- (b) The comparative financial information of the Company for corresponding quarter ended March 31, 2023 included in this statement is the balancing figure between the audited figures in respect of the full financial year ended March 31, 2023 and the year-to-date figures up to December 31, 2022 which have not been subjected to a review or audit by us or by any other auditor and are as approved by the Board of Directors of the Company.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Sonika Loganey**

Partner

Membership No.: 502220



UDIN: 24502220 BK DLMU6424

Place: New Delhi

Date: May 06, 2024

GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)

Registered Office: GHCL House, Opp. Punjabi Hall, Near Navrangpura Bus Stand, Navrangpura, Ahmedabad - 380 009, Gujarat

(Email: info@ghcltextiles.co.in, secretarial@ghcltextiles.co.in, Website: www.ghcltextiles.co.in, Phone: 079- 26434100, Fax: 079-26423623)

Statement of Audited Financial Results for the Quarter and Year ended March 31, 2024

S. No.	Particulars	Quarter Ended			Year Ended	
		31.03.2024	31.12.2023	31.03.2023	31.03.2024	31.03.2023
		Audited	Unaudited	Unaudited	Audited	
		(Refer Note No.4)		(Refer Note No.5)		
1	Income					
	(a) Revenue from operations	286.15	244.41	-	1,053.87	-
	(b) Other income	1.36	1.65	-	5.63	-
	Total Income	287.51	246.06	-	1,059.50	-
2	Expenses					
	a) Cost of raw materials consumed	200.73	181.06	-	731.67	-
	b) Purchase of stock-in-trade	0.28	2.11	-	4.69	-
	c) (Increase) in inventories of finished goods, stock-in-trade and work-in-progress	(7.37)	(17.28)	-	(6.94)	-
	d) Power, fuel and water	16.67	17.39	-	71.45	-
	e) Employee benefits expenses	16.91	14.87	-	61.90	-
	f) Finance costs	2.30	1.71	-	7.35	-
	g) Depreciation and amortisation expense	13.02	12.32	-	47.36	-
	h) Other expenses	30.61	27.70	0.01	107.47	0.01
	Total Expenses	273.15	239.88	0.01	1,024.95	0.01
3	Profit / (loss) before tax (1-2)	14.36	6.18	(0.01)	34.55	(0.01)
4	Tax expenses					
	(a) Current tax	(0.09)	-	-	-	-
	(b) Deferred tax charge	4.20	1.69	-	9.50	-
	Total tax expenses	4.11	1.69	-	9.50	-
5	Profit / (loss) for the period/ year (3-4)	10.25	4.49	(0.01)	25.05	(0.01)
	Other Comprehensive Income					
	(a) Re-measurement gains on defined benefit plans - not to be reclassified subsequently to profit & loss	1.93	-	-	1.93	-
	(b) Income tax effect on above	(0.49)	-	-	(0.49)	-
6	Other Comprehensive Income net of tax - not to be reclassified subsequently to profit & loss	1.44	-	-	1.44	-
7	Total comprehensive income for the period/ year, net of tax (5+6)	11.69	4.49	(0.01)	26.49	(0.01)
8	Other equity as per the audited balance sheet					
9	Paid up equity share capital (face value of INR 2/- each)				1,366.64	(0.01)
10	Earnings per share (face value of INR 2/- each)	19.12	19.12	0.01	19.12	0.01
	Basic and diluted	1.07	0.47	(1.01)	2.62	(1.37)

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for Identification

GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)
Statement of Assets & Liabilities as at March 31,2024

Particulars		INR In Crore	
		As at	
		31.03.2024	31.03.2023
		Audited	Audited
I	Assets		
	Non-current assets		
a	Property, plant and equipment	1,064.85	-
b	Capital work-in-progress	4.84	-
c	Intangible assets	0.18	-
d	Financial assets		
	(i) Investments	1.83	-
	(ii) Loans	0.04	-
	(iii) Other non-current financial assets	14.96	-
e	Non current tax assets (net)	1.15	-
f	Other-non current assets	12.73	-
	Total Non-Current Assets	1,100.58	-
	Current assets		
a	Inventories	347.33	-
b	Financial assets		
	(i) Trade receivables	117.12	-
	(ii) Cash and cash equivalents	10.30	0.00
	(iii) Bank balances other than cash and cash equivalents	1.66	-
	(iv) Loans	0.17	-
	(v) Other current financial asset	8.99	-
c	Other current assets	46.35	-
	Total Current Assets	531.92	0.00
	Assets held for sale	0.36	-
	Total Assets	1,632.86	0.00
II	Equity and Liabilities		
	Equity		
a	Equity share capital	19.12	0.01
b	Other equity	1,366.64	(0.01)
	Total Equity	1,385.76	(0.00)
	Liabilities		
	Non-current liabilities		
a	Financial liabilities		
	(i) Borrowings	29.18	-
b	Deferred tax liabilities (net)	128.51	-
	Total Non- Current Liabilities	157.69	-
	Current liabilities		
a	Financial liabilities		
	(i) Borrowings	42.64	-
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	4.08	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	24.80	0.00
	(iii) Derivative instruments	0.00	-
	(iv) Other current financial liabilities	4.80	-
b	Other current liabilities		
	(i) Contract liabilities	5.02	-
	(ii) Other current liabilities	6.06	-
c	Provisions	2.01	-
	Total Current Liabilities	89.41	0.00
	Liabilities directly associated with the assets held for sale	-	-
	Total Liabilities	247.10	0.00
	Total Equity and Liabilities	1,632.86	0.00



