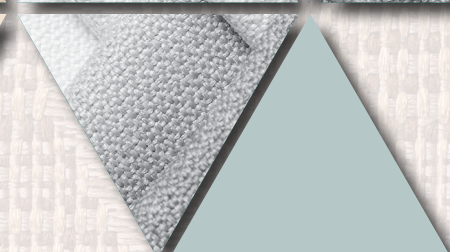
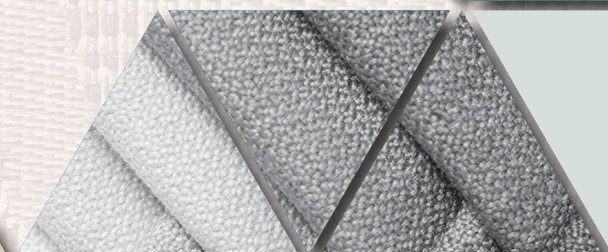




GHCL TEXTILES LIMITED

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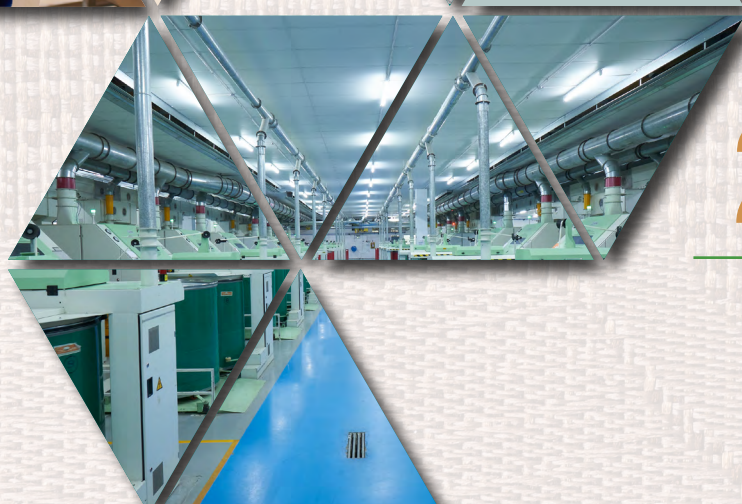


5<sup>th</sup>

ANNUAL  
REPORT

2024-2025

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## Details of the 5th Annual General Meeting

**Day, Date and Time of AGM:** Monday, July 21, 2025 at 10.00 A.M.

### Details of Remote E-Voting

Record date / cut-off date: Monday, July 14, 2025

**Start date and time:** Thursday, July 17, 2025 at 09:00 AM

**End date and time:** Sunday, July 20, 2025 at 05:00 PM

As per SEBI Circular dated October 03, 2024, 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

**Justice Ravindra Singh (Retd.)**

Independent Director

**Mrs. Sudha Pillai, IAS (Retd.)**

Independent Director

**Mr. V K Jeyakodi, IAS (Retd.)**

Independent Director

**Mr. C R Rajagopal**

Independent Director

**Mr. Ravi Shanker Jalan**

Non-Executive Director

**Mr. Raman Chopra**

Non-Executive Director

**Mr. Neelabh Dalmia**

Non-Executive Director

### Key Managerial Personnel

**Mr. Marshal Sonavane**

CEO

**Mr. M Parasuraman**

CFO

**Mr. Lalit Narayan Dwivedi**

Company Secretary

### Registered Office

“GHCL House”

Opp. Punjabi Hall, Navrangpura

Ahmedabad -380009 (Gujarat)

Phone no. 079-26427818, 26427519

### Corporate Office

“GHCL House”

B-38, Institutional Area

Sector-1, Noida-201301(U.P.)

Phone no. 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

### Internal Auditor

SPMB & Co.

Chartered Accountants, Chennai

### Plant Location

**Madurai unit**

Paravai, Samayanallur P.O,

Distt. Madurai,

Tamil Nadu – 625402

**Manapara Unit**

Thiagesar Alai P.O, Manapara,

Distt. Trichy,

Tamil Nadu - 621312

### Bankers / Financial Institutions

State Bank of India

IDBI Bank

HDFC Bank

ICICI Bank

CTBC Bank

Bank of Baroda

Export Import Bank of India

### Registrar and Share Transfer Agent (RTA)

MUFG Intime India Private Limited

(Formerly Link Intime India Private Limited),

C101, 247 Park, L. B. S. Marg,

Vikhroli (West), Mumbai 400083.

Phone no. +91 8108116767 Fax: +912249186060

Email : [rnt.helpdesk@in.mpms.mufg.com](mailto:rnt.helpdesk@in.mpms.mufg.com)



## 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- 26427818, 26427519

## Notice of the 5th Annual General Meeting

**(Pursuant to Section 101 of the Companies Act, 2013)**

Dear Member,

NOTICE is hereby given that the 5th Annual General Meeting of the members of GHCL Textiles Limited (CIN: L18101GJ2020PLC114004) will be held on Monday, July 21, 2025 (सोमवार, श्रावण - कृष्ण पक्ष एकादशी, विक्रम संवत् २०८२) at 10.00 A.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, 2025, 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, 2025 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, 2025.**

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 (i.e. 25% of 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, 2025 and that such dividend be paid to those equity shareholders whose names appear in the Register of Members as on record date i.e. Monday, July 14, 2025.”

**Item no. 3: Re-appointment of Mr. Ravi Shanker Jalan (DIN: 00121260) as a Director of the Company, liable to retire by rotation.**

To consider and 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. Ravi Shanker Jalan (DIN: 00121260) 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. 5: Approval for appointment of Chandrasekaran Associates as Secretarial Auditor of the Company**

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

“RESOLVED THAT pursuant to the provisions of Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI FAQ issued on April 23 2025, and upon recommendation of the Audit Committee and the Board of Directors, the appointment of Chandrasekaran Associates, a Peer Reviewed Firm of Company Secretaries in Practice, having Registration No. P1988DE002500, as the Secretarial Auditor of the Company, for a period of five years i.e. to hold office from the conclusion of 5<sup>th</sup> Annual General Meeting of the Company till the conclusion of 10<sup>th</sup> Annual General Meeting of the Company, be and is hereby approved to conduct the Secretarial Audit of the Company for a period of five consecutive financial years (i.e. from FY 2025-26 to FY 2029-30), in compliance with applicable laws.”

“RESOLVED FURTHER THAT the shareholders of the Company hereby approve the fixation of a maximum cap on remuneration payable to the Secretarial Auditor, Chandrasekaran Associates, for a period of five consecutive financial years commencing from FY 2025-26 to FY 2029-30, as follows:

1. The maximum remuneration payable to the Secretarial Auditor (including certification) shall not exceed ₹ 5.00 (five) lakhs per financial year during the tenure of five years and for the Financial Year 2025-26, the remuneration shall be ₹ 3.00 (three) lakhs.
2. The actual remuneration for each financial year shall be determined by the Board of Directors based on the recommendation of the Audit Committee, considering the following parameters:
  - a. Scope, complexity, and regulatory framework applicable for Secretarial Audit in a particular financial year.
  - b. Extent of compliance monitoring and reporting required, as mandated under SEBI Regulations / Companies Act.
  - c. Increase in regulatory obligations, governance responsibilities, and audit scope due to amendments in SEBI, Companies Act, and other applicable laws.
3. The annual remuneration may be increased upto 10% per financial year, subject to review and approval by the Audit Committee and the Board of Directors, based on:
  - a. Increase in compliance workload and governance obligations.
  - b. Inflationary adjustments and benchmarking with industry standards.

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

Dated: May 05, 2025  
Place: Noida

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

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

## NOTES:

1. The Annual General Meeting (AGM) of the Company is being convened through Video Conferencing (VC) or Other Audio Visual Means (OAVM), in compliance with the applicable provisions of the Companies Act, 2013, read with relevant rules and Secretarial Standard-2 (SS-2), and in accordance with the framework prescribed by the Ministry of Corporate Affairs (MCA) through its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, and the most recent Circular No. 9/2024 dated September 19, 2024 (collectively referred to as “MCA Circulars”). The Company is also complying with SEBI Circulars dated May 12, 2020, January 5, 2023, and October 3, 2024 (“SEBI Circulars”).

In view of the ongoing public health concerns and considering the continued precautionary measures against COVID-19, the AGM is being conducted without the physical presence of Members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

The Company has engaged Central Depository Services (India) Limited (CDSL) to provide the facility for participating in the AGM through VC/OAVM and for remote e-voting as well as e-voting during the meeting. Members shall be able to participate and vote effectively in accordance with the instructions and framework provided under the aforementioned MCA and SEBI Circulars.

- a. The Company is convening 5<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. The Company has made arrangements for the Annual General Meeting (AGM) to be conducted through Video Conferencing (VC) / Other Audio Visual Means (OAVM), with the facility capable of accommodating at least 1,000 members on a first-come-first-served basis. However, in accordance with the MCA Circular No. 20/2020 dated May 5, 2020, MCA Circular No. 09/2024 dated September 19, 2024, and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, the following categories of participants shall be allowed to attend the meeting without being subject to the first-come-first-served restriction: large shareholders (holding 2% or more of the shareholding), promoters, institutional investors, Directors, key managerial personnel (KMPs), Chairman of the Audit Committee, Chairperson of the Nomination and Remuneration Committee, and Chairman of the Stakeholders Relationship Committee, as well as the Statutory Auditors.

In compliance with the above circulars, the Notice of the 5th AGM, along with the financial statements for the financial year 2024-25 (including the Board’s Report, Auditor’s Report, and other mandatory annexures), is being sent electronically only to those members whose email addresses are registered with the Company or with the Depository Participants, as per the Beneficial Position (Benpos) as on May 23, 2025 (i.e., the cut-off date post Board approval of the AGM notice). No physical copies of the AGM notice or Annual Report shall be dispatched. However, shareholder can request to the Company for physical copies of the annual report and the same shall be provided.

The 5th Annual Report, comprising the Notice, financial statements, and other related documents, is also available on the websites of BSE Limited ([www.bseindia.com](http://www.bseindia.com)), National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)), where the Company’s shares are listed, and on the Company’s website at [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 scheduled 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 are not registered with the Company / depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice:

**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@in.mpms.mufig.com](mailto:rnt.helpdesk@in.mpms.mufig.com).

- a) **For Individual Demat Members** – 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 dividend as recommended by the Board of Directors will be paid to the members on or before 30<sup>th</sup> day from the date of declaration:
    - **For equity shares held in physical form** - those Members whose names will appear in the Register of Members on the record date i.e. Monday, July 14, 2025.
    - **For equity shares held in dematerialized form** - those beneficiaries, whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owner on the record date i.e. Monday, July 14, 2025.
  5. The relevant details of Directors seeking re-appointment under Item No. 3, 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.

| Profile   |   |
|---|---|
| <b>Full Name</b>  | <b>Mr. Ravi Shanker Jalan</b>   |
| <b>DIN</b>  | 00121260  |
| <b>DoB</b>  | October 10, 1957  |
| <b>Age</b>  | 67 years  |
| <b>Original Date of Appointment</b>   | 17.06.2020  |
| <b>Qualification</b>  | Chartered Accountant.   |
| <b>Nature of expertise in specific functional areas/<br/>Experience and Expertise</b> | Mr. Jalan has a vast experience and expertise in the field of Finance, Administration, CSR, EHS, Sustainability, Governance, industry and general management Corporate governance, Leadership, Strategic thinking, public policy and public advocacy. |



|  |  |
|--|--|
| <b>Remuneration last drawn (including sitting fees)</b>  | As mentioned in the Corporate Governance Report.   |
| <b>Terms and conditions of appointment or re-appointment along with Remuneration to be paid</b>                              | As mentioned in the Corporate Governance Report.   |
| <b>Number of board meetings attended during FY 2024-25</b>   | 4/4  |
| <b>Shareholding (Equity Shares) including shareholding as a beneficial owner]</b>  | 6,50,000(0.68%) equity share in individual account and 100 shares in HUF account   |
| <b>Relationship with other Directors, Manager, and KMP</b>   | None.  |
| <b>Membership of Committees of the Company</b>   | 1. Stakeholders Relationship Committee<br>2. Risk Management Committee   |
| <b>Chairperson of Committees of the Company</b>  | None   |
| <b>Directorships held in other companies</b>   | 1. GHCL Limited<br>2. India Hostels Private Limited<br>3. Sachin Tradex Private Limited  |
| <b>Membership of Committees held in other Indian companies</b>   | Mr. Jalan is member of the following Committees in GHCL Limited<br>1. Stakeholders Relationship Committee<br>2. Banking & Operations Committee<br>3. Corporate Social Responsibility Committee<br>4. Risk & Sustainability Committee |
| <b>Chairpersonship of Committees held in other Indian Companies</b>  | None   |
| <b>Listed entities in India from which the person has resigned as Director in past three years</b>                           | None   |
| <b>The skills and capabilities required for the role and the manner in which the proposed person meets such requirements</b> | As mentioned in the Corporate Governance Report.   |

**Note:** Above details of Mr. Ravi Shanker Jalan is as on May 05, 2025

6. Board composition of GHCL Textiles Limited as on March 31, 2025 and Directors' attendance at Board meetings and in previous Annual General Meeting.

| S. No. | Name                           | DATE OF BOARD MEETING & ATTENDANCE |                 |                  |                   | AGM Attendance<br>(July 08, 2024) |
|--------|--------------------------------|------------------------------------|-----------------|------------------|-------------------|-----------------------------------|
|        |                                | May 06, 2024                       | August 01, 2024 | October 29, 2024 | February 03, 2025 |                                   |
| 1      | Mr. Anurag Dalmia              | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 2      | Justice Ravindra Singh (Retd.) | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 3      | Mrs. Sudha Pillai, IAS (Retd.) | NA                                 | NA              | NA               | NA                | NA                                |
| 4      | Mr. V K Jeyakodi, IAS (Retd.)  | NA                                 | NA              | NA               | NA                | NA                                |
| 5      | Mr. C R Rajagopal              | NA                                 | NA              | NA               | NA                | NA                                |
| 6      | Mr. Ravi Shanker Jalan         | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 7      | Mr. Raman Chopra               | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 8      | Mr. Neelabh Dalmia             | Yes                                | Yes             | Yes              | Yes               | Yes                               |

**Note:** Mrs. Sudha Pillai, Mr. V K Jeyakodi and Mr. C R Rajagopal were appointed as Independent Director of the Company w.e.f. March 01, 2025.

7. Members are requested to notify immediately any change of address to their Depositories Participants (DPs) in respect of their electronic share accounts, if any.
8. 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.
9. Voting through electronic means:
  - (a) 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 5<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).
  - (b) 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.
  - (c) During the remote e-voting period, members of the Company, holding shares as on the cut-off date i.e. **Monday, July 14, 2025** 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 **Thursday, July 17, 2025** and ends at 5:00 p.m. (IST) on **Sunday, July 20, 2025**. 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:**





**1: Access through Depositories CDSL/NSDL e-Voting system in case of individual Members 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><b>A. Existing users who have opted for Easi/Easiest</b></p> <p>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. An 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 the login icon &amp; New System My Easi Tab.</p> <p>1) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting 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> <p><b>B. User not opted for Easi/Easiest:</b></p> <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 My Easi Tab and then click on registration option.</p> <p><b>C. By visiting the e-voting website of CDSL:</b></p> <p>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> |
| Individual Members holding securities in demat mode with <b>NSDL</b> | <p><b>A. User already registered for NSDL IDeAS facility</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.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile.</p> <p>Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section.</p> <p>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.</p> <p>Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page.</p> <p>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.</p>   |

|  |  |
|--|--|
|  | <p><b>B. User not registered for IDeAS e-Services:</b></p> <p>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</p> <p>After successful registration, please follow the steps given above to cast your vote</p> <p><b>C. by visiting E-Voting website of NSDL</b></p> <p>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</p> <p>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.</p> <ol style="list-style-type: none"> <li>1. 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.</li> </ol> <p><b>D. NSDL Speede</b></p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div> |
| Individual Members (holding securities in demat mode) login through their <b>Depository Participants</b> | <ol style="list-style-type: none"> <li>1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>2. 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.</li> <li>3. 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.</li> </ol>   |



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

## 2. Access through CDSL e-Voting system in case of non-individual Members in demat mode.

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:

|   | <b>For other than individual Members holding shares in Demat.</b>  |
|---|--|
| PAN*  | Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department<br><br>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<br><b>OR</b><br>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.<br><br>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

### 3: Additional facility 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:** It is mandatory that 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.

#### 10. Process for those members whose email/mobile no. are not registered with the Company/depositories.

**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@in.mpms.mufig.com](mailto:rnt.helpdesk@in.mpms.mufig.com)).

**For Individual Demat Members –** Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

#### 11. 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. Members 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. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
- v. Further Members 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.

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

- vii. Only those Shareholders/ 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.

12. 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 Shareholders / 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.

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

| Login type  | Helpdesk details  |
|---|---|
| (i) 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. |
| (ii) 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  |

14. Members holding shares in electronic form may update their details (bank, address, email etc.) with their respective Depository Participant.
15. 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.
16. 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.

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 21, 2025. Members seeking to inspect such document(s) can send an email to [secretarial@ghcltextiles.co.in](mailto:secretarial@ghcltextiles.co.in)

**TDS on dividend:** Pursuant to the Income Tax Act, 1961 /Finance Act, 2020, dividend income is taxable in the hands of Members and the Company is required to deduct tax at source from dividend paid to Members 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 Members 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 <https://ghcltextiles.co.in/investors/annual-general-meeting>.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item no. 4:

1. **Background & Rationale for Appointment:** The appointment of a Secretarial Auditor is mandated under Regulation 24A of SEBI Listing Regulations, 2015, which requires every listed Company to undergo a Secretarial Audit conducted by a qualified Peer Reviewed Company Secretary in Practice. The Secretarial Audit Report must be annexed to the Annual Report of the listed entity.

With effect from April 1, 2025, SEBI has introduced new requirements regarding the tenure, eligibility, and disqualifications for Secretarial Auditors. To comply with these amendments and ensure continuity in regulatory oversight, on recommendation of the Audit Committee, the Board of Directors recommends the appointment of Chandrasekaran Associates, a Secretarial Auditor Firm for a period of five years i.e. to hold office from the conclusion of this Annual General Meeting of the Company (i.e. 5<sup>th</sup> AGM) till the conclusion of 10<sup>th</sup> Annual General Meeting of the Company to conduct the Secretarial Audit of the Company for a period of five consecutive financial years (i.e. from FY 2025-26 to FY 2029-30).

2. Eligibility & Qualifications of the Secretarial Auditor

- I. **Peer Reviewed Firm:** The proposed Secretarial Auditor is a Peer Reviewed Practice Unit with a valid Peer Review Certificate issued by the Institute of Company Secretaries of India (ICSI) and also reaffirming its compliance with regulatory and governance standards.
- II. **Qualified & Experienced Professionals:** The firm has a team of experienced professionals who have conducted Secretarial Audits for listed entities and possess domain expertise in corporate governance and SEBI regulations.
- III. **No Disqualifications:** The proposed firm, Chandrasekaran Associates, and its partners fully comply with the eligibility criteria and do not suffer from any disqualifications as prescribed under Regulation 24A(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Annexure-2 of SEBI Circular SEBI/HO/CFD-POD-2/CIR/P/2024/185 dated December 31, 2024 (SEBI Circular).

### Specifically, the firm and its partners:

- i. Are independent of the GHCL Textiles Limited, its promoters, Directors and management, with no officer, employee, or relative of an officer/employee of GHCL Textiles Limited being associated with the firm.
- ii. Do not hold securities, have indebtedness, or provide guarantees in excess of the specified limits with respect to the GHCL Textiles Limited, its subsidiaries, or associate entities.

- iii. Have no prohibited business relationships with the GHCL Textiles Limited, other than permitted professional engagements on an arm's length price.
- iv. Do not have any partners whose relatives are serving as Directors or Key Managerial Personnel (KMP) in the GHCL Textiles Limited.
- v. Ensure compliance with the prescribed limit of 15 Secretarial Audit engagements per partner.
- vi. Have no past convictions for fraud and have not rendered any prohibited services.

Accordingly, the firm meets all applicable regulatory criteria for appointment as Secretarial Auditor and is fully eligible to undertake the Secretarial Audit of the Company.

#### IV. Tenure & Compliance with SEBI Guidelines

- As per Regulation 24A(1)(b) of SEBI Listing Regulations, 2015, the appointment of a Secretarial Audit Firm may be appointed for two consecutive terms of five years each.
- The appointment of Chandrasekaran Associates as Secretarial Auditor Firm for first term of five years complies with these tenure restrictions.

#### V. Prohibited Services & Auditor Independence

- As per Regulation 24A(1B) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Annexure – 3 of said SEBI Circular, a Secretarial Auditor appointed under the SEBI Listing Regulations shall not provide certain non-audit services to the listed entity, its holding entity, or subsidiary entity. These restrictions are imposed to maintain independence, objectivity, and to prevent any conflict of interest.

**List of Prohibited Services:** The Secretarial Auditor, whether acting directly or indirectly, is prohibited from rendering the following services to the listed entity or its group entities:

- **Internal Audit:** The Secretarial Auditor cannot undertake internal audit engagements to prevent self-review threats and ensure independence in governance reviews.
- **Design & Implementation of Compliance Systems:** The Secretarial Auditor cannot design, develop, or implement compliance management systems, policy frameworks, information systems, or any other regulatory compliance systems to ensure that they remain independent of the Company's internal controls.
- **Investment Advisory Services:** Providing financial or investment advisory services to the listed entity or its affiliates is prohibited to avoid financial influence on governance reviews.
- **Investment Banking Services:** The Secretarial Auditor must not engage in mergers, acquisitions, corporate restructuring, or financial transactions that may result in a conflict of interest with their audit function.
- **Outsourced Compliance Management & Record-Keeping Services:** The Secretarial Auditor cannot undertake record maintenance, compliance filings, or document management functions to ensure independence in compliance evaluations.

- **Management Services:** Secretarial Auditors are prohibited from providing any kind of managerial or operational services to the listed entity, ensuring that they do not assume management responsibilities while performing the audit.
- **Other Restricted Services:** SEBI reserves the right to prescribe any additional prohibited services from time to time in the interest of governance integrity.
- Chandrasekaran Associates a Secretarial Auditor Firm has provided a written confirmation that it does not provide any prohibited services to the Company.

**3. Board & Audit Committee Recommendation:** The Audit Committee and Board of Directors have evaluated the credentials, experience, and regulatory compliance of Chandrasekaran Associates, Practising Company Secretary firm and recommend their appointment as Secretarial Auditor for a five-year term.

**4. Financial Implications & Approval Required:**

- The remuneration for the Secretarial Auditor will be mutually agreed upon by the Board / Audit Committee and the Audit Firm based on audit scope and regulatory complexity and will be within the overall approval given by the Members.
- **Board's Recommendation:** The Board of Directors unanimously recommends the passing of the resolution as set out in Item No. 5 of this Notice
- As this appointment requires shareholder approval, the Board recommends passing the resolution as an **Ordinary Resolution**. None of the Directors or Key Managerial Personnel (KMP) and their relatives are interested in the proposed resolution for appointment of Secretarial Auditor.

**5. Disclosures:** Taking guidance from Para V of the consultation papers released by SEBI vide its communication dated February 7, 2025 on aspects relating to secretarial compliance report, appointment of auditors and related party transactions of a listed entity, management presents following disclosures for consideration of its Members.

|     | Information about Secretarial Audit Firm proposed to be appointed   | Details  |
|-----|---|--|
| (a) | Name of the Individual / Firm proposed to be appointed as the Secretarial Auditor                                       | Chandrasekaran Associates, Company Secretaries   |
| (b) | Whether the Board of Directors have recommended appointment of the firm as the Secretarial Auditor of the listed entity | Yes.<br><br>Board of Directors vide their unanimous resolution dated May 05, 2025 recommended the appointment of secretarial auditor |

|     |  |   |
|-----|--|---|
| (c) | <p>The following information as disclosed to the Board of Directors:</p> <p>(i) Website of the proposed Secretarial Auditor;</p> <p>(ii) Number of years of experience of the firm proposed to be appointed as a Secretarial Auditor</p> <ul style="list-style-type: none"> <li>in carrying out Secretarial Audit of the companies or other bodies corporates;</li> <li>in providing other services (compliance, filings etc.) to companies or other bodies corporates.</li> </ul> <p>(iii) Name of the other listed entities (equity / debt) for which the firm is the Secretarial Auditor.</p> <p>(iv) Details of the order passed against the proposed Secretarial Auditor by ICSI/SEBI/MCA/any other competent authority/ Court, both in India or outside India, in past five years.</p> <p>(v) Whether the proposed Secretarial Auditor has rendered any services as prohibited under SEBI Circular dated December 31, 2024, directly or indirectly to the listed entity or its holding Company or subsidiary or any associates?. If yes, then provide details and actions, if any taken against the firm; and</p> <p>(vi) Fee related</p> <p>a. Proposed fee payable to the firm:</p> <ul style="list-style-type: none"> <li>Auditor,</li> <li>for other services (please specify)</li> <li>for reimbursement of expenses</li> </ul> <p>b. Total fees paid to previous / outgoing auditor</p> <p>c. Rationale for material change in audit fees proposed to be paid to the proposed secretarial auditor as compared to the previous / outgoing auditor;</p> <p>d. Disclosure of % of non-audit fees, paid / payable to the proposed Secretarial Auditor or / and its associate concerns, over audit fees paid / payable to the said auditor.</p> | <p><a href="http://www.cacsindia.com">www.cacsindia.com</a></p> <p>20 years</p> <p>37 years</p> <p>List is separately attached as <b>Annexure – 1.</b></p> <p>Not Applicable</p> <p>No</p> <p>₹ 3 lakhs for FY 2025-26 and upto ₹ 5 lakhs for remaining 4 years of the appointment. (including certification, if any)</p> <p>Actual expenses will be reimbursed.</p> <p>₹ 3.00 lakhs (including Certification fees) for FY 2024-25</p> <p>Not applicable</p> <p>Nil</p> |
|-----|--|---|



|     |   |  |                 |                          |
|-----|---|--|-----------------|--------------------------|
|     | e. Total remuneration / fees, etc. received by the Secretarial Auditor from the Company or group companies (holding, subsidiary, associate, joint ventures) in the last financial year along with details.  | <b>Particular</b>  | <b>GHCL Ltd</b> | <b>GHCL Textiles Ltd</b> |
|     |   |  | (₹ in lacs)     |                          |
|     |   | Audit Fee  | 6.00            | 3.00                     |
|     |   | Certification fee  | -               | -                        |
|     |   | Out of pocket expenses   | 0.15            | 0.15                     |
|     |   | <b>Total</b>   | 6.15            | 3.15                     |
|     |   | <b>Grand Total</b>   |                 | 9.30                     |
| (d) | <p>Past association (name and number of years to be disclosed) of the proposed Secretarial Auditor with:</p> <p>(i) Promoter / Promoter Group during the last 3 years</p> <p>(ii) Group companies (holding, subsidiary, associate, joint ventures) of the listed entity during the last 3 years</p> <p>Provided that the details mentioned above shall be disclosed only if the past association in any of the 3 years has resulted in one of the following</p> <p>(iii) Total income received by the firm from entities mentioned at (i) and (ii) above during that particular financial year exceeded 10% of the gross turnover of the firm at the end of the immediate preceding financial year of the appointment / re-appointment.</p> | <p>Not applicable as the total income received by the firm from entities mentioned at (i) and (ii) during that particular financial year <b>does not exceed 10%</b> of the gross turnover of the firm at the end of the immediate preceding financial year of the appointment.</p> |                 |                          |
| (e) | Terms of the appointment as approved by the Board of Directors.   | As mentioned in Resolution and Explanatory Statement   |                 |                          |
| (f) | Rationale of the Board of Directors for recommending the firm with past orders, if applicable, against them for appointment as Secretarial Auditor.   | As mentioned in Resolution and Explanatory Statement.  |                 |                          |

In this background, your Board has placed the proposal for appointment of Secretarial Auditor for a period of five years and fixation of remuneration, for your approval.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested (financially or otherwise) in this Resolution.

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

Dated: May 05, 2025  
Place: Noida

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

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

## Annexure – 1

| <b>List of other Listed entities (Equity / Debt) for which Chandrasekaran Associates is the Secretarial Auditor</b> |  |                             |
|---|--|-----------------------------|
| <b>S.no.</b>  | <b>Name of the Companies</b>               | <b>Category</b>             |
| 1   | GHCL LIMITED                               | Equity Listed               |
| 2   | ZOMATO LIMITED                             | Equity Listed               |
| 3   | INDUS TOWERS LIMITED                       | Equity Listed               |
| 4   | AAVAS FINANCIERS LTD                       | Equity and Debt Listed      |
| 5   | INDIAMART INTERMESH LIMITED                | Equity Listed               |
| 6   | DR. LAL PATH LABS                          | Equity Listed               |
| 7   | UNO MINDA                                  | Equity and Debt Listed      |
| 8   | YATRA ONLINE LTD                           | Equity Listed               |
| 9   | KAMDHENU LIMITED                           | Equity Listed               |
| 10  | KAMDHENU VENTURES LIMITED                  | Equity Listed               |
| 11  | TV18 BROADCAST LIMITED                     | Equity Listed               |
| 12  | NETWORK18 MEDIA & INVESTMENTS LIMITED      | Equity Listed               |
| 13  | INFOMEDIA PRESS LIMITED                    | Equity Listed               |
| 14  | DCM SHRIRAM INDUSTRIES PVT LTD.            | Equity Listed               |
| 15  | MUNJAL SHOWA LIMITED                       | Equity Listed               |
| 16  | GOODYEAR INDIA LIMITED                     | Equity Listed               |
| 17  | INFO EDGE INDIA LIMITED                    | Equity Listed               |
| 18  | JUBILANT FOODWORKS LIMITED                 | Equity Listed               |
| 19  | KAJARIA CERAMICS LIMITED                   | Equity Listed               |
| 20  | GODFREY PHILLIPS INDIA LIMITED             | Equity Listed               |
| 21  | BATA INDIA LIMITED                         | Equity Listed               |
| 22  | ASIAN HOTELS (NORTH) LIMITED               | Equity Listed               |
| 23  | ICRA LIMITED                               | Equity Listed               |
| 24  | DABUR INDIA LIMITED                        | Equity and debt Listed      |
| 25  | BHARTI AIRTEL LIMITED                      | Equity Listed               |
| 26  | RELAXO FOOTWEARS LIMITED                   | Equity Listed               |
| 27  | SAGILITY INDIA LIMITED                     | Equity Listed               |
| 28  | BHARTI TELECOM LIMITED                     | Debt Listed                 |
| 29  | HAPPY FORGINGS LIMITED                     | Equity Listed               |
| 30  | CUBE HIGHWAYS TRUST                        | InvIT-Units and Debt Listed |
| 31  | MINDSPACE BUSINESS PARKS REIT              | REIT-Units and Debt Listed  |
| 32  | MAHUA BHARATPUR EXPRESSWAY PRIVATE LIMITED | Debt Listed                 |
| 33  | BLB LIMITED                                | Equity Listed               |

# Board's Report

## Dear Members,

We are delighted to present the 5<sup>th</sup> Board's Report and the Audited Financial Statements of the Company for the financial year ended March 31, 2025.

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

## FINANCIAL RESULTS AND STATE OF AFFAIRS

Your Directors are pleased to inform that post demerger of Spinning Division of GHCL Limited ("Demerged Company") into GHCL Textiles Limited ('Resulting Company'), Company started its business operations w.e.f. April 01, 2023. Summary of the financial performance of the Company for the financial year ended March 31, 2025 (compared to the previous year ended on March 31, 2024) as follows:

| Particulars   | ₹ in crores               |                           |
|---|---------------------------|---------------------------|
|   | Year ended March 31, 2025 | Year ended March 31, 2024 |
| Net Sales /Income                                   | 1,168.12                  | 1059.50                   |
| Gross profit before interest and depreciation       | 116.68                    | 89.26                     |
| Finance Cost  | 2.74                      | 7.35                      |
| Profit before Depreciation and amortization expense | 113.94                    | 81.91                     |
| Depreciation and amortization expense               | 50.65                     | 47.36                     |
| PBT before exceptional items                        | 63.29                     | 34.55                     |
| Profit before Tax (PBT)                             | 63.29                     | 34.55                     |
| Tax Expenses  | 7.32                      | 9.50                      |
| Profit after Tax                                    | 55.97                     | 25.05                     |
| Profit for the year                                 | 55.97                     | 25.05                     |
| Other comprehensive income (OCI)                    | 0.43                      | 1.44                      |
| Total Comprehensive income for the period           | 56.40                     | 26.49                     |
| Balance brought forward from last year              | 26.48                     | (0.01)                    |
| <b>Appropriations</b>                               |                           |                           |
| FVTOCI Reserve                                      | --                        | -                         |
| Final Dividend                                      | 4.78                      | -                         |
| Balance carried to Balance Sheet                    | 78.10                     | 26.48                     |
| EPS (basic) (in ₹)                                  | 5.86                      | 2.62                      |
| EPS (diluted) (in ₹)                                | 5.86                      | 2.62                      |
| Book Value of Shares (in ₹)                         | 150.38                    | 144.98                    |

Company discontinued the production at the outdated Kaveri section of Manaparai unit of the Company w.e.f. March 24, 2025, due to high repair and maintenance costs associated with aging machinery. The proceeds from the sale of these assets will be strategically utilized to modernize other sections of the Unit, with a focus on value-added products.

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.

## DIVIDEND

We are pleased to announce that in accordance with our Dividend Distribution Policy, the Board of Directors has recommended a dividend of ₹ 0.50(fifty paise) per equity share of ₹ 2/- each, representing 25 % of the paid-up equity share capital, for the financial year ending on March 31, 2025.

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 21, 2025.

Upon shareholder's approval the dividend will be paid after the AGM, commencing on July 21, 2025 (Monday). The Record Date for determining the shareholders eligible for the dividend will be July 14, 2025 (Monday).

In compliance with 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, if the aggregate amount of dividend payable to an individual resident shareholder does not exceed ₹ 10,000, no TDS shall be deducted. Dividend payments made to entities such as Life Insurance Corporation, General Insurance Corporation of India, specified insurers, and Mutual Funds, as per Section 10(23D) of the Income Tax Act, 1961.

In case of non-resident shareholders, tax shall be deducted at source(TDS)at the rate of 20% along with the applicable surcharge and cess as per Section 195 of the Income Tax Act, 1961.

The 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 2024-25 shall be transferred to the reserve account.

## SHARE CAPITAL

As of March 31, 2025, the paid-up Equity Share Capital of the Company is ₹ 19,11,71,572 comprising of 9,55,85,786 equity shares of ₹ 2/- each

### Suspense Escrow Account:

Pursuant to the 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 issued and allotted 9,55,85,786 equity shares of ₹ 2/- each to the shareholder of Demerged Company (GHCL Limited) who held shares of demerged Company as on cut-off date (i.e. April 08, 2023). Further as per the approved Scheme and in compliance with SEBI guidelines, Company issued and allotted shares only in Demat mode and all the shares due to physical shareholders were credited to a separate Suspense Escrow Demat Account maintained by the Company

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

Physical shareholders who hold shares of Demerged Company on record date, are required to submit their claim alongwith the requisite documents and completed forms to the RTA, who will process the request. The details of shares lying in Suspense Escrow Account are as follows:



| Particulars   | No. of share-holders | No. of shares |
|---|----------------------|---------------|
| Aggregate Number of Shareholders and shares in Suspense Escrow Account at the beginning of the year i.e. as on April 1, 2024        | 8,315                | 19,54,028     |
| Less: Number of Shareholders who claimed shares from Suspense Escrow Account during the year 2024-25                                | 165                  | 38,985        |
| Number of Shareholders and outstanding shares lying in the Suspense Escrow Account at the end of the year i.e. as on March 31, 2025 | 8,150                | 19,15,043     |

### Investor Education and Protection Fund (IEPF)

GHCL Textiles Limited allotted and credited 10,90,366 equity shares of the Company to the eligible Shareholders as per their entitlement of the Shareholders, who held shares of GHCL Limited (Demerged Company) as on record date (i.e. April 08, 2023), and whose share had already been transferred to the IEPF account by the Demerged Company. Such Shareholders can claim their respective shares in GHCL Textiles Limited from the IEPF Authority by filing Form IEPF- 5. The detailed procedure for claiming shares from IEPF account is also available on the website of the Company i.e. <https://ghcltextiles.co.in/claim-procedure-iepf>

### BOARD MEETINGS

The Board of Directors follows a structured approach to planning and conducting its meetings, which are typically scheduled in advance. However, meetings may occasionally be convened at shorter notice for urgent matters, subject to compliances with applicable requirements. During the financial year ended March 31, 2025, the Board of Directors met four times (i.e. on

May 06, 2024, August 01, 2024, October 29, 2024 and February 03, 2025) to review the strategic, operational and financial performance of the Company. The details of the Board meetings are also provided in the Corporate Governance Report.

The intervals between the meetings were in compliance with the Companies Act, 2013 and SEBI Listing Regulations, 2015, thereby ensuring effective governance and timely performance evaluation.

### DIRECTORS

- (i) Your Directors are pleased to announce that Mr. Ravi Shanker Jalan, Non-Executive Director, is 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 based on the recommendations of the Nomination and Remuneration Committee and the Board of Directors, the shareholders have appointed Mrs. Sudha Pillai, IAS (Retd.), Mr. V.K. Jeyakodi, IAS (Retd.) and Mr. C R Rajagopal as Independent Directors for a term of 5 consecutive years w.e.f. March 01, 2025 to February 28, 2030.

Further Mrs. Vijaylaxmi Joshi, IAS (Retd.), Dr. Manoj Vaish and Mr. Arun Kumar Jain, IRS (Retd.) have completed their term as Independent Directors of the Company on March 05, 2025. The Board of Directors and management of the Company expressed their appreciation and gratitude to all of them for their valuable contribution for sustainable growth of the Company.

- (iii) All Independent Directors have submitted declarations confirming their independence and affirming their ability to discharge 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 has been duly ensured. Additionally, no director is debarred from holding the office of director pursuant to any order issued

by SEBI, MCA or any other authority in line with SEBI circular dated June 20, 2018 on the enforcement of SEBI order on the appointment of Directors by the listed Companies.

In the opinion of the Board, the Independent Directors on the Board of the Company possess the requisite qualifications, experience, expertise, proficiency and uphold 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, is provided in the Corporate Governance Report, which is formed part of the Annual Report. The Corporate Governance Report offers 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 structured familiarization programme for its Independent Directors. The objective of the programme is to enable the Independent Directors to understand the Company, its operations, business environment, and the regulatory framework applicable to it. At the time of appointment of a Director (including Independent Directors), a formal letter of appointment is issued to him, which inter alia outlines the role, function, duties and responsibilities expected of them as a Director of the Company. The Director is also briefed on the compliance obligations under the Companies Act, 2013, Listing Regulations and other applicable laws. The management of the Company also conducted interactions with the newly appointed Directors to familiarize them with the Company's operations. Upon request, site visits to various plant locations are organized by the Company to provide the Directors with practical understanding of the

operations of the Company. Further, on an ongoing basis and as part of Agenda of Board and Committee meetings, presentation are regularly made on various matters inter alia covering the Company's business and operations, industry developments and regulatory updates.

**(vi) Board Evaluation**

In accordance with the Companies Act, 2013, the SEBI Guidance Note on Board evaluation issued (via SEBI Master Circular dated July 11, 2023) and the relevant provisions of the SEBI Listing Regulations, 2015, the Independent Directors conducted an annual evaluation of the Board and its Committees and individual Directors. The evaluation process involved a separate meeting of the Independent Directors and an assessment by 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 was conducted on the Board meeting held on May 06, 2024, excluding the director being evaluated.

A dedicated meeting of the Independent Directors was held on April 15, 2024, to review the performance of non-independent Directors, the overall functioning of the Board and its Committees.

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 other governance parameters.

The performance evaluation of the Board and its Committees focused on various factors, including their functions, responsibilities, competencies, strategy, oversight tone at the top, risk identification and control, diversity, and nature of the business. A comprehensive questionnaire were circulated to the Independent Directors, covering multiple aspects of the Board's functioning, organization culture,

discharge of duties, professional obligations, and governance standards. 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 capabilities.

The Nomination & Remuneration Committee reviewed the performance of individual Directors, taking into account their contributions as members of the Board and its Committees. The Committee also determined the quantum of profit-based commission payable to Directors based on their individual performance and contribution.

These evaluation processes ensure that the Board operates effectively, individual Directors contributes 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 06, 2023 had appointed Mr. R Balakrishnan, as the CEO of the Company, Mr. Gaurav V as the CFO of the Company and Mr. Lalit Narayan Dwivedi, as a Company Secretary and Compliance Officer of the Company. These appointments constituted the Key Managerial Personnel (KMP) of the Company in accordance with the statutory requirements. Further, Mr. Gaurav V. resigned from the post of CFO and was relieved from the services of the Company w.e.f. closing of business hours on March 31, 2025. Apart from this, there were no change in the composition of the Key Managerial Personnel during the financial year 2024-25.

Subsequent to the end of the financial year, Mr. R Balakrishnan, CEO of the Company will superannuated on May 31, 2025 and to ensure smooth transition of business, based on the recommendation of Nomination & Remuneration Committee, the Board of Directors in its meeting held on May 05, 2025, approved the appointment of Mr. Marshal Rajendrakumar Sonavane as CEO w.e.f.

June 01, 2025 and during the interim period he is serving as CEO (designate). Further the Board of Directors, on recommendation of NRC and Audit Committee, approved the appointment Mr. M. Parasuraman as CFO of the Company w.e.f. May 29, 2025.

## 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.

Further as per the provisions of Section 197(12) of the Companies Act, 2013, read with 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 has been attached as **Annexure-I** to this Report. This statement provides the necessary information about such employees in accordance with applicable accounting requirements.

## RE-CONSTITUTION OF VARIOUS COMMITTEES OF THE BOARD OF DIRECTORS

In view of the changes in the composition of the Board and to strengthen corporate governance practices and executing smooth business operations of the Company, the Board of Directors has constituted/ reconstituted 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 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 Committee was subsequently reconstituted w.e.f. March 06, 2025. The primary purpose of the Audit Committee is to ensure effective supervision and monitoring of the management's financial reporting process, while upholding the highest standards of transparency, integrity, and financial reporting quality.