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GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)
Statement of Cash Flows for the year ended March 31, 2024
(INR in crores)

Particulars	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)
Operating activities		
Profit/(loss) before tax	34.55	(0.01)
Adjustments to reconcile profit before tax to net cash flows :		
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	7.34	-
Unrealised exchange gain (net)	(0.58)	-
Operating profit before working capital changes	76.90	(0.01)
Working capital adjustments		
Adjustments for (Increase)/decrease in Operating assets:		
Trade receivables	(27.56)	-
Inventories	3.46	-
Other current financial assets	(2.16)	-
Other current assets	18.19	-
Non-current financial assets	(0.61)	-
Adjustments for Increase/(decrease) in Operating liabilities:		
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	-
Cash generated/ (used in) from operations	59.04	(0.01)
Income tax paid (net)	(1.15)	-
Net cash generated/ (used in) from operating activities (A)	57.89	(0.01)
Cash flow from investing activities		
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	-
Net cash (used in) investing activities (B)	(70.59)	-
Cash flow from financing activities		
Proceeds / (repayment) of short-term borrowings	17.30	-
Repayment of long-term borrowings	(24.35)	-
Interest paid	(7.18)	-
Net cash (used) in financing activities (C)	(14.23)	-
Net (decrease) in cash and cash equivalents (D = A+B+C)	(26.93)	(0.01)
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	-
Cash and cash equivalents at the end of the year (D+E+F)	10.30	0.00
Components of cash and cash equivalents		
Cash on hand	0.01	-
Balances with banks:		
- On current accounts	10.29	0.00
Total cash and cash equivalents	10.30	0.00

Note:

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".



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for Identification

Notes to the Statement of Financial Results for the Quarter and Year ended March 31, 2024

1. The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 06, 2024. These financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The Statutory Auditors of the Company have conducted an audit of these financial results of the Company for the quarter and year ended March 31, 2024 in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and have expressed an unmodified audit opinion on these results.
2. 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 Registrar of Companies ("ROC").

Accordingly, the Spinning division (along with all assets and liabilities thereof as at the appointed date stated in the Scheme) has 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 division 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 division during 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 has been filed with the ROC on April 01, 2023 accounting effect in respect of the sanctioned Scheme was been given in the financial statements, as the sanctioned 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 sanctioned Scheme w.e.f June 12, 2023.
3. The Company is engaged in the business of "Textiles" activity and hence has only one reportable operating segment as per IND AS 108-Operating Segment.
4. The figures for the quarter ended March 31, 2024, are the balancing figures between audited figures in respect of full financial year ended March 31, 2024 and the unaudited published year to date figures upto December 31, 2023, being the end of the third quarter of the financial year which were subjected to limited review by the Statutory auditors.
5. Since, the Company has accounted for the demerger transaction w.e.f April 01, 2023 (refer note 2 above) therefore, the current quarter and year to date year results are not comparable with the corresponding quarter/ previous year ended March 31, 2023 since the Company did not have any operations till March 31, 2023. Further, the comparative figures in the Statement for the quarter ended March 31, 2023 are the balancing figures between the audited figures in respect of full financial year ended March 31, 2023 and the year to date figures upto December 31, 2022 which have not been subjected to a review or audit by any auditor and have been approved by the Board of Directors of the Company.
6. Subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company, the Board of Directors of the Company have proposed a dividend of Rs 0.50 per equity share for the year ended March 31, 2024.
7. The CEO and CFO certificate in respect of the above results in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board of Directors.
8. In line with the requirements of Regulation 47(2) of the Listing Regulations, 2015, the results are available on the website of BSE Limited (URL: www.bseindia.com/corporates), the National Stock Exchange of India Limited (URL: www.nseindia.com/corporates) and on the company's website (URL: <https://ghcltextiles.co.in/investors/financial-reports/>).

For and on behalf of Board of Directors of GHCL Textiles Limited

New Delhi
May 06, 2024


Anurag Dalmia
Chairman
DIN: 00120710

S.R. Batliboi & Co. LLP, Gurugram

for Identification