As on March 31, 2025, the Committee comprises of three members. The Committee is chaired by Mr. C R Rajagopal, with Mr. V K Jeyakodi, IAS(Retd.) and Mr. Raman Chopra serving as members. All members of the Committee are Non-Executive Directors (majority of Independent Director), having expertise in finance, accounts, strategy, tax, and general administration. During the financial year, the Committee convened four meetings (May 06, 2024, August 01, 2024, October 29, 2024 and February 03, 2025). Further details about the Audit Committee can be found in the Corporate Governance Report at page no. 57-60.

## 2. Nomination & Remuneration Committee

The Nomination & Remuneration Committee has been constituted as per the requirement of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations. The Committee was reconstituted w.e.f. March 06, 2025. The Committee is responsible for determining the qualifications, positive attributes, and independence of Directors, and to recommending a remuneration policy for Directors, Key Managerial Personnel, and other employees.

As on March 31, 2025, Nomination & Remuneration Committee comprised of three Independent Directors. The Committee is chaired by Mrs. Sudha Pillai, IAS (Retd), with Justice Ravindra Singh (Retd.) and Mr. V K Jeyakodi, IAS (Retd.) serving as members. Further details about the Committee can be found in the Corporate Governance Report at page no. 60- 64.

## 3. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has been established in accordance with Section 178(5) of the Companies Act, 2013, and Regulation 20 of the Listing Regulations. The Committee was reconstituted w.e.f.

March 06, 2025. The Committee's main responsibility is to address and resolve grievances raised by the Company's security holders, which include concerns related to share transfers, non-receipt of annual reports, and non-receipt of dividends, among others. The detail composition of the Committee is provided in Corporate Governance Report.

As on March 31, 2025, Stakeholders Relationship Committee comprised Four Non-Executive Directors. The Committee is chaired by Justice Ravindra Singh (Retd.) with Mr. Ravi Shanker 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. 64-66.

## 4. Risk Management Committee

As per Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for constitution of a Risk Management Committee is mandating for top 1000 Companies, based on market capitalization as at the end of the immediate preceding financial year. All though this requirement is not applicable upon the Company, the Board of Directors as a measure of good Corporate Governance, has voluntarily constituted a Risk Management Committee and formulated the Risk Management Policy to identify and mitigate key business risks. Subsequently, the Risk Management Committee was reconstituted w.e.f. March 06, 2025.

As on March 31, 2025, the Committee comprised of five Non-Executive Directors. Mr. C R Rajagopal, Independent Director serving as the Chairman. The other members of the Committee are Mr. Anurag Dalmia, Mr. Ravi Shanker 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. 68-69.

The 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 support performance excellence. Senior executives in respective functional areas act as risk owners, monitoring key risks and proactively implementing appropriate mitigation plans. Their role is to prevent significant deviations or adverse events and to contribute to create a long term value creation for the business.

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 (CSR) Committee

Our Company is committed to fostering inclusive growth and has been actively engaged in projects aimed at society's holistic development and welfare. Through the GHCL Foundation Trust, the Company expanded its CSR initiatives to reach a broader spectrum of beneficiaries, supporting marginalized communities and developing social infrastructure for their well-being.

The Company's CSR activities are guided by a comprehensive CSR Policy. The details of Policy and annual plan can be accessed on Company's website [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in). The CSR Policy can be found directly at the link: <https://ghcltextiles.co.in/investors/csr-policies>.

The CSR Committee of the Company was reconstituted with four Non-Executive Directors. Mr. Anurag Dalmia, Non-Executive Director serving as the Chairperson. The other members of the Committee are Justice Ravindra Singh (Retd.), Mrs. Sudha Pillai, IAS (Retd.), Independent Directors and Mr. Neelabh Dalmia, Non-executive Director. Detailed information about the Committee and its activities can be found in the Corporate Governance Report and website of the Company. A detailed report on CSR activities is provided as **Annexure-II**.

## 6. Banking & Operations Committee

The Board of Directors had constituted the Banking and Operations Committee to facilitate the day to day functioning of the Company and to exercise powers delegated by 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. As on March 31, 2025, the Members of the Committee include Justice Ravindra Singh (Retd.), Independent Director, Mr. Raman Chopra and Mr. Neelabh Dalmia, Non-Executive Directors of the Company.

## NOMINATION AND REMUNERATION POLICY

The Board, upon the recommendation of NRC, has approved the Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMP), and all other employees. The Policy aims to attract, retain, and motivate qualified individuals, ensure market competitiveness in salaries, provide performance-based rewards, and comply with statutory requirements. It provide guidance for the effective management of nominations and remuneration decision, aligning with Company's strategic objectives and industry benchmark. The Policy is available on the 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 conduct. In its endeavor to provide its employee a secure and fearless working environment, the Company has established the "Whistle Blower Policy".



The objective of this Policy is to provide a platform 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, directly to the Ombudsperson and /or Chairperson of the Audit Committee. The Whistle Blower Policy is posted on the website of the Company at [www.ghcltextiles.co.in](http://www.ghcltextiles.co.in). There are no complaints reported during the financial 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 and further amended the policy in its meeting held on May 05, 2025. The policy has been established to promote 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 8% to 12% of profits after tax (PAT) on a standalone basis.

The Dividend Distribution Policy is available on Company's website at the following link : <https://ghcltextiles.co.in/wp-content/uploads/2025/05/GHCL-Textiles-Dividend-Policy.pdf>

The Policy serves as a guiding framework for the Board of Directors in making decisions on the recommendation of dividends. It ensures a consistent and balanced approach to dividend pay-outs and reaffirms the Company's commitment to enhancing shareholder's value.

### 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, inclusive and respectful work environment where every individual is 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, the Company has adopted

a comprehensive Policy for the prevention of sexual harassment.

Internal Complaints Committees have been set up at all major locations of the Company. These Committees are entrusted with the responsibility of receiving and addressing any complaints of sexual harassment at the workplace. They operate with transparency, impartiality, and adhere to prescribed timelines, to ensure a fair and unbiased investigation process.

The Company also conducts regular awareness programs to educate employees about their rights, the provisions of the POSH Act, and the available redressal mechanism. These initiatives aim to build a culture of respect, sensitivity, and gender equality in the workplace.

We are pleased to report that no complaint related to sexual harassment were received during the financial year 2024-25 under the POSH Act.

### CHANGE IN NATURE OF BUSINESS

During the Financial Year 2024-25, our Company's core business remained unchanged, ensuring stability and consistency in our operations and services to customers.

Further, we would like to confirm that there is no material change in the nature of business of the Company during the period from April 1, 2025, to the date of signing this report.

### SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

The Company does not have any subsidiary, joint venture or associate Company as on March 31, 2025.

### MANAGEMENT DISCUSSION & ANALYSIS

In accordance with Regulation 34 (2) (e) of the SEBI 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 Discussion and Analysis (MDA) Report. This report is included as part of this Annual Report and is incorporated herein by reference.

The MDA offers detailed insights into various aspects of our business, including market trends, financial



performance, key achievements, challenges, and strategic initiatives. It provides a holistic view of the Company's operations and outlines our management's perspective on the future prospects and opportunities.

Stakeholders including shareholders and investors are encouraged to refer to the MDA for a comprehensive understanding of Company's business performance and outlook. It serves as a valuable resource for in-depth analysis and assessment of Company's strategic directions.

## 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 strengthen 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. These practices are designed 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 Statutory Auditor, confirming compliance with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations, 2015. This certificate serves as an independent validation of the Company's adherence to the prescribed governance norms.

By upholding strong Corporate Governance standards and integrating 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 SEBI 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 by market capitalization are required to prepare and present a Business Responsibility and Sustainability Report (BRSR) in line of the erstwhile Business Responsibility Report (BRR) to the stakeholders.

Starting from the financial year 2022-2023, filing the BRSR has become mandatory for the top 1000 listed companies based on market capitalization. As on December 31, 2024, GHCL Textiles Limited is ranked on 1368<sup>th</sup> position at NSE and on 1427<sup>th</sup> position at BSE based on market capitalization, accordingly reporting of Business Responsibility and Sustainability Report (BRSR) as per Regulation 34(2)(f) of the Listing Regulations, 2015 is not applicable for FY 2024-25.

## SECRETARIAL STANDARDS

During the year under review, 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.

These standards are vital guidelines for ensuring compliance and governance. Adhering to these standards underscores our commitment to transparency, ethical practices, and effective stakeholder communication. Our strict adherence reflects our dedication to robust internal processes, accurate disclosures, and compliance culture, strengthening our governance framework and stakeholder trust.

## 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, S. R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Reg. No. 301003E / E300005), was appointed as the 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.

S. R. Batliboi & Co. LLP has audited the books of accounts of the Company for the financial year ended March 31, 2025 and has issued the Audit Report thereon.

### (ii) Cost Auditor

The Company maintains cost records as prescribed under Section 148 of the Companies Act, 2013, and appoint Cost Accountant to conduct an audit of these records. The Board of Directors in its meeting held on May 06, 2024 based on the recommendation of the Audit Committee, appointed R J Goel & Co., Cost Accountants, New Delhi, as the Cost Auditor of the Company for the financial year ended on March 31, 2025. The Cost Audit Report for the financial year ended March 31, 2024, does not contain any qualification or adverse remarks requiring clarification or explanation.

### (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 in its meeting held on May 06, 2024 based on the recommendation of the Audit Committee, has approved the appointment of M/s. SPMB and Co. LLP, Chartered Accountants, Chennai, as the Internal Auditor of the Company for the financial year ended on March 31, 2025 to conduct the internal audit of the activities of the Company.

### (iv) Secretarial Auditor

Section 204 of the Companies Act, 2013 read with Regulation 24A of SEBI (Listing Obligations and

Disclosure Requirements) Regulation 2015 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.

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 May 06, 2024 had appointed Chandrasekaran Associates, Company Secretaries, New Delhi, to conduct Secretarial Audit of the Company for the financial year 2024-25. The Secretarial Audit Report as issued by Secretarial Auditor of the Company is annexed with Board's Report as **Annexure-III**.

### (v) Auditor's Report

The Company's Statutory Auditors or Secretarial Auditor did not make any qualification, reservation, adverse remark, or disclaimer in their Report for the financial year ended March 31, 2025. Hence, no further explanation or comment is required under Section 134(3)(f) of the Companies Act, 2013.

## LISTING STATUS

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 2024-25 and 2025-26 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, 2025 is available on the Company's website at: <https://ghcltextiles.co.in/wp-content/uploads/2025/06/GHCL-Textiles-Annual-Return-FY2024-25.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 – IV**, which is an integral part of this Report.

## RELATED PARTY TRANSACTIONS

The Company has not engaged in any significant related party transactions with its Promoters, Directors, Key Managerial Personnel, or other designated persons that could potentially conflict with the Company's interests. Therefore, the disclosure requirement under Section 134(3)(h) of the Companies Act, 2013, in Form AOC-2 does not apply.

All Related Party Transactions undergo thorough review and approval by the Audit Committee. For repetitive transactions conducted on an arm's length basis in the ordinary course of business, prior omnibus approval is obtained from the Committee. Quarterly, a statement detailing all related party transactions, supported by a Certificate from the Chief Financial Officer / person controlling the finance, is presented to both the Committee and the Board.

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:

- in the preparation of the annual accounts for the financial year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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, 2025 and of the Profit and Loss of the Company for the financial year ended March 31, 2025;
- the proper and sufficient care has been taken by them 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;
- the annual accounts for the financial year ended March 31, 2025 have been prepared by them on a going concern basis;
- 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 year under review:

- (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/-**  
**Anurag Dalmia**  
**Chairman**  
DIN: 00120710

**Date: May 05, 2025**

**Place: Noida**

## 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 financial year ended on March 31, 2025 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 |
|------------------------------------|------------------------------|---|
| Mr. Anurag Dalmia                  | 3.71                         | N.A.  |
| Justice Ravindra Singh (Retd.)     | 3.52                         | N.A.  |
| Mrs. Vijaylaxmi Joshi, IAS (Retd.) | 4.50                         | 57.77                                       |
| Dr. Manoj Vaish                    | 4.48                         | 56.81                                       |
| Mr. Arun Kumar Jain, IRS (Retd.)   | 4.75                         | 66.41                                       |
| Mr. Ravi Shanker Jalan             | 3.71                         | 60.81                                       |
| Mr. Raman Chopra                   | 3.71                         | 60.81                                       |
| Mr. Neelabh Dalmia                 | 3.71                         | 60.81                                       |

Percentage increase in remuneration of Mr. Lalit Narayan Dwivedi, Company Secretary is: 10.4%

- B. Percentage increase in median remuneration in the FY 2024-25: 31.70%
- C. Number of Permanent employees on the roll of the Company as on March 31, 2025: **3050**

| D.   | % Change in remuneration |
|--|--------------------------|
| Average percentile increase in Salary of employees other than managerial | 7.58                     |
| Average percentile increase in remuneration of managerial personnel      | NA*                      |

\* The Company does not have Managing Director/Executive Director, Whole Time Director or Manager, hence the requirement of this reporting under Section 197 of the Companies Act, 2013 read with applicable Rules is not applicable.

- 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 ₹ 8.5 Lacs or above per month during the year 2024-25.

| S. No. | Employee Name      | Age | Designation    | Gross Remuneration * (₹) - FY 2024-25 | Educational Qualification                   | Expe-rience (Years) | Date of com-mencement of Employment | Previous employ-ment and desig-nation |
|--------|--------------------|-----|----------------|---------------------------------------|---|---------------------|-------------------------------------|---------------------------------------|
| 1      | Mr. R Balakrishnan | 60  | CEO            | 93,03,954                             | Diploma- Textile Technology                 | 42                  | 22-03-2004                          | Nahar Exports Ltd, Vice President     |
| 2      | Mr. Ramesh Babu D  | 57  | VP- Operations | 47,16,954                             | Diploma - Man Made Fibre Technology-Textile | 35                  | 02-07-2018                          | SJLT Spinning Mills (P) Ltd -GM       |

| S. No. | Employee Name         | Age | Designation                      | Gross Remuneration * (₹) - FY 2024-25 | Educational Qualification   | Experience (Years) | Date of commencement of Employment | Previous employment and designation            |
|--------|-----------------------|-----|----------------------------------|---------------------------------------|---|--------------------|------------------------------------|--|
| 3      | Mr. N Rajagopal       | 59  | Sr. General Manager - Technical  | 45,39,926                             | M.E/M.Tech. / MBA - Spinning, Weaving and Garmenting / HR and Marketing | 41                 | 13-05-2013                         | Thiagarajar Mills- GM                          |
| 4      | Mr. Arunachalam M     | 49  | Dy. General Manager - Production | 32,44,968                             | D.T.Tech / B. Com.-Textile Technology / Commerce                        | 30                 | 30-05-2003                         | Madura Coats - Tuticorin-Production Executive  |
| 5      | Mr. Gaurav V          | 37  | CFO                              | 25,78,162                             | B. Com, CA  | 13                 | 04-04-2022                         | Yamaha Motor India Pvt Ltd-Manager             |
| 6      | Mr. Narayana Prasad L | 57  | Dy. General Manager - Quality    | 26,61,281                             | B.Sc.-Statistics  | 32                 | 23-01-2008                         | Loyal Textiles Ltd, Kovilpatti-Manager Quality |
| 7      | Mr. Ashokkumar M K    | 52  | Head - IR                        | 36,28,640                             | D.T.Tech-Textile Technology   | 31                 | 23-08-1995                         | SRS Fabrics Ltd-Training Supervisor            |
| 8      | Mr. Sathish Kumar R   | 52  | Unit Head Manaparai              | 28,94,972                             | D.T.Tech-Textile Technology   | 30                 | 09-12-2007                         | Sujitha Textiles-Factory Manager               |
| 9      | Mr. Janaki Sankar P   | 54  | AGM - Plant HR                   | 23,99,587                             | D.T.Tech-Textile Technology   | 30                 | 05-12-2001                         | Karunabika Textiles: SM -Production            |
| 10     | Mr. Konda Siva Reddy  | 38  | AGM-Marketing                    | 21,06,020                             | Diploma in Textile Technology   | 19                 | 11-08-2022                         | NSL Textiles Ltd- Sr. Manager - 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, 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

Mr. Gaurav V w.e.f. closing of business hours on March 31, 2025

Mr. Narayana Prasad L w.e.f. September 30, 2024

Mr. Ashokkumar M K w.e.f. November 26, 2024

Subsequent to the financial year end, Mr. Ramesh D Babu relieved from services of the Company w.e.f. April 30, 2025.



## ANNEXURE - II

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

#### CSR Report for the financial year ended March 31, 2025

[Pursuant to Section 135 of the Companies Act, 2013]

- 1 **A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.** Earlier GHCL Limited is doing CSR activities in plant location of its erstwhile Yarn division (post demerger GHCL Textiles Limited) for more than two decades. GHCL Textiles continued the commitment for the development of weaker sections of society. GHCL Textiles through "GHCL Foundation Trust" has upgraded its CSR activities to cover a larger section of the society and included to provide support to the downtrodden, needy and marginalized citizens and also to create social infrastructure for their sustenance. The CSR Policy is posted on the website of the Company. This can be accessed on the website of the Company at [ghcltextiles.co.in](https://ghcltextiles.co.in)

#### 2. Composition of CSR Committee

| Sr. No. | Name of Director               | Designation/Nature of Directorship | Number of Meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|--------------------------------|------------------------------------|--|--|
| i       | Mr. Anurag Dalmia              | Non-Executive -Chairman            | 1  | 1  |
| ii      | Mrs. Sudha Pillai, IAS (Retd.) | Independent Director               | 1  | NA   |
| iii     | Justice Ravindra Singh (Retd.) | Independent Director               | 1  | NA   |
| iv      | Mr. Neelabh Dalmia             | Non-Executive Director             | 1  | 1  |

**Note:**

Mrs. Sudha Pillai, IAS (Retd.) and Justice Ravindra Singh (Retd.) were appointed as Committee members w.e.f. March 06, 2025  
 Mrs. Vijaylaxmi Joshi, Mr. Ravi Shanker Jalan and Mr. Raman Chopra were attended the Meeting held on April 30, 2024.  
 Mrs. Vijaylaxmi Joshi Completed her tenure on March 05, 2025.  
 Mr. Ravi Shanker Jalan and Mr. Raman Chopra ceased to be member of the Committee w.e.f. May 06, 2024.

- 3 **Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company.** <https://ghcltextiles.co.in/investors/csr-policies/>
- 4 **Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.** NA

(₹. In cr)

|   |   |      |
|---|---|------|
| 5 | (a) Average net profit of the Company as per sub-section (5) of section 135.                            | 8.33 |
|   | (b) Two percent of average net profit of the Company as per sub-section (5) of section 135.             | 0.17 |
|   | (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial year. | 0.00 |
|   | (d) Amount required to be set off for the financial year, if any  | 0.00 |
|   | (e) Total CSR obligation for the financial year (b+c-d).  | 0.17 |
| 6 | (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).                 | 0.55 |
|   | (b) Amount spent in Administrative Overheads.   | 0.00 |
|   | (c) Amount spent on Impact Assessment, if applicable.   | 0.00 |
|   | (d) Total amount spent for the Financial Year [(a)+(b)+(c)].  | 0.55 |
|   | (e) CSR amount spent or unspent for the Financial Year:   | 0.00 |

| Total Amount Spent for the Financial Year.<br>(in Cr.) | Amount Unspent( in cr.)  |                  |  |        |                  |
|--|--|------------------|--|--------|------------------|
|  | Total Amount transferred to Unspent CSR Account as per section 135(6). |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |        |                  |
|  | Amount (in Cr)   | Date of Transfer | Name of Fund   | Amount | Date of Transfer |
| 0.55   | NA   | NA               | NA   | NA     | NA               |

#### F. Excess amount for set off, if any

| Sr. No. | Particular   | Amount (Cr.) |
|---------|--|--------------|
| (i)     | Two percent of average net profit of the Company as per section 135(5)                                     | 0.17         |
| (ii)    | Total amount spent for the Financial Year  | 0.55         |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]  | 0.38         |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any | 0            |
| (v)     | Amount available for set off in succeeding financial year [(iii)-(iv)]                                     | 0.38         |

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

| Sr. No.      | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (in Cr.) | Balance Amount in Unspent CSR Account under subsection (6) of section 135 (in Cr.) | Amount spent in the reporting Financial Year (in Cr.) | Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of section 135, if any |                  | Amount remaining to be spent in succeeding Financial Years (in Cr) | Deficiency, if any |
|--------------|--------------------------|--|--|---|---|------------------|--|--------------------|
|              |                          |  |  |   | Amount (in Cr.)   | Date of Transfer |  |                    |
| 1            | 2023-24                  | -  | -  | -   | -   | -                | -  | -                  |
| 2            | 2022-23                  | -  | -  | -   | -   | -                | -  | -                  |
| 3            | 2021-22                  | -  | -  | -   | -   | -                | -  | -                  |
| <b>Total</b> |                          | -  | -  | -   | -   | -                | -  | -                  |

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

If Yes, enter the number of Capital assets created/ acquired

**Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

| Sr. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner |      |                    |
|---------|---|-------------------------------------|------------------|----------------------------|---|------|--------------------|
|         |   |                                     |                  |                            | CSR Registration Number, if applicable                            | Name | Registered address |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

|          |   |   |   |   |   |   |   |
|----------|---|---|---|---|---|---|---|
| <b>9</b> | <b>Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:</b> |   |   |   |   |   |   |
|          | -   | - | - | - | - | - | - |

For GHCL Textiles Limited

Date: May 05, 2025  
Place : Noida

Sd/-  
R Balakrishnan  
CEO

Sd/-  
Anurag Dalmia  
Chairman of CSR Committee  
DIN: 00120710

## ANNEXURE -III

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

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, 2025 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, 2025 (“**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 74 and 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 during the period under review.**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not applicable during 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 during the period under review.**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not applicable during the period under review.**

(vi) 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/Regulations 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.

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

We further report that;

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors 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 no major event has been happened which is deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Chandrasekaran Associates**  
**Company Secretaries**

FRN: P1988DE002500

Peer Review Certificate No: 5715/2024

**Sd/-**

**Rupesh Agarwal**

Managing Partner

Membership No. A16302

Certificate of Practice No. 5673

UDIN: A016302G000244959

Date: May 01, 2025

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.

**ANNEXURE-A TO THE SECRETARIAL AUDIT 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: 5715/2024

**Sd/-**

**Rupesh Agarwal**

Managing Partner

Membership No. A16302

Certificate of Practice No. 5673

UDIN: A016302G000244959

Date: May 01, 2025

Place: Delhi



## ANNEXURE-IV

### A. CONSERVATION OF ENERGY

#### a) Energy Conservation Measure Taken

##### NEW

- 1 Energy audit of Madurai and Manaparai plants by IIT Madras. Suggestions implementation started from June 2024.
- 2 Implementation of HF Plant renovation, Installation of power saving TESCO fans and High energy efficient pump etc. which resulted in saving of 4600 units per day
- 3 Optimization of waste collection equipment installation and installation VFD units, which resulted in saving of 2550 units per day.
- 4 Modification of Compressors headed line, separation of cleaning line from main line resulted in savings of 980 units per day.
- 5 Replacement of specially designed grey lattice aprons, optimization of suction pressure in KTTM ring frame compacting unit, which resulted in saving of 1900 units per day.
- 6 Replacement of IE2 motors with highly efficient IE3 motors which resulted in saving of 300 units per day.
- 7 Installation of RO rejected second time reuse project, which resulted in saving of 40 KLD water.
- 8 Modification of Parawai blow room and cards AWES will be taken up and expected saving will be 1000 units per day.
- 9 Air leakage study under progress for Unit and individual machine. On identifying scope, work will be taken up for both locations i.e. Manaparai and Madurai.
- 10 Installation of AEPC, Reactor Panel and Harmonic filters to improve the power quality and harmonic level control.

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

- 1 Installation of 20 MVA transformer @ 110/11 KV EHT line in Madurai for additional power requirement for uninterrupted power supply and reduction of transmission loss.
2. Installation of Bus Bar Trunking (BBT) system in Rieter Project (Meenakshi Unit) for efficient Power distribution system and minimise transmission loss

### B. POWER & FUEL CONSUMED

|                                  | FY 2024-25 | FY 2023-24 |
|----------------------------------|------------|------------|
| <b>1 Electricity</b>             |            |            |
| (i) Purchased Units (crores kwh) | 6.64       | 10.79      |
| Total amount ( ₹ in crores )     | 60.99      | 57.83      |
| Rate per Unit (₹)                | 9.19       | 5.36       |
| (ii) Own Generation              |            |            |
| (a) Through DG                   |            |            |
| Units ( crores kwh )             | 0.002      | 0.003      |
| Units per liter of Diesel Oil    | 3.21       | 3.08       |

|      |                                    | FY 2024-25 | FY 2023-24 |
|------|------------------------------------|------------|------------|
|      | Cost per Unit (₹)                  | 29.60      | 30.84      |
| (b)  | Through Windmill                   |            |            |
|      | Units ( crores kwh )               | 4.25       | 4.34       |
|      | Total amount ( ₹ in crores )       | 15.68      | 17.22      |
|      | Rate per Unit ( ₹)                 | 3.69       | 3.97       |
|      |                                    |            |            |
| (c)  | Through Solar                      |            |            |
|      | Units ( crores kwh )               | 4.10       | 3.78       |
|      | Total amount ( ₹ in crores )       | 11.58      | 8.45       |
|      | Rate per Unit ( ₹)                 | 2.82       | 2.24       |
|      | Consumption per Unit of Production | FY 2024-25 | FY 2023-24 |
| Yarn | Production (MT)                    | 38,131     | 35,702     |
|      | Electricity (kwh/MT)               | 3.93       | 5.30       |

## C. TECHNOLOGY ABSORPTION

### 1 Research & Development

NA

### 2 Future Action Plan

Air leakage Audit carried out by Velstan Engineers (an Air audit experts) and potential energy savings shall be identified and implemented for the overall benefit

### 3 Technology -Absorption ,Adoption and Innovation

Automatic Roving (Bobbin) Transport System (RTS) adoption in Vaigai unit to eliminate bobbins storage on trolley's and ensure FIFO supply to ring frame production to improve consistency in yarn quality.

Automatic Cone Transportation (C2C), Inspection, pre and post conditioning of yarn, auto packing of finished goods to ensure complete elimination of manual works/intervention and coding the packed goods.

Vertical Storage System (ASTOR) will ensure auto storage and retrieval of finished packages. Easier and quicker in bound and out bound delivery to ensure FIFO and saves floor space.

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

Preci FX conversion kit imported from Germany

3D Apron Compact System imported from Germany

Uster Tensorapid 5 (Yarn Strength Testing) Instrument imported from Swiss.

## D. FOREIGN EXCHANGE EARNING AND OUTGO

₹ in Cr

|                                       | FY 2024-25 | FY 2023-24 |
|---------------------------------------|------------|------------|
| Earnings                              | 197.11     | 139.69     |
| Outgo (Includes CIF value of imports) | 142.94     | 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 reviewed the Company’s performance and key business developments for the financial year ended March 31, 2025, and shared its perspective on the road ahead. The outlook reflects the current economic environment and business landscape, though future developments—both domestic and global—across economic, social, and political fronts may influence actual outcomes.

## REVIEW OF ECONOMY

### Global Economic Overview

The global economy showed steady progress, despite facing a challenging and uncertain environment. According to the IMF World Economic Outlook, April 2025, the world economy grew by 3.3 percent in 2024, and is projected to grow by 2.8 percent and 3.0 percent in 2025 and 2026 respectively. While these figures reflect a stable trend, they also signal that the pace of growth is more moderate compared to the past. Sector-wise, the global services sector continued to expand, while manufacturing showed signs of weakness, particularly in Europe. Trade policy uncertainty remains high, with more protectionist measures being adopted by major economies. This could impact investment flows and global trade if such trends continue.

Looking ahead, risks from geopolitical tensions and climate-related events persists. As the global economy adjusts to new realities, businesses are focusing more on resilience, diversification, and long-term value creation.

### Indian Economy Overview:

India’s economy remained on a steady growth path in FY 2024-25, demonstrating resilience amid global headwinds and geopolitical uncertainties. As per the first advance estimates released by the Ministry of Statistics & Programme Implementation (MoSPI), real GDP is projected to grow by 6.4 percent for the year, reaffirming India’s status as one of the fastest-growing major economies globally.

The industrial sector recorded a growth of 6.2 percent, led by infrastructure and construction activities. India’s Manufacturing PMI remained in expansion, and outlook surveys by the RBI indicate improving order books and business sentiment in upcoming quarters. Exports grew by 5.6 percent in H1 FY25, while imports remained largely flat.

Importantly, India’s growth has been supported by macroeconomic stability, with controlled inflation, a

manageable fiscal position, and a stable balance of payments. These factors have contributed to building resilience in the domestic economy and bolstering investor confidence.

At GHCL Textiles, we continue to monitor these developments closely. While several economic uncertainty remains, opportunities are emerging and we well positioned to capture these.

## TEXTILE INDUSTRY

The global textile industry had grown consistently since CY2018, barring CY2020, which saw a decline due to Covid-19. The growth has continued and the global textile market size attained a value of around USD 988 Billion in 2024. Going ahead, the industry is expected to grow by around 3-4 percent driven by increasing demand from the apparel industry, newer trends in fast fashion segment coupled with the growth of e-commerce platforms. However, the industry may face challenges due to ongoing tariff situation.

India is the second largest producer of cotton globally, which provides a significant competitive advantage.

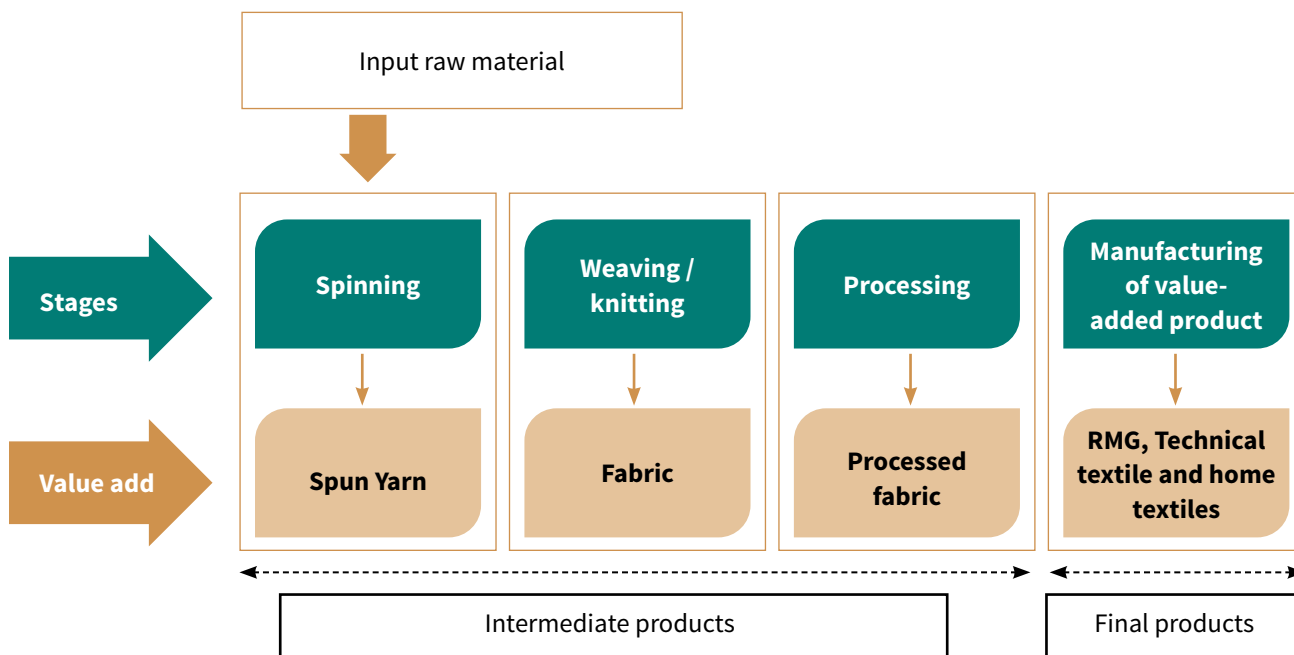
For the Indian economy, the textile sector is one of the critical sectors being the second largest provider of employment, after agriculture. It provides employment to approx. 45 million people directly and to another 60 million indirectly through allied activities.

The textile industry in India is diversified with handwoven and handspun textile at one end and sophisticated textile mills on the other end of the spectrum. Presence of players across the value chain starting from production of raw material to production of yarn, fabric and garments in the country makes the Indian textile industry well placed at a global level.

Between fiscals 2019 to fiscal 2024, the total Indian textile and apparel industry had grown at a CAGR of 4.5 percent. Within the total industry, the domestic Indian textile and apparel industry had grown at a higher pace of 5.8 percent, while exports have grown at a CAGR of 2.1 percent.

Yarn manufacturing consists of sequence of various processes where raw fibers are converted to yarn which can be further used in the manufacturing of various products such as fabrics and garments. The fibers are converted into yarn through a process called spinning,

## Indian textile value chain



followed by weaving and knitting. A yarn can either be made from natural fibers such as cotton and wool or from man-made fibers (MMF) such as polyester, viscose, nylon, acrylic, polypropylene among others.

The cotton yarn accounts for more than 50 percent share of the Indian textile yarn market. Cotton yarn market registered a CAGR of 1.5 percent between fiscals 2019 and 2024 to reach Rs 960 billion. The market for MMF accounts for around 40 percent of the Indian textile yarn market in fiscal 2024.

The future growth in Indian textile and apparel market will be led by various economic factors such as increase in discretionary income and rising urban population. Further, the demand is poised by increase in online retailing, shift from cotton to man-made fibre, fast fashion, and robust growth of technical textiles segment. Additionally, global industry expanding outside of China would aid the Indian export markets in the growth trajectory. Bangladesh is the second largest exporter of readymade garments. However, the socio-political disturbances erupting in Bangladesh during 2024 have shifted some RMG orders to India and this trend may continue on the future thus benefitting the Indian textile industry. The cotton yarn market is expected to grow at a 4.5-5.5% CAGR between fiscals 2024 and 2028 driven by recovery in global trade.

The ongoing tariffs imposed by the USA will have consequences on the Indian textile industry as it creates uncertainty and volatility for the business and may adverse impact the India's GDP growth, decline in export volumes and export revenue and supply chain disruptions. However, India has a competitive advantage due to higher tariffs imposed on other competing countries in the textile sector.

## BUSINESS OPERATIONS OF THE COMPANY

GHCL Textiles Limited was formed through demerger of the spinning business from GHCL Limited effective from April 1, 2023 and is listed on both NSE and BSE since June 12, 2023. This demerger was done with objectives to simplify the corporate structure, facilitate independent growth path and maximize shareholders' value.

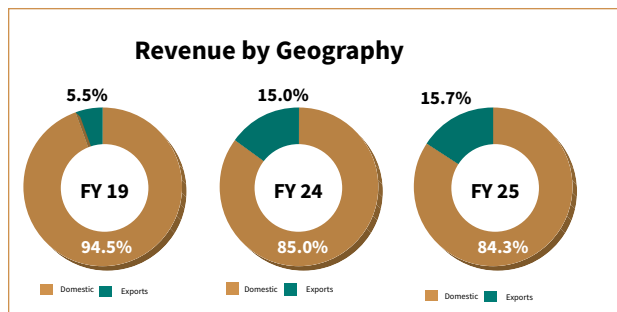
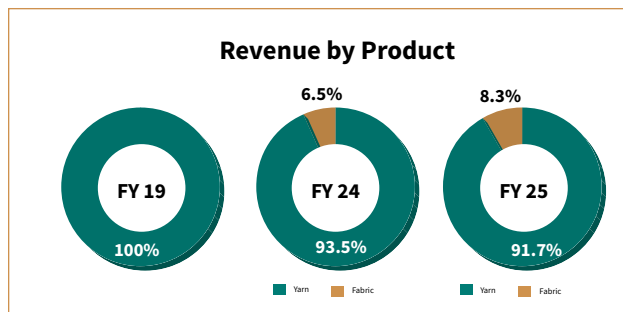
GHCL Textile is a prominent and one of India's leading yarn manufacturer and exporter. Company operations are located at Paravai, Madurai and at Manaparai, Tiruchirappalli in the state of Tamil Nadu. Company's spinning business comprises of modern manufacturing facilities with 2 lakh ring spindles, 3320 rotors, 5760 TFO spindles, and 5 Airjet Spinning. Additionally, there are significant renewable assets comprising of 62 MW of wind and solar power in the state of Tamil Nadu.

Operational excellence is the foundation of GHCL Textiles success. The Company's well-managed production process helps to maximize productivity, minimize waste while maintaining a reliable supply chain for raw materials. The Company's dedication to worker safety and a clean work environment fosters a positive and productive workplace culture. Committed to sustainability with substantial green energy assets providing cost benefits as well. 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.

The Company produces value-added yarn such as GIZA, SUPIMA, Australian, CmiA, Tencel, Viscose and rPET Yarn, Woven and Knitted Fabric for the domestic and international markets. The product basket has increased manifold by manufacturing specialized products for tailor-made yarn, introduction of forward products such as knitted and greige fabric and penetrating new markets for different applications.

GHCL Textiles is known for quality and customer-oriented focus. Quality control is paramount, and the Company strives to deliver the best products to its customers, thereby enhancing the brand name among customers. The Company places great emphasis on establishing strategic business partnerships with selective customers in both the domestic and international markets, which had enabled the business to maintain a competitive edge among industry peers.

Due to focus on diversification, exports have increased to 16 percent in FY2025 from 5.5 percent in FY2019 and share of fabric in total revenue has increased to 8 percent in FY2025 from nil in FY 2019.



The Company is committed to pursue sustainable growth and the various expansion plans remain on track. The Company is committed to invest over Rs. 1,000 crores, of which Rs. 350 crores have already been deployed. The addition of 25,000 new spindles is progressing as per schedule, with operations expected to commence in H1 2025. Additionally, a new project to set up 40 knitting machines is undertaken at the existing location with a capex outlay of Rs. 38 Crores. This shall forward integrate into value added products using our own yarn.

### OPPORTUNITY & CONCERN

The Company is pursuing sustainable growth strategy and the ongoing business expansion of 25 thousand spindles and entry into value added segments through capex on in-house knitting machines has positioned us well for medium-term benefits. We intend to expand our product basket, grow our value-added segment, realign our customer base, penetrate further into Woven and Knitted Fabric Market and continue to achieve operational excellence. Additionally, we will continue to prioritize sustainability by deploying additional renewable energy sources to meet a minimum of 75-80% of our energy requirements from renewable assets.

Despite the aforementioned growth initiatives, we acknowledge the existence of certain market challenges, including the global uncertainty, ongoing tariff situations, changing weather pattern adversely impacting the cotton crop, volatility in the cotton prices and the availability of high-quality cotton crops. These factors create uncertainty and volatility for the business.

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

- Revenue for the financial year ended March 31, 2025 is Rs. 1,161.16 crores.
- Profit before financial expenses and depreciation for the financial year March 31, 2025 is Rs. 116.68 crores.
- PBT (Profit before tax) for the financial year ended March 31, 2025 is Rs. 63.29 crores.

### DETAIL OF SIGNIFICANT CHANGE IN THE KEY FINANCIAL RATIOS AND RETURNS 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) (refer page no. 159 of Annual Report).

### INTERNAL CONTROL & RISK MANAGEMENT

GHCL Textiles Limited continues to operate with a strong and well-structured internal control system that supports all areas of its business. This framework



remains consistent with the previous year, ensuring operational efficiency, safeguarding of assets, accurate and transparent financial reporting, and compliance with applicable laws and regulations.

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 maintain the integrity of our processes, the Company has established detailed management information systems, robust corporate policies, and clearly defined roles and responsibilities across departments. Qualified and experienced personnel oversee our internal processes, helping to prevent any unauthorized use of assets or misstatement of transactions.

To further strengthen oversight, Company engages reputed independent internal audit firms to conduct regular audits across business locations. The Audit Committee of the Board closely monitors these reports, reviews statutory compliances, and ensures timely corrective actions are taken wherever required. The Committee meets periodically to review findings from internal auditors and discuss action taken reports with the management.

Risk management is embedded into Company's culture and day-to-day operations. The Risk Committee, constituted as per Regulation 21 of the SEBI Listing Regulations, oversees our enterprise risk framework. Internal Audit and Risk Management functions work in tandem to identify, assess, and manage key risks—both financial and non-financial. Risks are monitored regularly and control measures are tailored based on their severity and likelihood.

Further details on key business risks and mitigation strategies are provided in the Risk Management Committee section on page 67-69 of this report.

## 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, 2025, number of people employed by GHCL Textiles Limited are 3050 including all categories and women employees consists of around 77% of total employees.

# Corporate Governance for the Financial Year Ended March 31, 2025

(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.

We also adhere to strict disclosure norms to prevent any misuse of unpublished price-sensitive information. Our code of conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, ensures compliance and protects market integrity. 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, 2025 is given herein below:

| COMPOSITION OF BOARD OF DIRECTORS AS ON MARCH 31, 2025 |   |                  |                                |
|--|---|------------------|--------------------------------|
| Category   | Name of Directors   | No. of Directors | % of total number of Directors |
| Promoter Director                                      | Mr. Anurag Dalmia-- Non-Executive Chairman<br>Mr. Neelabh Dalmia – Non-Executive Director | 2                | 25%                            |
| Independent Director                                   | Mrs. Sudha Pillai, IAS (Retd.)  | 4                | 50%                            |
|  | Justice Ravindra Singh (Retd.)  |                  |                                |
|  | Mr. V K Jeyakodi, IAS (Retd.)   |                  |                                |
|  | Mr. C R Rajagopal   |                  |                                |
| Non-Executive Director                                 | Mr. Ravi Shanker Jalan  | 2                | 25%                            |
|  | Mr. Raman Chopra  |                  |                                |
|  | <b>TOTAL NO. OF DIRECTORS</b>   | <b>8</b>         | <b>100%</b>                    |

**Note:** During the financial year ended on March 31, 2025, Mrs. Vijaylaxmi Joshi, Dr. Manoj Vaish and Mr. Arun Kumar Jain, Independent Directors of the Company have completed their tenure on March 05, 2025.

As on March 31, 2025, the Board of GHCL Textiles Limited is having an optimum combination of eight Non - Executive Directors consist of four Independent Directors including one-woman independent director. Executive functions of the Company are being discharged by the Key Managerial Personnel (KMP) of the Company, who are non-board members and they regularly attend the Board / Committee meetings to apprise the Board members about the affairs of the Company. Mr. Anurag Dalmia, is Non-Executive Chairman of the Company w.e.f. May 06, 2024 and having four Independent Directors on the Board, Company fulfil the requirement that at least half of the Board shall consist of Independent Directors.

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, 2025, 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 2024-25.

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 on March 31, 2025, four Board Meetings were held on May 06, 2024, August 01, 2024, October 29, 2024 and February 03, 2025. The gap between any two-consecutive 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, 2025 is given herein below:

| S. No. | Name                               | DATE OF BOARD MEETING & ATTENDANCE |                 |                  |                   | AGM Attendance<br>(July 08, 2024) |
|--------|------------------------------------|------------------------------------|-----------------|------------------|-------------------|-----------------------------------|
|        |                                    | May 06, 2024                       | August 01, 2024 | October 29, 2024 | February 03, 2025 |                                   |
| 1      | Mr. Anurag Dalmia                  | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 2      | Dr. Manoj Vaish                    | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 3      | Mrs. Vijay Laxmi Joshi, IAS(Retd.) | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 4      | Justice Ravindra Singh (Retd.)     | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 5      | Mr. Arun Kumar Jain, IRS(Retd.)    | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 6      | Mr. Ravi Shanker Jalan             | Yes                                | Yes             | Yes              | Yes               | Yes                               |

| S. No. | Name                           | DATE OF BOARD MEETING & ATTENDANCE |                 |                  |                   | AGM Attendance<br>(July 08, 2024) |
|--------|--------------------------------|------------------------------------|-----------------|------------------|-------------------|-----------------------------------|
|        |                                | May 06, 2024                       | August 01, 2024 | October 29, 2024 | February 03, 2025 |                                   |
| 7      | Mr. Raman Chopra               | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 8      | Mr. Neelabh Dalmia             | Yes                                | Yes             | Yes              | Yes               | Yes                               |
| 9      | Mrs. Sudha Pillai, IAS (Retd.) | N.A.                               | N. A            | N. A             | N. A              | N. A                              |
| 10     | Mr. V K Jeyakodi, IAS (Retd.)  | N. A                               | N. A            | N. A             | N. A              | N. A                              |
| 11     | Mr. C R Rajagopal              | N. A                               | N. A            | N. A             | N. A              | N. A                              |

**Note:**

1. Mr. Ravi Shanker Jalan, 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).
2. Mrs. Sudha Pillai, Mr. V K Jeyakodi and Mr. C R Rajagopal were inducted on the Board w.e.f. March 01, 2025.
3. Mrs. Vijaylaxmi Joshi, Dr. Manoj Vaish and Mr. Arun Kumar Jain, completed their tenure as Independent Director on March 05, 2025.

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 director 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 Director or Managing Director.

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, 2025 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       | Mr. Anurag Dalmia             | 00120710                             | 1   | -   | -   | 145225 in Individual Account and 605124 in HUF Account             | GHCL Limited - Non-Executive Director  |
| 2       | Mrs. Sudha Pillai IAS (Retd.) | 02263950                             | 2   | 1   | 2   | -  | 1. Jubilant Ingrevia Limited- Independent Director<br>2. Indian Energy Exchange Limited – Independent Director<br>3. Dalmia Cement (Bharat) Limited – Independent Director |

| 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 |
|---------|--------------------------------|--------------------------------------|---|---|---|--|--|
| 3       | Justice Ravindra Singh (Retd.) | 08344852                             | 2   | 2   | -   | -  | GHCL Limited – Independent Director                      |
| 4       | Mr. V K Jeyakodi, IAS (Retd.)  | 03636599                             | -   | -   | -   | -  | None   |
| 5       | Mr. C R Rajagopal              | 08853688                             | 1   | 1   | 1   | -  | S.P. Apparels Ltd - Independent Director                 |
| 6       | Mr. Ravi Shanker Jalan         | 00121260                             | 1   | -   | -   | 6,50,000 in individual account and 100 in HUF account              | GHCL Limited – Managing Director                         |
| 7       | Mr. Raman Chopra               | 00954190                             | 2   | -   | -   | 1,75,000   | GHCL Limited- Executive Director & CFO                   |
| 8       | Mr. Neelabh Dalmia             | 00121760                             | 1   | -   | -   | 1,68,651   | GHCL Limited- Executive Director                         |

**Note:**

**\* Regulatory Compliance Clarification:** The restrictions on the number of directorships and Committee positions, as outlined in Regulation 26 of the SEBI Listing Regulations, do not apply to private limited companies, foreign companies, high-value debt-listed entities, or companies registered under Section 8 of the Companies Act, 2013. The disclosures provided are in full compliance with Regulation 26 of the Listing Regulations.

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 and none of the director is holding any convertible instrument of the Company as on March 31, 2025.

During the financial year ended March 31, 2025, 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 of 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.

The Audit Committee has thoroughly reviewed the Company's financial statements, ensuring accuracy and adherence to applicable accounting and regulatory standards.

Your Company does not have any subsidiary in India or outside India and accordingly the statutory requirement to appoint an Independent Director on the Board of Indian subsidiaries is not applicable.

The Board of Directors have reconstituted Committees of the Board w.e.f. March 06, 2025.



## 2.2 Independent Directors' Meeting

In compliance with Section 149 of the Companies Act, 2013, and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of GHCL Textiles Limited hold exclusive meetings without the presence of Non-Independent Directors or Management Personnel, except for the Company Secretary, who facilitates the proceedings.

These meetings provide a structured forum for Independent Directors to engage in discussions on key governance matters, ensuring an objective review of the Board's effectiveness. The primary focus areas include:

- Evaluating the performance of Non-Independent Directors, the Board as a whole, and its Committees.
- Assessing the Chairman's effectiveness, incorporating feedback from both Executive and Non-Executive Directors.
- Reviewing the quality, adequacy, and timeliness of information provided by Management to the Board, ensuring Directors can discharge their responsibilities effectively.

During the financial year ending March 31, 2025, a meeting of the Independent Directors was held on April 15, 2024, in which all Independent Directors were present. Mrs. Vijaylaxmi Joshi, chaired the meeting and guided the discussions. The Company Secretary was present to ensure smooth coordination and documentation of the proceedings.

## 2.3 Directors' Appointment and Re-appointment:

Mr. Ravi Shanker Jalan, a Director liable to retire by rotation, has expressed his willingness to seek re-appointment at the upcoming Annual General Meeting (AGM) of the Company. His re-appointment is subject to shareholder approval.

All relevant details regarding Directors seeking appointment or re-appointment, as required under Regulation 36(3) of the SEBI Listing Regulations, the Companies Act, 2013, and applicable Secretarial Standards (SS-2), are comprehensively provided in the AGM Notice and the Corporate Governance Report of the Company

## 2.4 Familiarisation Programme for Independent Directors

The Company follows a structured approach to ensure that all newly appointed non-executive and independent Directors undergo a comprehensive familiarization program. This program is designed to provide a deep understanding of the Company's core values, vision, mission, business philosophy, and governance framework. 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.

Throughout the financial year, all Board and Committee meetings were conducted in a hybrid format, allowing for both physical and virtual participation. Directors and Committee members ensured full attendance, demonstrating their dedication to active engagement in governance matters. 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 etc.

The details of familiarisation programmes for Independent Directors are available on the Company's website: <https://ghcltextiles.co.in/investors/familiarization-programme-for-independent-Directors/>

## 2.5 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:** Analysing 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), Cybersecurity, 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.

|                                | 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 |                |                  |               |
|--------------------------------|---|--------------------|---------------------|-----------------------------------|-----------------|---------------------------------------|-----|-----------------|-----|-----|---------------------------------------|----------------|--|----------------|------------------|---------------|
| Name of Directors              | Leader-ship   | Strategic Thinking | General Manage-ment | Public Policy                     | Public advocacy | Gover-nance                           | EHS | Sustaina-bility | CSR | Law | Finance & Accounts                    | Capital Market | Informa-tion Technology  | Cyber Security | Data Protec-tion | Digiti-sation |
| Mr. Anurag Dalmia              | Y   | Y                  | Y                   | Y                                 | Y               |                                       |     |                 | Y   |     | Y                                     | Y              |  |                |                  |               |
| Justice Ravindra Singh (Retd.) | Y   | Y                  | Y                   | Y                                 | Y               | Y                                     |     |                 | Y   | Y   | Y                                     |                |  |                |                  |               |
| Mrs. Sudha Pillai, IAS (Retd.) | Y   | Y                  | Y                   | Y                                 | Y               | Y                                     | Y   | Y               | Y   | Y   | Y                                     |                |  |                |                  |               |
| Mr. V K Jeyakodi, IAS (Retd.)  | Y   | Y                  | Y                   | Y                                 | Y               | Y                                     | Y   | Y               | Y   | Y   | Y                                     |                |  |                |                  |               |
| Mr. C R Rajagopal              | Y   | Y                  | Y                   | Y                                 | Y               | Y                                     |     |                 | Y   | Y   | Y                                     | Y              | Y  |                |                  |               |
| Mr. Ravi Shanker 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  |                |                  |               |

Our distinguished Board members bring a diverse mix of skills and expertise, ensuring that the Company is well-positioned to steer challenges and seize opportunities across its industries. Their collective experience enables the Board to make informed, strategic decisions while considering multiple perspectives. This breadth of knowledge and insight promotes innovation, resilience, and long-term growth, strengthening the Company's ability to achieve its goals effectively.

## 2.6 Retirement of Independent Directors:

During the financial year 2024-25, all Independent Directors served their full terms without any resignations. However, Mrs. Vijaylaxmi Joshi, Dr. Manoj Vaish and Mr. Arun Kumar Jain were retired from directorship of the Company after successfully completing their tenure on March 05, 2025. They remained fully committed to their roles, actively contributing to the Company's governance, decision-making, and strategic oversight throughout the year.

## 2.7 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 declaration is reproduced at the end of this Report.

## 2.8 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 and GHCL Textiles Limited, where he contributes with his strong leadership and strategic thinking abilities. Mr. Anurag Dalmia is serving as the Chairman of the CSR Committee of GHCL Limited and GHCL Textiles Limited. He is also member of the Risk & Sustainability Committee of GHCL Limited and Risk Management Committee of GHCL Textiles 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, he possesses a sound understanding of the capital market and finance & accounts, further enhancing the Board's expertise in these areas.

He is neither a member of more than 10 Committees nor a Chairman of more than 5 Committee. In GHCL Textiles Ltd, he is holding 1,45,225 equity shares in personal account and 605,124 equity share in HUF account.

#### Justice Ravindra Singh (Retd.)

Justice Ravindra Singh (Retd.) [DOB – July 2, 1953] is a highly esteemed Non-Executive Independent Director of the Company 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 and Inductus Limited. He is a Chairman of Stakeholders' Relationship Committee of GHCL Limited and GHCL Textiles Limited and a member of Corporate Social Responsibility (CSR) and Nomination & Remuneration Committee of both Companies. He is also member of Banking & Operations Committee of the Company.

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.

#### Mrs. Sudha Pillai, IAS(Retd.)

Mrs. Sudha Pillai (DoB: May 01, 1950) is 1972 batch IAS officer (Kerala cadre). She is having a distinguished academic background, and completed master degree in Psychology from Punjab University and also done master

in public administration from Kennedy School of Government, Harvard University, USA. Mrs. Pillai joined the Indian Administrative Services in 1972 with Second Rank on all India basis.

Mrs. Sudha Pillai worked as District collector -Thiruvananthapuram, chairman and Managing Director of Kerala Financial Corporation, Secretary Finance (coordination), Principal Secretary Government of Kerala and handled Law and Order, Finance, Industrial Development, Corporate Affairs, Agriculture, Rural Development and Panchayati Raj, Policy formulation etc. She also worked as Managing Director, Kerala Ceramics Limited, Under Secretary, Department of supply, Government of India, Joint Secretary- Ministry of Corporate Affairs, Additional Secretary- Ministry of Mines, Government of India, Joint Secretary -Ministry of Rural Development and Additional Secretary- Ministry of Panchayati Raj.

Mrs. Sudha Pillai served as Director on the Board of various listed and unlisted Companies and at present, serving as Independent Director on the Board of Dalmia Cement (Bharat) Limited, Indian Energy Exchange Ltd (IEX) and Jubilant Ingrevia Limited. She is Chairperson of NRC Committee and member of CSR Committee of GHCL Textiles Limited. Chairperson of Audit Committee and member of CSR Committee and NRC Committee of Indian Energy Exchange Ltd. She is also chairperson of CSR Committee and member of NRC and Risk Management Committee in Jubilant Ingrevia Limited. She is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. She does not hold any shares in the Company.

#### Mr. V K Jeyakodi, IAS (Retd.)

Mr. V K Jeyakodi (DoB: December 20, 1959) is 1984 batch IAS officer (Tamil Nadu Cadre). He has worked in various departments of State Government and Government of India. Mr. Jeyakodi, completed his BE (Hons) in Electronics and Communication Engineering from Madras University. He has completed MBA (International Business) from Sydney. During his tenure as an IAS with Tamil Nadu Government, he had served as Chief Executive / General Manager – Madurai District Milk Producers’ Co-operative Union, Deputy Secretary to Government – Food & Civil Supplies, public department, Director of Sericulture, Salem, Deputy Commissioner of Commercial Taxes (Enforcement), Managing Director, Tamil Nadu Civil Supplies Corporation, Executive Director - TN Industrial Development Corporation, Principal Secretary - Technical Education, Commercial Taxes, Revenue Department, Tourism & Culture Department etc., Chairman & Managing Director -TN Power Finance & Infrastructure Development Corporation Ltd, Commissioner of Land Administration.

He is Board Member of Finance Committee, Indian Maritime University, Ministry of Shipping, Govt of India and Independent External Monitor (IEM) of Power Finance Corporation Consultancy Limited and Banaras Hindu University, Varanasi. His deep understanding of the law, general management, finance 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’ interest.

He is member of the Audit Committee, Nomination & Remuneration Committee of GHCL Textiles Limited. He 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. C R Rajagopal

Mr. C R Rajagopal (DoB: January 08, 1960) is a Chartered accountant and member of Institute of Chartered Accountants (ICAI) since 1984. He has done his graduation from Madras University. Mr. Rajagopal has a vast industrial experience of approx.40 years in industry in various roles in Textiles, Apparel and fashion, Automotive component manufacturing, Mining, Aluminium, Entertainment, Agriculture and allied sectors and Retail.

He worked with different firms and companies, as partner with Deloitte, India and for last 24 years working as consultant/ advisor for business and start-ups mainly focused in textiles industry. Mr. C R Rajagopal have a vast experience in setting up of textile projects and part of the Advisory bodies for the industry. He is involved with textile industry as member for formulating financial restructuring, plan submission with Confederation of Indian Textile Industry (CITI) and other apex body of textiles industry.

Mr. Rajagopal is Chairman of the Audit Committee and Risk Management Committee of GHCL Textiles Limited. He is also serving as Chairman of NRC and Stakeholders Relationship Committee and member of Audit Committee and Risk Management Committee of S.P. Apparels Ltd. He 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. Ravi Shanker Jalan

Mr. Ravi Shanker Jalan (DOB - October 10, 1957) is Non-Executive Director of the Company. With more than four 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 1st Class Commerce Graduate (Hons.) degree and is a Member of the Institute of Chartered Accountants of India (ICAI).

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 Private Limited, India Hostels Private Limited 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 of 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. 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 in individual account and 100 shares in HUF account.

#### 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 of the Company i.e. the Audit Committee, CSR Committee, Stakeholders Relationship Committee, Banking & Operations Committee, and Risk Management Committee. 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, having MBA and a Bachelor's degree in Business Administration, specializing in Finance and Entrepreneurship from the prestigious Kelley School of Business, Indiana University, USA.

Mr. Neelabh Dalmia is a strategic business leader with over 20 years of experience in driving growth, diversification, and innovation across sectors. As an Executive Director at GHCL Limited and Non-Executive Director in GHCL Textiles Limited, he plays a pivotal role in steering the Company's long-term growth strategy, with a focus on greenfield and brownfield expansions, strategic investments, product innovation, and sustainability-led transformation.

Mr. Dalmia is a key member of core Committees on CSR, sustainability, risk, and stakeholder relations of GHCL Textiles Limited and GHCL Limited, offering invaluable insights into governance, financial planning, and operational excellence. He is also a permanent invitee of the Audit Committee of GHCL Textiles Limited. Outside the boardroom, he is a passionate photographer and a dedicated advocate for social impact. He actively supports initiatives in education and skill development, women's empowerment, alternative livelihoods, and sustainable development, driving innovative models that create lasting change. His approach is guided by a simple yet powerful mantra: to measure success by the tangible impact of each initiative and its ability to foster self-sustaining communities.

He is actively engaged with leading industry bodies such as CII, CITI, TEXPROCIL, FICCI, and PHDCCI, and mentors early-stage start-ups as a member of the Indian Angel Network and FAAD Network. A member of the global leadership platform Young Presidents' Organization (YPO), Mr. Dalmia exemplifies values of strategic foresight, inclusive growth, and environmental responsibility.

He is neither a member of more than 10 Committees nor a Chairman of more than 5 Committees. He is also holding 1,68,651 equity shares of the Company.

## 3. Committees of the Board

### (i) 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 and Regulation 18 of the Listing Regulations. Further the Board of Directors of the Company had reconstituted the audit Committee of the Company w.e.f. March 06, 2025.

As of March 31, 2025, there were three Non-Executive Directors consisting majority of Independent Directors having expertise in financial and accounting areas, as members of the Committee. Chairman of the Committee is an Independent Director. Company Secretary of the Company acts as Secretary to the Committee.

**Role and Responsibilities:** 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>

**Meeting Structure and Reporting:** 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 may be convened on shorter notice after complying necessary requirement for the same.

**Meetings and Compliance:** During the financial year ended March 31, 2025, the Audit Committee of the Board met four times on May 06, 2024, August 01, 2024, October 29, 2024 and February 03, 2025 and the gap between any two consecutive 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:

| <b>Composition and Attendance of Members at the Audit Committee Meetings held during the Financial year ended March 31, 2025</b> |   |                         |                        |                         |                          |  |
|--|---|-------------------------|------------------------|-------------------------|--------------------------|--|
| <b>Name of the Audit Committee Members</b>   | <b>Category</b>   | <b>Date of Meetings</b> |                        |                         |                          | <b>Whether attended Last AGM (Yes/No/NA)</b> |
|  |   | <b>May 06, 2024</b>     | <b>August 01, 2024</b> | <b>October 29, 2024</b> | <b>February 03, 2025</b> |  |
| <b>Dr. Manoj Vaish*</b><br>Chairman of the Committee   | Non- Executive<br>-Independent Director<br>(Expertise in Finance, accounts, forex, tax and securities market) | Yes                     | Yes                    | Yes                     | Yes                      | Yes  |
| <b>Mrs. Vijaylaxmi Joshi*, IAS (Retd.)</b><br>Member of the Committee  | Non-Executive-<br>Independent Director<br>- (Expertise in administration, finance & taxation, CSR)            | Yes                     | Yes                    | Yes                     | Yes                      | Yes  |

|   |  |     |     |     |     |     |
|---|--|-----|-----|-----|-----|-----|
| <b>Mr. Arun Kumar Jain*, IRS (Retd.)</b><br>Member of the Committee | Non-Executive<br>-Independent Director<br>(Expertise in Finance, accounts, taxation & sustainability)        | Yes | Yes | Yes | Yes | Yes |
| <b>Mr. C R Rajagopal</b><br>Chairman of the Committee               | Non- Executive<br>-Independent Director<br>(Expertise in Finance, account, forex, tax and Textiles industry) | NA  | NA  | NA  | NA  | NA  |
| <b>Mr. V K Jeyakodi, IAS (Retd.)</b><br>Member of the Committee     | Non-Executive-<br>Independent Director<br>- (Expertise in administration, finance & taxation, Revenue, CSR)  | NA  | NA  | NA  | NA  | NA  |
| <b>Mr. Raman Chopra</b><br>Member of the Committee                  | Non- Executive Director<br>(Expertise in Finance, accounts, forex, tax)                                      | NA  | NA  | NA  | NA  | Yes |

**Note:**

1. \*Dr. Manoj Vaish, Mrs. Vijaylaxmi Joshi and Mr. Arun Kumar Jain completed their tenure as Independent Directors of the Company on March 05, 2025.
2. Mr. C R Rajagopal, Mr. V K Jeyakodi and Mr. Raman Chopra were appointed as Committee Members w.e.f. March 06, 2025
3. NA stand for “Not Applicable”
4. The Board of Directors, had appointed Mr. Neelabh Dalmia, Non-Executive – Director as a permanent invitee of the Audit Committee w.e.f. March 06, 2025.
5. 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.

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 auditor.
- 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**

These rigorous reviews and assessments serve as pillars supporting robust corporate governance practices and uphold our commitment to regulatory compliance. The Audit Committee's dedication to these examinations enhances transparency, accountability, and the overall integrity of our operations.

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

The Board of Directors in its meeting held on March 06, 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. The Committee was further reconstituted w.e.f. March 06, 2025.

As of March 31, 2025, Nomination & Remuneration Committee comprised 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 personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive Directors, including the functional heads.
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.

**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>

During the financial year ended March 31, 2025, three meetings of the Nomination & Remuneration Committee were held on May 06, 2024, October 28, 2024 and February 28, 2025. 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 (NRC)</b><br><b>Meetings held during the Financial year ended March 31, 2025</b> |  |                         |                         |                          |  |
|--|--|-------------------------|-------------------------|--------------------------|--|
| <b>Name of the NRC Committee Members</b>   | <b>Category</b>  | <b>Date of Meetings</b> |                         |                          | <b>Whether attended Last AGM (Yes/No/NA)</b> |
|  |  | <b>May 06, 2024</b>     | <b>October 28, 2024</b> | <b>February 28, 2025</b> |  |
| <b>Mrs. Vijaylaxmi Joshi*, IAS (Retd.)</b><br>Chairperson of the Committee   | Non-Executive-Independent Director - (Expertise in administration, finance & taxation, CSR)                | Yes                     | Yes                     | Yes                      | Yes  |
| <b>Dr. Manoj Vaish*</b><br>Member of the Committee   | Non- Executive -Independent Director<br>(Expertise in Finance, accounts, forex, tax and securities market) | Yes                     | Yes                     | Yes                      | Yes  |
| <b>Mr. Arun Kumar Jain*, IRS (Retd.)</b><br>Member of the Committee  | Non-Executive -Independent Director (Expertise in Finance, accounts, taxation & sustainability)            | Yes                     | Yes                     | Yes                      | Yes  |
| <b>Mrs. Sudha Pillai, IAS (Retd.)</b><br>Chairperson of the Committee  | Non- Executive -Independent Director<br>(Expertise in Finance, account, administration, CSR)               | NA                      | NA                      | NA                       | NA   |
| <b>Justice Ravindra Singh (Retd.)</b><br>Member of the Committee   | Non- Executive -Independent Director<br>(Expertise in Legal)   | NA                      | NA                      | NA                       | Yes  |
| <b>Mr. V K Jeyakodi, IAS (Retd.)</b><br>Member of the Committee  | Non-Executive-Independent Director - (Expertise in administration, finance & taxation, Revenue, CSR)       | NA                      | NA                      | NA                       | NA   |

**Note:**

1. \* Mrs. Vijaylaxmi Joshi, Dr. Manoj Vaish, and Mr. Arun Kumar Jain completed their tenure as Independent Directors of the Company on March 05, 2025.
2. Mrs. Sudha Pillai, Justice Ravindra Singh and Mr. V K Jeyakodi appointed as Committee members w.e.f. March 06, 2025.
3. The Board of Directors, during its meeting held on May 06, 2024, had appointed Mr. Anurag Dalmia, Non-Executive – Chairman as a permanent invitee of the Nomination & Remuneration Committee.

### 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-Remunration-Policy.pdf>. The Company's Compensation Policy and Practices have been formulated and maintained to meet 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 disbursal 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 and Company Secretary 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 3rd 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, Corporate Social Responsibility 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 2024-25, the Company paid sitting fees of ₹ 25,000/- per meeting for attending each meeting of the Board and Committees of the Company to all the Directors of the Company.

Details of sitting fee paid/payable to the Directors of the Company for the financial year ended March 31, 2025 are given below:

| <b>Non- Executive Directors</b>    |                     | <b>Amount (₹ in lacs)</b> |              |
|------------------------------------|---------------------|---------------------------|--------------|
| <b>Name</b>                        | <b>Sitting Fees</b> | <b>Commission</b>         | <b>Total</b> |
| Mr. Anurag Dalmia                  | 1.50                | 5.27                      | 6.77         |
| Dr. Manoj Vaish                    | 2.90                | 5.27                      | 8.17         |
| Mrs. Vijaylaxmi Joshi, IAS (Retd.) | 2.95                | 5.27                      | 8.22         |
| Justice Ravindra Singh (Retd.)     | 1.15                | 5.27                      | 6.42         |
| Mr. Arun Kumar Jain, IRS (Retd.)   | 3.40                | 5.27                      | 8.67         |
| Mrs. Sudha Pillai, IAS (Retd.)*    | -                   | -                         | -            |
| Mr. V K Jeyakodi, IAS (Retd.)*     | -                   | -                         | -            |
| Mr. C R Rajagopal*                 | -                   | -                         | -            |
| Mr. Ravi Shanker Jalan             | 1.50                | 5.27                      | 6.77         |
| Mr. Raman Copra                    | 1.50                | 5.27                      | 6.77         |
| Mr. Neelabh Dalmia                 | 1.50                | 5.27                      | 6.77         |
| <b>TOTAL</b>                       | <b>16.40</b>        | <b>42.16</b>              | <b>58.56</b> |

**Note:** Please note that the commission payable to all Non-Whole Time Directors will not exceed 1% per annum of the net profit of the Company, as calculated under the provisions of the Companies Act, 2013. This ensures compliance with the regulatory framework and promotes transparency in our compensation practices.

\*Mrs. Sudha Pillai, Mr. V K Jeyakodi and Mr. C R Rajagopal were appointed as Independent Directors w.e.f. March 01, 2025. Further Mrs. Vijaylaxmi Joshi, Dr. Manoj Vaish and Mr. Arun Kumar Jain had completed their tenure as Independent Director on March 05, 2025.

Our strategies encompass periodic market surveys, performance appraisal enhancements, incentive scheme implementation, skill augmentation initiatives, and adaptability to evolving tax laws.

While performance evaluations are carried out by reporting managers, the Nomination and Remuneration Committee holds the authority to review and decide on compensation matters, guided by our policies and considering performance, potential, and value addition.

We remain dedicated to offering competitive packages, surpassing industry norms, to attract and retain top talent, ensuring our market prominence endures.

### **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 2024-25 except for the Sitting Fees and Commission paid or payable to them respectively as approved by the Board from time to time.

### **Employees' Stock Options Scheme**

Company does not have any Employees' Stock Options Scheme.

### **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 May 06, 2024. 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 April 15, 2024, 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 accordance with Section 178 (6) of the Companies Act, 2013, read with Regulation 20(4) and Para B of Part D of Schedule II of the Listing Regulations, our Stakeholders Relationship Committee is vested with significant responsibilities to safeguard the interests of our valued shareholders. These responsibilities encompass:

- 1. Addressing Shareholders' Concerns:** The Committee diligently resolves grievances pertaining to share transfers/transmissions, non-receipt of essential documents such as annual reports and dividend warrants, and other matters concerning general meetings.
- 2. Ensuring Voting Rights:** We actively review measures aimed at empowering shareholders to effectively exercise their voting rights, ensuring their voices are heard in key Company decisions.
- 3. Maintaining Service Standards:** Assessment of adherence to service standards adopted by the Company regarding services provided by the Registrar & Share Transfer Agent (RTA) is a priority, ensuring seamless shareholder experiences.
- 4. Enhancing Shareholder Communication:** We review various initiatives aimed at reducing unclaimed dividends and facilitating timely receipt of critical documents such as dividend warrants, annual reports, and statutory notices.

Our Stakeholders Relationship Committee, constituted under the relevant provisions, remains committed to expediting the resolution of shareholder complaints. Through regular monitoring of complaints registered via platforms like the SEBI Complaints Redress System (SCORES) and those received via Stock Exchanges,

along with corresponding action taken reports (ATRs), we ensure swift and efficient redressal. The Committee convenes periodic meetings to bolster shareholder services and promptly address any grievances, whether routed through the RTA or directly to the Company.

In the financial year 2024-25, the Stakeholders Relationship Committee convened four meetings on April 20, 2024, July 15, 2024, October 15, 2024 and January 20, 2025, focusing on elevating shareholder experiences and ensuring seamless communication channels. By promptly addressing grievances and upholding shareholder rights, we endeavour to foster transparency, trust, and enduring stakeholder relationships.

The Board of Directors constitute the Stakeholders Relationship Committee(SRC), on March 06, 2023 and further re-constituted w.e.f. March 06, 2025. The Composition of Stakeholders Relationship Committee as on March 31, 2025 and attendance of members at the meetings held during FY 2024-25 are given herein below:

| <b>Composition and Attendance of Members at the Stakeholders Relationship Committee (SRC) Meetings held during the Financial year ended March 31, 2025</b> |  |                         |                      |                         |                         |  |
|--|--|-------------------------|----------------------|-------------------------|-------------------------|--|
| <b>Name of the SRC Committee Members</b>   | <b>Category</b>  | <b>Date of Meetings</b> |                      |                         |                         | <b>Whether attended Last AGM (Yes/No/NA)</b> |
|  |  | <b>April 20, 2024</b>   | <b>July 15, 2024</b> | <b>October 15, 2024</b> | <b>January 20, 2025</b> | <b>July 08, 2024</b>                         |
| <b>Mr. Arun Kumar Jain, IRS (Retd.)</b><br>Chairman of the Committee   | Non-Executive -Independent Director<br>(Expertise in Finance, accounts, taxation & sustainability) | Yes                     | Yes                  | Yes                     | Yes                     | Yes  |
| <b>Justice Ravindra Singh (Retd.)</b><br>Chairman of the Committee   | Non-Executive -Independent Director<br>(Expertise in legal)  | NA                      | NA                   | NA                      | NA                      | Yes  |
| <b>Mr. Ravi Shanker Jalan</b><br>Member of the Committee   | Non-Executive Director   | Yes                     | Yes                  | Yes                     | Yes                     | Yes  |
| <b>Mr. Raman Chopra</b><br>Member of the Committee   | Non-Executive Director   | Yes                     | Yes                  | Yes                     | Yes                     | Yes  |
| <b>Mr. Neelabh Dalmia</b><br>Member of the Committee   | Non-Executive Director   | Yes                     | Yes                  | Yes                     | Yes                     | Yes  |

**Note:** Justice Ravindra Singh (Retd.), appointed as Chairman of the Committee w.e.f. March 06, 2025 and attended the AGM held on July 08, 2024 as Independent Director. Mr. Arun Kumar Jain had completed his tenure as an Independent Director as on March 05, 2025.

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.

#### (iv) Banking and Operations Committee

The Banking and Operations Committee was established to facilitate efficient decision-making and oversee day-to-day operational matters on behalf of the Board of Directors. This Committee plays a crucial role in ensuring that key operational functions are handled promptly and effectively, convening as needed to authorize essential actions. The Chairman of the Committee is elected by the members of the Committee in every meeting and decisions are taken based on the majority

Initially, the Banking and Operations Committee was constituted by the Board of Directors in its meeting held on March 06, 2023 and further reconstituted on May 06, 2024.

**Key Responsibilities:** The Banking and Operations Committee is responsible for a broad range of financial and administrative functions, including:

- Issuing Power of Attorney for operational and legal purposes.
- Negotiating and managing various loan agreements.
- Handling interactions with government authorities, including statutory, judicial, regulatory, and commercial bodies, ensuring full compliance with applicable laws and obligations.
- Operating within the authority delegated by the Board, the Committee executes its responsibilities with precision, diligence, and a strong commitment to governance standards.
- Authorising officials for implementation of various policies or guidelines approved by the board and board constituted Committee.

**Operational Highlights:** During the financial year 2024-25, the Banking and Operations Committee held multiple meetings to review and make decisions on critical operational and financial matters. The Committee's proactive approach ensured efficient oversight, swift decision-making, and enhanced regulatory compliance, strengthening the overall effectiveness of the business operations of the Company. During the financial year 2024-25, nine meeting of the Committee were held as per business requirements of the Company.

The composition of the Banking and Operations Committee as on March 31, 2025 is as under:

| Sl. No. | Name of Directors   | Status |
|---------|---|--------|
| 1       | Justice Ravindra Singh (Retd.) – Non-Executive Independent 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

This Committee was constituted to strengthen and monitor CSR policy of the Company. The Board of Directors in its meeting held on March 06, 2023, had constituted the Corporate Social Responsibility (CSR) Committee as per the requirement of Section 135 of the Companies Act, 2013. The Committee was further re-constituted w.e.f. March 06, 2025.

The 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;
- ✓ To review of the progress report of CSR Activities;
- ✓ Giving of directions for effective implementation of CSR projects.

All CSR initiatives of GHCL Textiles Limited are implemented by a dedicated team within the GHCL Foundation Trust, with top management conducting monthly reviews to track progress and outcomes. The Company focuses on thematic programs throughout the year, addressing key social areas such as:

- Agriculture and animal husbandry for rural development.
- Healthcare and education to improve community well-being.
- Vocational training to enhance employability.
- Women empowerment programs to foster inclusivity and self-reliance.

Composition of the Corporate Social Responsibility Committee as on March 31, 2025 is as under:

| <b>Composition and Attendance of Members at the Corporate Social Responsibility Committee Meetings held during the Financial year ended March 31, 2025</b> |                        |                        |
|--|------------------------|------------------------|
| <b>Name of the CSR Committee Members</b>   | <b>Category</b>        | <b>Date of Meeting</b> |
|  |                        | <b>April 30, 2024</b>  |
| Mr. Anurag Dalmia – Chairman of the Committee  | Non-Executive Director | Yes                    |
| Mrs. Vijaylaxmi Joshi, IAS (Retd.)   | Independent Director   | Yes                    |
| Justice Ravindra Singh (Retd.)   | Independent Director   | N A                    |
| Mrs. Sudha Pillai, IAS (Retd.)   | Independent Director   | N A                    |
| Mr. Ravi Shanker Jalan   | Non-Executive Director | Yes                    |
| Mr. Raman Chopra   | Non-Executive Director | Yes                    |
| Mr. Neelabh Dalmia   | Non-Executive Director | Yes                    |

**Note:**

1. NA stand for “Not Applicable”
2. Mr. Anurag Dalmia was appointed as Chairman of the Committee w.e.f. May 06, 2024.
3. Mrs. Vijaylaxmi Joshi had completed her tenure as Independent Director on March 05, 2025. Justice Ravindra Singh and Mrs. Sudha Pillai were appointed as member of the Committee w.e.f. March 06, 2025.
4. Mr. Ravi Shankar Jalan and Mr. Raman Chopra ceased to member of the Committee w.e.f. May 06, 2024

**(vi) Risk Management Committee**

**Committee Overview:** The Risk Management Committee plays a critical role in enhancing governance, risk management, sustainability, and compliance within the Company. Established in line with Regulation 21 of the SEBI Listing Regulations, the Committee ensures a structured approach to identifying and mitigating risks while integrating sustainability into the Company’s long-term strategy.

**Committee Composition and Functionality:** In compliance with Regulation 21, the Risk Management Committee primarily consists of Board members, with the flexibility to include senior executives where necessary. The Chairman of the Committee is a Board member, ensuring direct oversight and strategic alignment.

**Comprehensive Risk Management Policy:** The Company has developed a detailed Risk Management Policy and a robust Risk Management Framework to proactively identify, assess, and mitigate risks across all operational areas. This policy serves as a guiding framework for systematic risk evaluation, ensuring effective risk control measures while fostering long-term value creation and protecting stakeholder interests. Risk Management Policy of the Company has been posted on the website of the Company.

**Meetings and Engagement:** During the financial year ending March 31, 2025, two meetings of the Committee were held on June 6, 2024, and November 27, 2024. These meetings provided a platform for in-depth discussions, strategic decision-making, and the implementation of risk mitigation measures.

The Committee members demonstrated strong engagement and commitment, actively contributing to critical deliberations and policy decisions. Their insights and expertise helped shape informed recommendations and decisive actions, ensuring that the Committee’s objectives were met effectively.



**Committee Composition and Meeting Attendance:** The Board of Directors in its meeting held on March 06,, 2023 had voluntarily constituted the Risk Management Committee comprises five Directors, whose participation and contributions have been instrumental in advancing the Company's risk management and sustainability goals. On retirement of Chairman of the Committee (Mr. Arun Kumar Jain), the Board had approved the reconstitution of the Company and appointed Mr. C R Rajagopal, Independent Director as Chairman of the Company w.e.f. March 06, 2025.

Composition of the Committee and members attendance are outlined below:

| <b>Composition and Attendance of Members at the Risk Management Committee (RMC) Meetings held during the Financial year ended March 31, 2025</b> |                        |                        |                          |
|--|------------------------|------------------------|--------------------------|
| <b>Name of the RMC Committee Members</b>   | <b>Category</b>        | <b>Date of Meeting</b> |                          |
|  |                        | <b>June 06, 2024</b>   | <b>November 27, 2024</b> |
| Mr. Arun Kumar Jain, IRS (Retd.) – Chairman  | Independent Director   | Yes                    | Yes                      |
| Mr. C R Rajagopal – Chairman   | Independent Director   | NA                     | NA                       |
| Mr. Anurag Dalmia  | Non-Executive Director | Yes                    | Yes                      |
| Mr. Ravi Shanker Jalan   | Non-Executive Director | Yes                    | Yes                      |
| Mr. Raman Chopra   | Non-Executive Director | Yes                    | Yes                      |
| Mr. Neelabh Dalmia   | Non-Executive Director | Yes                    | Yes                      |

\*Mr. Arun Kumar Jain completed his tenure on March 05, 2025 and Mr. C R Rajagopal was appointed as Chairman of the Committee w.e.f. March 06, 2025.

#### **Scope and Terms of Reference:**

The scope of work and terms of reference for the Committee are available on the Company's website and can be access at following link: <https://ghcltextiles.co.in/wp-content/uploads/2024/04/GHCL-Textiles-Limited-Nomination-and-Remunration-Policy.pdf>

## **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:

| <b>Financial Year</b> | <b>Date</b>        | <b>Time</b> | <b>Venue / Mode</b>  |
|-----------------------|--------------------|-------------|--|
| 2023-24               | July 08, 2024      | 12.30 P.M.  | Through Video Conferencing (VC) or Other Audio-Visual Means (OVAM) |
| 2022-23               | September 09, 2023 | 02.30 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) |

**(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  |
|---------------------|--------------------|--|
| 4 <sup>th</sup> AGM | July 08, 2024      | Approval for conversion of loan into equity shares in case Company is in default of terms of loan agreement.   |
| 3 <sup>rd</sup> AGM | September 09, 2023 | (a) Appointment of Dr. Manoj Vaish (DIN: 00157082), as an Independent Director of the Company.<br>(b) Appointment of Mrs. Vijaylaxmi Joshi, Ex-IAS (DIN: 00032055), as an Independent Director of the Company.<br>(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   |

Shareholders received timely notices, allowing sufficient time for participation and informed decision-making. The agenda items were thoroughly discussed and voted upon, demonstrating the Company's dedication to legal compliance and meaningful shareholder engagement.

To maintain transparency and accountability, the minutes of each AGM were carefully documented and securely maintained, providing a comprehensive and accurate record of proceedings.

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

No Extra Ordinary Meeting (AGM) was held, during the previous three financial years.

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

During the financial year 2024-25, the Company successfully passed three Special Resolution through postal ballot with e-voting for the appointment of Independent Directors as given below.

**Special Resolutions:**

1. Approval for appointment of Mrs. Sudha Pillai, IAS(Retd.) as an Independent Director of the Company.
2. Approval for appointment of Mr. Virusangulaam Kumarasamy Jeyakodi IAS(Retd.) as an Independent Director of the Company.
3. Approval for appointment of Mr. Chathamur Raman Rajagopal as an Independent Director of the Company.

**Postal Ballot details:**

Date of Notice of Postal Ballot: October 29, 2024

Cut-off date: Friday, November 22, 2024

Dispatch of Notice to Shareholder: Tuesday, November 26, 2024

Voting Period: Thursday, November 28, 2024 at 09.00 a.m. (IST) to Friday, December 27, 2024 at 05.00 p.m. (IST)

Date of Declaration of Result: Friday, December 27, 2024

Date of Approval: Friday, December 27, 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        | Approval for appointment of Mrs. Sudha Pillai (DIN: 02263950), IAS(Retd.), as an Independent Director of the Company (Special Resolution) | 33834061            | 33825229               | 8832                 | 99.97%                      | 0.03%                     |
| 2        | Approval for appointment of Mr. V K Jeyakodi (DIN: 03636599), IAS(Retd.), as an Independent Director of the Company (Special Resolution)  | 33834061            | 33826321               | 7740                 | 99.98%                      | 0.02%                     |
| 3        | Approval for appointment of Mr. C R Rajagopal (DIN: 08853688), as an Independent Director of the Company (Special Resolution)             | 33833866            | 33826722               | 7144                 | 99.98%                      | 0.02%                     |

All the three resolutions were approved by a requisite majority, demonstrating strong shareholders 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 in its meeting held on October 29, 2024 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 November 26, 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, November 22, 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 December 27, 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 4<sup>th</sup> AGM:** One Special Resolution was passed in the 4th Annual General Meeting. the Notice for convening 4th AGM contained four Resolutions. All the four 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:

| Publication of Unaudited Quarterly / Half yearly Results and Related Matters |   |   |                 |                  |                   |              |   |
|--|---|---|-----------------|------------------|-------------------|--------------|---|
| Sr. No.  | Particulars   |   | Quarter I       | Quarter II       | Quarter III       | Quarter IV   | Financial Year ended March 31, 2025 (Audited) |
| 1  | English Newspapers in Which quarterly results were published / to be published    | The Hindu - Business Line (all edition)<br>The Economic Times (Ahmedabad edition) | August 02, 2024 | October 30, 2024 | February 04, 2025 | May 06, 2025 | May 06, 2025                                  |
| 2  | Vernacular Newspapers in which quarterly results were published / to be published | Financials Express (Gujarati)   | August 02, 2024 | October 30, 2024 | February 04, 2025 | May 06, 2025 | May 06, 2025                                  |
| 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 01, 2024 | October 29, 2024 | February 03, 2025 | May 05, 2025 | May 05, 2025                                  |
|  | BSE Limited (BSE)   | <a href="http://www.bseindia.com">www.bseindia.com</a>                            | August 01, 2024 | October 29, 2024 | February 03, 2025 | May 05, 2025 | May 05, 2025                                  |

### Publication of Unaudited Quarterly / Half yearly Results and Related Matters

| Sr. No. | Particulars   | Quarter I   | Quarter II | Quarter III | Quarter IV | Financial Year ended March 31, 2025 (Audited) |
|---------|---|---|------------|-------------|------------|---|
| 5.      | Presentation made to institutional investors or to the analysts | <p>During the financial year under review, the Company conducted conference calls and investor meetings on <b>May 08, 2024, August 02, 2024, October 30, 2024, and February 04, 2025</b>. These sessions served as a valuable platform for interactive discussions between the Company’s management, investors, and analysts, covering financial performance, business updates, and strategic initiatives.</p> <p>Aligned with our commitment to transparency and effective communication, the Company promptly filed copies of presentations, transcripts, and audio recordings of these meetings with the relevant Stock Exchanges. These materials were also made available on the Company’s official website, ensuring easy access for stakeholders.</p> <p>By facilitating open discussions and ensuring timely dissemination of information, the Company strengthened investor confidence and engagement. This proactive approach underscores our commitment to maintaining strong investor relations while upholding the highest standards of transparency and accountability.</p> |            |             |            |   |

## 6. General shareholder's Information:

### GENERAL SHAREHOLDER INFORMATION

| Sl. No. | Particulars  | Details                                  |          |   |
|---------|--|--|----------|---|
| 1       | Annual General Meeting   | Monday, July 21, 2025                    | 10:00 AM | 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       | <b>Financial Calendar</b>  |  |          |   |
|         | Financial Reporting for - Quarter - I (ending June 30, 2025)       | By 2 <sup>nd</sup> week of August 2025   |          |   |
|         | Financial Reporting for - Quarter - II (ending September 30, 2025) | By 2 <sup>nd</sup> week of November 2025 |          |   |
|         | Financial Reporting for - Quarter - III (ending December 31, 2025) | By 2 <sup>nd</sup> week of February 2026 |          |   |
|         | Financial Reporting for - Quarter - IV (ending March 31, 2026)     | By 4 <sup>th</sup> week of May 2026      |          |   |

| Sl. No. | Particulars  | Details   |            |                       |
|---------|--|---|------------|-----------------------|
|         | Financial Year of the Company is for a period of 12 months commencing from April 01 and ending on March 31.  |   |            |                       |
| 3       | Record Date / Cut-off Date   | July 14, 2025 (for remote e-voting and to attend AGM and dividend)  |            |                       |
| 4       | E-voting date  | The e-Voting will be commences on Thursday, July 17, 2025 at 09:00 AM and ends on Sunday, July 20, 2025 at 05:00 PM through CDSL e-voting platform.   |            |                       |
| 5       | Dividend Payment Date  | Dividend of ₹ 0.50 (fifty paise) per share i.e. 25% of the paid-up equity capital, will be paid on or after on or after July 21, 2025 (Monday)  |            |                       |
| 6       | Listing on Stock Exchanges   | Name & Address of Stock Exchanges   | Stock Code | ISIN WITH NSDL & CDSL |
|         |  | BSE Limited, (BSE)<br>Phiroze Jeejeebhoy,<br>Dalal Street, Mumbai - 400 001   | 543918     | INE0PA801013          |
|         |  | National Stock Exchange of India Limited, (NSE)<br>"Exchange Plaza",<br>Bandra - Kurla Complex, Bandra (E),<br>Mumbai - 400 051   | GHCLTEXTIL | INE0PA801013          |
| 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, 2025.   |            |                       |
| 9       | Details of Registrar and Share Transfer Agent  | MUFG Intime India Pvt. Ltd. (Formerly Link Intime India Private Limited), C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083.Tel No: +91 8108116767 Fax: +91 22 49186060 (Email : <a href="mailto:rnt.helpdesk@in.mpms.mufig.com">rnt.helpdesk@in.mpms.mufig.com</a> ) |            |                       |
| 10 (a)  | Outstanding GDRs / ADRs / Warrants or any convertible instruments:   |   |            |                       |
|         | The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence, as on March 31, 2025, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments. |   |            |                       |
| 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 2024-25   |   |            |                       |



| Sl. No. | Particulars  | Details |  |  |  |  |  |
|---------|--|---------|--|--|--|--|--|
| 11      | <b>Commodity price risk or foreign exchange risk and hedging activities:</b>   |         |  |  |  |  |  |
|         | 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, 2025, is as under: |         |  |  |  |  |  |
|         | a. Total exposure of the Company to commodities in INR: ₹ 550.05 crores  |         |  |  |  |  |  |
|         | b. Exposure of the Company to various commodities:   |         |  |  |  |  |  |
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| Sl. No.   | Particulars   | Details |
|-----------|---|---------|
|           | <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>  |         |
| <b>12</b> | <b>Address for Correspondence</b>   |         |
|           | <p>Share Transfer System: Company processes the share transfer and other related shareholders services through Registrar &amp; 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>MUFG Intime India Pvt. Ltd. (Formerly Link Intime India Private Limited, C101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400083. Tel No: +91- 8108116767, Fax: +91-22-49186060 Email: <a href="mailto:rnt.helpdesk@in.mpms.mufg.com">rnt.helpdesk@in.mpms.mufg.com</a></b></p>  |         |
|           | <p><b>RTA online system (SWAYAM)</b></p> <p>‘SWAYAM’ is a secure, user-friendly web-based application, developed by MUFG Intime India Pvt. Ltd. (Formerly Link Intime India Private Limited), our Registrar and Share Transfer Agents, that empowers shareholders to effortlessly access various services. We request you to get registered and have first-hand experience of the portal. This application can be accessed at <a href="https://swayam.in.mpms.mufg.com/">https://swayam.in.mpms.mufg.com/</a></p>   |         |
|           | <p>For General Correspondence: <b>GHCL Textiles Limited, "GHCL House" Opp. Punjabi Hall, Navrangpura, Ahmedabad - 380009. Phone: 079 -26427818, Email: <a href="mailto:secretarial@ghcltextiles.co.in">secretarial@ghcltextiles.co.in</a></b></p>   |         |
| <b>13</b> | <p><b>Dematerialization of Shares and Liquidity:</b> As on March 31, 2025, 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, 2025, amounts to ₹ 19,11,71,572/- divided into 9,55,85,786 equity shares of ₹ 2/- each.</p> <p>Pursuant to approved Scheme of Demerger effective from April 01, 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 ₹ 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). 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 Suspende Account of the Company.</p> |         |

| Sl. No.   | Particulars  | Details |
|-----------|--|---------|
|           | Further Company also credited 10,90,366 equity shares of ₹ 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:</b>   |         |
|           | 1. Procedure for claiming of shares from Suspense Escrow Demat Account is given in Board's Report at page no. 20 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. 21 and also available on the website of the Company at <a href="https://ghcltextiles.co.in/claim-procedure-iepf">https://ghcltextiles.co.in/claim-procedure-iepf</a>  |         |
| <b>14</b> | 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. Corporate Benefits to Shareholders

Company had declared dividend of ₹ 0.50 (Fifty Paise) per equity share of ₹ 2/- each, (i.e. 25% of the paid-up equity share capital of the Company) for the FY 2023-24 and FY 2024-25.

## 8. Shareholders Reference

### A. Distribution of Shareholding as on March 31, 2025

| No. of Shares held of ₹ 2/- each between |       | Number of Shareholders | % of Total Shareholders | Total Shares for The Range | % of Issued Capital |
|--|-------|------------------------|-------------------------|----------------------------|---------------------|
| From                                     | To    |                        |                         |                            |                     |
| 1  | 500   | 59174                  | 87.34%                  | 6377170                    | 6.67%               |
| 501                                      | 1000  | 4157                   | 6.14%                   | 3369520                    | 3.52%               |
| 1001                                     | 2000  | 2018                   | 2.98%                   | 3040377                    | 3.18%               |
| 2001                                     | 3000  | 730                    | 1.08%                   | 1878449                    | 1.97%               |
| 3001                                     | 4000  | 300                    | 0.44%                   | 1076103                    | 1.13%               |
| 4001                                     | 5000  | 319                    | 0.47%                   | 1511262                    | 1.58%               |
| 5001                                     | 10000 | 487                    | 0.72%                   | 3601740                    | 3.77%               |
| 10001                                    | above | 565                    | 0.83%                   | 74731165                   | 78.18%              |
| <b>Total</b>                             |       | <b>67750</b>           | <b>100%</b>             | <b>95585786</b>            | <b>100%</b>         |

## B. Shareholding Pattern as on March 31, 2025

| S. No.   | Category  | No. of shares held | % of share holding |
|----------|---|--------------------|--------------------|
| <b>A</b> | <b>Promoters &amp; Promoters Group Holding</b>  |                    |                    |
| <b>1</b> | <b>Promoters</b>  |                    |                    |
|          | Indian Promoters  | 1,28,06,636        | 13.40%             |
|          | Foreign Promoters   | 55,07,900          | 5.76%              |
| <b>2</b> | <b>Others</b>   | 0                  | 0.00%              |
|          | <b>Sub-Total</b>  | <b>1,83,14,536</b> | <b>19.16%</b>      |
| <b>B</b> | <b>Non-promoters Holding</b>  |                    |                    |
| <b>3</b> | <b>Institutional Investors</b>  |                    |                    |
|          | Mutual Funds  | 45,02,613          | 4.71%              |
|          | Banks, Financial Institutions   | 200                | 0.00%              |
|          | Insurance Companies (including LIC ASM Non-Par)   | 7,41,598           | 0.78%              |
|          | Foreign Portfolio Investors (including FIIs)  | 1,49,80,152        | 15.67%             |
|          | Alternate Investment Funds  | 4,65,816           | 0.49%              |
|          | <b>Sub-Total</b>  | <b>2,06,90,379</b> | <b>21.65%</b>      |
| <b>4</b> | <b>Non-institutional Investors</b>  |                    |                    |
|          | Bodies Corporate  | 1,34,13,174        | 14.03%             |
|          | NBFC registered with RBI  | 1250               | 0.00%              |
|          | Indian public (Individuals & HUF)   | 3,38,27,868        | 35.39%             |
|          | NRIs & Foreign Companies  | 16,80,155          | 1.76%              |
|          | Government Companies (i.e. IEPF)  | 10,90,366          | 1.14%              |
|          | Other Directors & relatives   | 8,51,830           | 0.89%              |
|          | GHCL Textiles Limited Suspense Escrow Account   | 19,15,043          | 2.00%              |
|          | Any Others (Trusts, Clearing Members, Body Corp-Ltd Liability Partnership and Central & State Government) | 38,01,185          | 3.98%              |
|          | <b>Sub-Total</b>  | <b>5,65,80,871</b> | <b>59.19%</b>      |
|          | <b>Grand Total</b>  | <b>9,55,85,786</b> | <b>100.00%</b>     |

## 9. Plant Locations

- Plant:**
- (a) Paravai, Samayanallur P.O, Distt. : Madurai, Tamil Nadu – 625402
  - (b) Thiagesar Alai P.O, Manaparai, Distt.: Trichy, Tamil Nadu – 621312

## 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 2024-25 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 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 Financial Year 2023-24 and 2024-25.

### 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, Company 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, Ombudsperson (Mr. Ravi Shanker 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.

Our Company remains dedicated to upholding the highest standards of professionalism, honesty, integrity, and ethical behaviour 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. Ravi Shanker Jalan

Non- Executive Director and Ombudsman for Whistle Blower Policy

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

**Mr. C R Rajagpal**

Chairman - Audit Committee

Email: [cbecrr@gmail.com](mailto:cbecrr@gmail.com)

**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 2024-25, the Company has not received any complaint under Vigil Mechanism / Whistle Blower Policy.

**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.**

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 / her duties. The Company is having non-executive Chairman. The Company does not incur expenses for maintaining Chairman's office. The Company also have a Woman Director on the Board.
- (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. The Company continues to adopt best practices to ensure a regime of unqualified financial statements. Report of Auditors are free from any qualifications, remark, hence no further comments required from Directors.
- (d) **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** During the period under review, the Company is complying of the requirement of separate posts of Chairperson and Chief Executive Officer.
- (e) **Reporting of Internal Auditor:** Company has 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.
- (f) **Independent Directors:** During the financial year 2024-25, a separate meeting of the Independent Directors of the Company was held on April 15, 2024 for evaluation purposes and all the Independent Directors were present at such meeting. Said meeting was held without the presence of non-independent Directors and members of the management except Company Secretary who attended to assist the Independent Directors. This requirement with respect to hold at least two meetings of the Independent Directors in a financial year, is effective from December 12, 2024 and the Company shall endeavour to opt this non-mandatory requirement in coming year.
- (g) **Risk Management:** Company duly constituted the Risk Management Committee in terms of Regulation 21 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

**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:

|  | Amount (INR in Crore) |
|--|-----------------------|
| Fees to S.R. Batliboi & Co LLP: (Audit fee+ Limited review)  | 0.53                  |
| 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   | 0.04                  |
| <b>Total Fees</b>  | <b>0.59</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.**

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.

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

**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 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.**

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 2024-25, ten meetings and 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'.**

Company was not given any loans or advances in the nature of loans to firms/companies in which Directors are interested during the Financial year 2024-25.

**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 2024-25.

**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. The Company takes an appropriate Directors' and Officers' Liability Insurance Policy and pay the premiums for the same. It is intended to maintain such insurance cover for the entire period of the Directors including Independent Directors, subject to the terms of such policy in force from time to time.

**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 |
|---|---------------------|----------------------|
| Aggerate Number of Shareholders and shares in Suspense Escrow Account at the beginning of the financial year i.e. as on April 1, 2024     | 8,315               | 19,54,028            |
| Less: Number of Shareholders who claimed shares from suspense Account during the year 2024-25   | 165                 | 38,985               |
| Number of Shareholders and outstanding shares lying in Suspense Escrow Account at the end of the financial year i.e. as on March 31, 2025 | 8,150               | 19,15,043            |
| 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                             | Vice President - Operations    |
| 3     | Mr. N Rajagopal                               | Sr. General Manager- Technical |
| 4     | Mr. Gaurav V                                  | CFO                            |
| 5     | Mr. Lalit Narayan Dwivedi                     | Company Secretary              |

During the Financial Year 2024-25, Mr. Gaurav V, CFO of the Company has resigned from the Company and relived from his duties on March 31, 2025. Apart from this, there was no change in Senior management of the Company during FY 2024-25. Subsequent to the financial year end, Mr. Marshal Sonavane was appointed as CEO(designate) w.e.f. April 01, 2025 and Mr. Ramesh Babu D resigned from the Company w.e.f. closing of business hour on April 30, 2025.

## **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, Company 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**

A qualified practicing Company Secretary conducts quarterly audits to reconcile the Company's total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services (India) Limited (CDSL), as well as the total issued and listed capital. The purpose of this audit is to ensure that the total issued/paid-up capital aligns with the combined number of shares in physical form and the number of dematerialized shares held with NSDL and CDSL.

These audits are performed to validate and confirm the accuracy of the Company's capital structure, ensuring that the recorded capital matches the shares held in both physical and dematerialized form.

The qualified practicing Company Secretary's audit provides assurance that the Company's total admitted capital is in accordance with the aggregate number of shares in physical form and dematerialized shares held with NSDL and CDSL. This diligent process helps to maintain accurate records and inculcates confidence among stakeholders regarding the Company's capital position.

## 17. Unclaimed/Unpaid Dividends

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 provision is not applicable upon the Company as Company started its business operation from April 01, 2023 and Company had paid dividend only for the financial year 2023-24.

## 18. List of all Credit Ratings (along with revisions) obtained by the Company during the financial year ended March 31, 2025:

During the financial year 2024-25, Company had received Credit rating for bank facilities issued by CARE Ratings Limited, one of the Credit Rating Agency to the Company on July 04, 2024 and assigned following ratings to the Company.

| Facilities                        | Amount (₹ in crore)        | Rating  | Rating Action |
|-----------------------------------|----------------------------|---|---------------|
| Long Term Bank Facilities         | 17.21 (Reduced from 78.74) | <b>CARE A –</b> (i.e. Single A Minus; outlook: stable)                              | re-affirmed   |
| Long / Short Term Bank Facilities | 500.00                     | <b>CARE A–; Stable /CARE A2+</b> (i.e. Single A Minus; outlook: Stable /A Two plus) | re-affirmed   |
| Short Term Bank Facilities        | 100.00                     | <b>CARE A2+</b> (i.e. A Two plus)   | re-affirmed   |
| <b>Total Facilities</b>           | <b>617.21</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 (CEO) has furnished the requisite certificate to the Board of Directors pursuant to Regulation 17(8) of the Listing Regulations which forms part of this Report.

The position of CFO is vacant effective from April 1, 2025 and as per the requirement of Regulation 26A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has liberty to fill said vacancy within a period of three months i.e. by June 30, 2025. Hence, the aforesaid Compliance Certificate has been signed by the CEO of the Company, which is in line with the requirement of Regulation 17 (8) of the Listing Regulations read with FAQ issued by SEBI on the same.

## 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, 2025.

For GHCL TEXTILES LIMITED

**Sd/  
Mr. R Balakrishnan  
CEO**

**Date: May 5, 2025**

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

**The Board of Directors  
GHCL Textiles Limited**

I, the undersigned certify to the Board that:

- (a) I have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2025 and that to the best of my 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 my 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) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I 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 I 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/-  
Mr. R Balakrishnan  
CEO**

**Date: May 5, 2025**



**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, 2025 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.     | Mr. Anurag Dalmia                     | 00120710 | 01/04/2024                              |
| 5.     | Justice Ravindra Singh                | 08344852 | 01/04/2024                              |
| 6.     | Mrs. Sudha Pillai                     | 02263950 | 01/03/2025                              |
| 7.     | Mr. Virusangulaam Kumarasamy Jeyakodi | 03636599 | 01/03/2025                              |
| 8.     | Mr. Chathamur Raman Rajagopal         | 08853688 | 01/03/2025                              |

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.: 5715/2024

Date: May 01, 2025  
 Place: Delhi

Sd/-  
 Rupesh Agarwal  
 Managing Partner  
 Membership No. A16302  
 Certificate of Practice No. 5673  
 UDIN: A016302G000244981

## 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, 2025 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, 2025 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, 2024 to March 31, 2025:

- (a) Board of Directors;
  - (b) Audit Committee;
  - (c) Annual General Meeting (AGM);
  - (d) Nomination and Remuneration Committee;
  - (e) Stakeholders Relationship Committee;
  - (f) Risk Management Committee;
  - (g) Banking & Operations Committee;
  - (h) Separate Meeting of Independent Directors;
  - (i) Corporate Social Responsibility (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. 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.
  - viii. 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, 2025, 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

Place of Signature: Noida

Date: May 05, 2025

Membership Number: 502220

UDIN: 25502220BMLHVA9699

# 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, 2025, 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, 2025, 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.

### 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, 2025. 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   |
|--|--|
| (a) Revenue Recognition (as described in Note 2.2(c) of the financial statements)  |  |
| <p>Revenue from contracts with customers is recognised when control of the goods or services 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 or services.</p> <p>The Company has generally concluded that as principal, it typically controls the goods or services before transferring them to the customer. The Company uses a variety of shipment terms across its operating markets and this has an impact on the timing of revenue recognition. There is a risk that revenue could be recognised in the incorrect period for sales transactions occurring on and around the year end therefore revenue recognition has been identified as a key audit matter</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed whether the Company's revenue recognition policy is in compliance with Ind AS 115 'Revenue from contracts with customers'.</li> <li>• We assessed the design, implementation and the operating effectiveness of management's process of recognising the revenue from sales of goods with regard to the timing of the revenue recognition as per the sales terms with the customers.</li> <li>• We performed tests of details of sales transaction based on a representative sampling of the sales orders to test that the related revenues and trade receivables are recorded taking into consideration the terms and conditions of the sale orders, including the shipping terms.</li> <li>• We also performed audit procedures relating to revenue recognition by agreeing deliveries occurring around the year end to supporting documentation to establish that revenue and corresponding trade receivables are properly recorded in the correct period.</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, 2025 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, 2025 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2025 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, 2025 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. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 15 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- 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 certain changes that can be made using privileged/ administrative access rights and 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 above said software.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Sonika Loganey**

Partner

Membership Number: 502220

UDIN: 25502220BMLHUY8950

Place of Signature: Noida

Date: May 05, 2025

## 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 Carry-ing 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 Com-pany |
|----------------------------|---------------------------------------|-----------------|--|------------------------------|---|
| Freehold Land              | 208.67                                | GHCL Limited    | Not Applicable   | April 01, 2023               | Under process due to Scheme of Arrangement        |
| Buildings in-cluding 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, 2025. 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, 2025 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 |
|---|--------|
| <ul style="list-style-type: none"> <li><b>Aggregate amount granted/ provided during the year</b> <ul style="list-style-type: none"> <li>Loan to Employees</li> </ul> </li> </ul>                    | 0.26   |
| <ul style="list-style-type: none"> <li><b>Balance outstanding as at balance sheet date in respect of above case</b> <ul style="list-style-type: none"> <li>Loan to Employees</li> </ul> </li> </ul> | 0.18   |

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 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these 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) | 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 |
| CGST Act, 2017                           | GST Demand on account of discrepancies in returns | 0.22                               | FY 2019-20                         | Commercial Tax Officer, Madurai, Tamil Nadu |

There are no dues of goods and service tax, provident fund, income tax, customs duty, 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 wilful 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, the Company has used funds raised on short-term basis in the form of working capital loan from banks aggregating to Rs. 39 crores for long-term purposes representing acquisition of property plant and equipment, repayment of loans.
- (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. The Company has not incurred cash losses in the immediately preceding financial year.
- (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) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 28B to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 28B to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Sonika Loganey**

Partner

Place of Signature: Noida

Date: May 05, 2025

Membership Number: 502220

UDIN: 25502220BMLHUY8950

## **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, 2025 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, 2025, 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

**per Sonika Loganey**

Partner

Membership Number: 502220

UDIN: 25502220BMLHUY8950

Place of Signature: Noida

Date: May 05, 2025

## Balance Sheet as at March 31, 2025

(INR in crores)

| Particulars  | Note No. | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|----------|-------------------------|-------------------------|
| <b>I. Assets</b>   |          |                         |                         |
| <b>(1) Non-current assets</b>  |          |                         |                         |
| (a) Property, plant and equipment  | 3        | 1,024.91                | 1,064.85                |
| (b) Capital work-in-progress   | 3        | 155.01                  | 4.84                    |
| (c) Intangible assets  | 4        | 0.22                    | 0.18                    |
| (d) Financial Assets   |          |                         |                         |
| (i) Investments  | 5        | 0.61                    | 1.83                    |
| (ii) Loans Non current   | 6A       | 0.03                    | 0.04                    |
| (iii) Other non-current financial assets   | 6B       | 15.26                   | 14.96                   |
| (e) Non current tax assets (net)   | 12       | 0.39                    | 1.15                    |
| (f) Other-non current assets   | 7        | 35.34                   | 12.73                   |
| <b>Total non-current assets</b>  |          | <b>1,231.77</b>         | <b>1,100.58</b>         |
| <b>(2) Current assets</b>  |          |                         |                         |
| (a) Inventories  | 8        | 295.19                  | 347.33                  |
| (b) Financial Assets   |          |                         |                         |
| (i) Trade receivables  | 9        | 117.29                  | 117.12                  |
| (ii) Cash and cash equivalents   | 10A      | 2.22                    | 10.30                   |
| (iii) Bank balances other than cash and cash equivalents                                   | 10B      | 2.84                    | 1.66                    |
| (iv) Loans current   | 11A      | 0.15                    | 0.17                    |
| (v) Other current financial assets   | 11B      | 20.21                   | 8.99                    |
| (c) Other current assets   | 13       | 27.29                   | 46.35                   |
| <b>Total current assets</b>  |          | <b>465.19</b>           | <b>531.92</b>           |
| Assets held for sale   | 3,43     | 5.88                    | 0.36                    |
| <b>Total assets</b>  |          | <b>1,702.84</b>         | <b>1,632.86</b>         |
| <b>II. Equity and Liabilities</b>  |          |                         |                         |
| <b>Equity</b>  |          |                         |                         |
| (a) Equity share capital   | 14       | 19.12                   | 19.12                   |
| (b) Other equity   | 15       | 1,418.26                | 1,366.64                |
| <b>Total equity</b>  |          | <b>1,437.38</b>         | <b>1,385.76</b>         |
| <b>Liabilities</b>   |          |                         |                         |
| <b>(1) Non-current liabilities</b>   |          |                         |                         |
| (a) Financial liabilities  |          |                         |                         |
| (i) Borrowings Long term   | 16A      | 2.73                    | 29.18                   |
| (b) Deferred tax liabilities (net)   | 12       | 131.81                  | 128.51                  |
| <b>Total non-current liabilities</b>   |          | <b>134.54</b>           | <b>157.69</b>           |
| <b>(2) Current liabilities</b>   |          |                         |                         |
| (a) Financial liabilities  |          |                         |                         |
| (i) Borrowings Short term  | 16B      | 60.60                   | 42.64                   |
| (ii) Trade payables  |          |                         |                         |
| (a) Total outstanding dues of micro enterprises and small enterprises                      | 18       | 4.73                    | 4.08                    |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 18       | 37.04                   | 21.45                   |
| (iii) Derivative instruments   | 19A      | 0.00                    | 0.00                    |
| (iv) Other current financial liabilities   | 19B      | 17.08                   | 8.15                    |
| (b) Other current liabilities  |          |                         |                         |
| (i) Contract liabilities   | 21.2     | 1.49                    | 5.02                    |
| (ii) Other current liabilities   | 20       | 8.08                    | 6.06                    |
| (c) Provisions   | 17       | 1.90                    | 2.01                    |
| <b>Total current liabilities</b>   |          | <b>130.92</b>           | <b>89.41</b>            |
| Liabilities directly associated with the assets held for sale                              |          | -                       | -                       |
| <b>Total Liabilities</b>   |          | <b>265.46</b>           | <b>247.10</b>           |
| <b>Total equity and liabilities</b>  |          | <b>1,702.84</b>         | <b>1,632.86</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 : Noida  
Date: May 05, 2025

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

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

Sd/-  
Anurag Dalmia  
Chairman  
DIN: 00120710

Sd/-  
C. R. Rajagopal  
Director  
DIN: 008853688  
Place : Noida  
Date: May 05, 2025

Sd/-  
R Balakrishnan  
(Chief Executive officer)

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

## Statement of Profit and Loss for the year ended March 31, 2025

(INR in crores)

| Particulars  | Note No. | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|----------|--------------------------------------|--------------------------------------|
| <b>Income</b>  |          |                                      |                                      |
| Revenue from operations  | 21       | 1,161.16                             | 1,053.87                             |
| Other income   | 22       | 6.96                                 | 5.63                                 |
| <b>Total Income</b>  |          | <b>1,168.12</b>                      | <b>1,059.50</b>                      |
| <b>Expenses</b>  |          |                                      |                                      |
| Cost of raw materials consumed   | 23       | 773.48                               | 731.67                               |
| Purchase of stock in trade   |          | 3.77                                 | 4.69                                 |
| (Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress          | 24       | 7.52                                 | (6.94)                               |
| Power, fuel and water  |          | 73.47                                | 71.45                                |
| Employee benefit expenses  | 25       | 74.42                                | 61.90                                |
| Finance costs  | 26       | 2.74                                 | 7.35                                 |
| Depreciation and amortization expense  | 27       | 50.65                                | 47.36                                |
| Other expenses   | 28       | 118.78                               | 107.47                               |
| <b>Total expenses</b>  |          | <b>1,104.83</b>                      | <b>1,024.95</b>                      |
| <b>Profit before tax</b>   |          | <b>63.29</b>                         | <b>34.55</b>                         |
| <b>Tax expenses:</b>   | 12       |                                      |                                      |
| Current tax  |          | 4.17                                 | -                                    |
| Tax adjustment of earlier years (deferred tax)   |          | 0.09                                 | -                                    |
| Deferred tax charge  |          | 3.06                                 | 9.50                                 |
| <b>Total tax expenses</b>  |          | <b>7.32</b>                          | <b>9.50</b>                          |
| <b>Profit for the year</b>   |          | <b>55.97</b>                         | <b>25.05</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   |          | 0.57                                 | 1.93                                 |
| Income tax effect  |          | (0.14)                               | (0.49)                               |
| <b>Other comprehensive income for the year, net of tax</b>   | 29       | <b>0.43</b>                          | <b>1.44</b>                          |
| <b>Total comprehensive income for the year, net of tax</b>   |          | <b>56.40</b>                         | <b>26.49</b>                         |
| <b>Earnings per equity share nominal value of shares INR 2 each<br/>(Previous year INR 2 each)</b> | 30       |                                      |                                      |
| Basic and Diluted (INR)  |          | 5.86                                 | 2.62                                 |

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 : Noida

Date: May 05, 2025

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

GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)

Sd/-

Anurag Dalmia

Chairman

DIN: 00120710

Sd/-

C. R. Rajagopal

Director

DIN: 008853688

Place : Noida

Date: May 05, 2025

Sd/-

R Balakrishnan

(Chief Executive officer)

Sd/-

Lalit N. Dwivedi

(Company Secretary)

Membership No. FCS10487

## Statement of cash flows for the year ended March 31, 2025

(INR in crores)

| Particulars  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| <b>Operating activities</b>  |                                      |                                      |
| Profit before tax  | 63.29                                | 34.55                                |
| <b>Adjustments to reconcile profit before tax to net cash flows :</b>  |                                      |                                      |
| Depreciation and amortisation expenses   | 50.65                                | 47.36                                |
| Profit on sale of current investments  | (2.76)                               | (1.94)                               |
| (Reversal) of provision for onerous contract   | -                                    | (7.84)                               |
| Impairment loss on trade receivables   | 0.23                                 | 0.04                                 |
| (Gain) on sale/disposal of property, plant and equipment (net)   | (0.10)                               | (0.89)                               |
| Interest income  | (1.10)                               | (1.14)                               |
| Finance costs  | 2.74                                 | 7.35                                 |
| Corporate social responsibility expense incurred in kind   | 0.55                                 | -                                    |
| Unrealised exchange gain (net)   | 0.50                                 | (0.58)                               |
| <b>Operating profit before working capital changes</b>   | <b>114.00</b>                        | <b>76.91</b>                         |
| <b>Working capital adjustments</b>   |                                      |                                      |
| <b>Adjustments for (Increase)/decrease in Operating assets:</b>  |                                      |                                      |
| Trade receivables  | (0.50)                               | (27.56)                              |
| Inventories  | 52.14                                | 3.46                                 |
| Other current financial assets   | (11.06)                              | (2.16)                               |
| Other current and non - current assets   | (5.36)                               | 18.19                                |
| Non-current financial assets   | (0.29)                               | (0.61)                               |
| <b>Adjustments for Increase/(decrease) in Operating liabilities:</b>   |                                      |                                      |
| Contract liabilities   | (3.53)                               | 1.22                                 |
| Trade payables   | 16.15                                | (15.69)                              |
| Other current financial liabilities  | 2.11                                 | (0.11)                               |
| Other current liabilities  | 2.02                                 | 5.25                                 |
| Provisions   | (0.11)                               | 0.15                                 |
| <b>Cash flow generated from operations</b>   | <b>165.57</b>                        | <b>59.05</b>                         |
| Income tax paid (net)  | (3.41)                               | (1.15)                               |
| <b>Net cash flow generated from operating activities (A)</b>   | <b>162.16</b>                        | <b>57.90</b>                         |
| <b>Cash flow from investing activities</b>   |                                      |                                      |
| Payment for purchase of Property, plant and equipment, capital work in progress and intangible assets (Including capital advances and capital creditors) | (158.18)                             | (73.02)                              |
| Proceeds from sale of Property, plant and equipment  | 0.43                                 | 2.53                                 |
| Proceeds from sale of current investments  | 230.96                               | 320.32                               |
| Purchase of current investments  | (228.20)                             | (318.38)                             |
| Purchase of non-current investments  | -                                    | (0.60)                               |
| Proceeds from sale of non-current investments  | 1.22                                 | -                                    |

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Proceeds from maturity of bank deposits not considered as cash and cash equivalents | 6.40                                 | 0.82                                 |
| Investment in bank deposits not considered as cash and cash equivalents             | (7.58)                               | (2.57)                               |
| Interest received   | 0.96                                 | 0.31                                 |
| <b>Net cash flow (used in) investing activities (B)</b>                             | <b>(153.99)</b>                      | <b>(70.59)</b>                       |
| <b>Cash flow from financing activities</b>  |                                      |                                      |
| Dividend paid   | (4.78)                               | -                                    |
| Proceeds / (repayment) of short-term borrowings                                     | 36.73                                | 17.30                                |
| Repayment of long-term borrowings   | (45.43)                              | (24.35)                              |
| Interest paid   | (2.77)                               | (7.19)                               |
| <b>Net cash flow (used) in financing activities (C)</b>                             | <b>(16.25)</b>                       | <b>(14.24)</b>                       |
| <b>Net (decrease) in cash and cash equivalents (D = A+B+C)</b>                      | <b>(8.08)</b>                        | <b>(26.93)</b>                       |
| Cash and cash equivalents at the beginning of the year (E)                          | 10.30                                | 0.00                                 |
| 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>2.22</b>                          | <b>10.30</b>                         |
| <b>Components of cash and cash equivalents</b>                                      |                                      |                                      |
| Cash on hand  | 0.02                                 | 0.01                                 |
| Balances with banks:  |                                      |                                      |
| - On current accounts   | 2.20                                 | 10.29                                |
| <b>Total cash and cash equivalents</b>  | <b>2.22</b>                          | <b>10.30</b>                         |

**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".
2. 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 : Noida

Date: May 05, 2025

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

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

Sd/-

Anurag Dalmia

Chairman

DIN: 00120710

Sd/-

C. R. Rajagopal

Director

DIN: 008853688

Place : Noida

Date: May 05, 2025

Sd/-

R Balakrishnan

(Chief Executive officer)

Sd/-

Lalit N. Dwivedi

(Company Secretary)

Membership No. FCS10487

## Statement of changes in equity for the year ended March 31, 2025

(INR in crores)

### A. Equity share capital

#### For the year ended March 31, 2025

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

| Particulars                         | Number of shares   | Amount       |
|-------------------------------------|--------------------|--------------|
| <b>As at April 01, 2024</b>         | 9,55,85,786        | 19.12        |
| Add: Changes during the year        | -                  | -            |
| <b>Balance as at March 31, 2025</b> | <b>9,55,85,786</b> | <b>19.12</b> |

#### 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> |

### B. Other equity

| Particulars   | Reserves and Surplus (Refer note 15) |                        |                       | Total           |
|---|--------------------------------------|------------------------|-----------------------|-----------------|
|   | Capital reserve (A)                  | Securities premium (B) | Retained earnings (C) |                 |
| <b>Balance as at April 01, 2023</b>                                 | -                                    | -                      | (0.01)                | (0.01)          |
| 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> |
| Profit for the year   | -                                    | -                      | 55.97                 | 55.97           |
| Other comprehensive income for the year, net of tax (Refer Note 29) | -                                    | -                      | 0.43                  | 0.43            |
| Dividend paid   | -                                    | -                      | (4.78)                | (4.78)          |
| <b>Balance as at March 31, 2025</b>                                 | <b>(238.00)</b>                      | <b>1,578.16</b>        | <b>78.10</b>          | <b>1,418.26</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

#### 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  
Place : Noida  
Date: May 05, 2025

Sd/-  
C. R. Rajagopal  
Director  
DIN: 008853688  
Place : Noida  
Date: May 05, 2025

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

## Notes to the Financial Statements as at and for the year ended March 31, 2025 (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 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 Company is a public limited company and is listed in the Bombay Stock Exchange and National Stock Exchange.

During the previous year, the Company has given effect of the demerger of spinning business from GHCL Limited (“Demerged Company”) into GHCL Textiles Limited (“Resulting Company”/“Company”) as per the order of National Company Law Tribunal (“NCLT”), Ahmedabad, dated February 08, 2023 for the approval of Scheme of Arrangement.

The Company has given effect to the aforesaid demerger during the year ended March 31, 2024 in accordance with the accounting treatment prescribed in the Scheme and relevant accounting standard.

As per the Scheme, 9,55,85,786 equity shares having face value of INR 2/- each were allotted by the Company 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 as on April 08, 2023, being the record date fixed by the Company.

The financial statements are approved for issue in accordance with a resolution of the Board of Directors on May 05, 2025.

### 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 (as amended from time to time), (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 30-120 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 trade 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 other 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 balance sheet approach on temporary differences between the tax base 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

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

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 goods and services 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 other current assets /non-current assets/ other current liabilities in the balance sheet.

**f) Property, plant and equipment**

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Items of Property,

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. All other repair and maintenance costs are recognised in Statement of profit or loss as incurred.

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. 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 Property, plant and equipment, 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         |
| 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         |

| Particulars         | Life Considered |
|---------------------|-----------------|
| 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 statement of profit and loss 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.

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



**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

- 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 period 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.
- 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



**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

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 in India, 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

### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised on an undiscounted accrual basis during the year when the employees render the services. These benefits include

performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services.

### **Long-term employee benefits**

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the Balance Sheet date. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the period in which they occur. The Company presents the entire leave liability as current liability, since it does not have an unconditional right to defer its settlement for 12 months after the reporting period.

### **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) reserve 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:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- 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 other 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

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
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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 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

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
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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.

For the purpose of the Standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

**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 are recognised in Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated 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 and other required disclosures in notes to the financial statements, unless the possibility of any outflow in settlement is remote.

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**

There are no new or amended in standards which are applicable to the Company.



**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

**3. Property, plant and equipment, Capital work in progress and Assets held for Sale**

| 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 | Assets held for sale (Refer note 43) | Total Amount    |
|---|---------------|---------------|-----------------------|--------------------|------------------------|-------------|------------------------|---------------|-----------------|--------------------------|--------------------------------------|-----------------|
| <b>As at April 01, 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> |
| Additions   | -             | 3.61          | 16.40                 | 0.10               | 0.27                   | 0.08        | -                      | 0.40          | 20.85           | 171.02                   | 18.31                                | 210.18          |
| Disposals   | (2.53)        | (0.05)        | (2.78)                | (0.01)             | -                      | (0.08)      | -                      | -             | (5.45)          | (20.85)                  | -                                    | (26.30)         |
| Transferred to assets held for sale                         | -             | -             | (18.31)               | -                  | -                      | -           | -                      | -             | (18.31)         | -                        | -                                    | (18.31)         |
| <b>As at March 31, 2025</b>                                 | <b>208.67</b> | <b>153.10</b> | <b>686.44</b>         | <b>2.67</b>        | <b>1.90</b>            | <b>1.27</b> | <b>128.46</b>          | <b>139.23</b> | <b>1,321.74</b> | <b>155.01</b>            | <b>18.67</b>                         | <b>1,495.43</b> |
| <b>Accumulated Depreciation</b>                             |               |               |                       |                    |                        |             |                        |               |                 |                          |                                      |                 |
| <b>As at April 01, 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>   |
| Depreciation charge for the year                            | -             | 7.25          | 29.64                 | 0.26               | 0.16                   | 0.13        | 6.86                   | 6.23          | 50.53           | -                        | -                                    | 50.53           |
| Disposals   | -             | (0.00)        | (0.64)                | (0.01)             | -                      | (0.06)      | -                      | -             | (0.71)          | -                        | -                                    | (0.71)          |
| Transferred to assets held for sale                         | -             | -             | (12.79)               | -                  | -                      | -           | -                      | -             | (12.79)         | -                        | 12.79                                | -               |
| <b>As at March 31, 2025</b>                                 | <b>-</b>      | <b>34.73</b>  | <b>177.43</b>         | <b>2.01</b>        | <b>0.49</b>            | <b>0.61</b> | <b>64.68</b>           | <b>16.88</b>  | <b>296.83</b>   | <b>-</b>                 | <b>12.79</b>                         | <b>309.62</b>   |
| <b>Net book value</b>                                       |               |               |                       |                    |                        |             |                        |               |                 |                          |                                      |                 |
| <b>As at March 31, 2025</b>                                 | 208.67        | 118.36        | 509.00                | 0.66               | 1.42                   | 0.66        | 63.78                  | 122.35        | 1,024.91        | 155.01                   | 5.88                                 | 1,185.80        |
| <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        |

**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, 2025**  
(INR in crores unless specified otherwise)

(c) Ageing schedule for capital work in progress

| 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, 2025           | 152.51                       | 2.50      | -         | -                 | <b>155.01</b> |
| Projects temporarily suspended as at March 31, 2025 | -                            | -         | -         | -                 | -             |
| Projects in progress as at March 31, 2024           | 4.84                         | -         | -         | -                 | <b>4.84</b>   |
| Projects temporarily suspended as at March 31, 2024 | -                            | -         | -         | -                 | -             |

There is no project whose completion is overdue or has exceeded its cost compared its original plan during the current and previous financial year.

(d) Details of title deeds of Immovable property not held in the name of the Company:

| Balance Sheet Caption         | 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                   | 208.67                               | 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, 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> |
| Additions   | 0.16              | 0.16        |
| Disposals   | -                 | -           |
| <b>As at March 31, 2025</b>                                 | <b>3.20</b>       | <b>3.20</b> |
| <b>Amortisation</b>   |                   |             |
| <b>As at April 01, 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> |
| Amortisation  | 0.12              | 0.12        |
| Disposals   | -                 | -           |
| <b>As at March 31, 2025</b>                                 | <b>2.98</b>       | <b>2.98</b> |
| <b>Net book value</b>                                       |                   |             |
| <b>As at March 31, 2025</b>                                 | 0.22              | 0.22        |
| <b>As at March 31, 2024</b>                                 | 0.18              | 0.18        |

**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<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| <b>Non - current Investments in unquoted equity shares, at fair value through profit and loss, unless stated otherwise</b>                      |                         |                         |
| 6,00,525 equity shares (March 31, 2024: 6,00,525 equity shares) of INR 10/- each fully paid up of Arkay Energy (Rameshwarm) Private Limited     | 0.60                    | 0.60                    |
| 5,200 equity shares (March 31, 2024: 5,200 equity shares) of INR 10/- each fully paid up of DM Solar Farm Private Limited*                      | 0.01                    | 0.01                    |
| 2,600 equity shares (March 31, 2024: 2,600 equity shares) of INR 10/- each fully paid up of Vaayu Renewable Energy (Mandvi) Private Limited */# | 0.00                    | 0.00                    |
| 100 equity shares (March 31, 2024: 100 equity shares) of INR 10/- each fully paid up of TCP Limited#  | 0.00                    | 0.00                    |
| Nil equity shares (March 31, 2024: 12,00,000 equity shares) of INR 10/- each fully paid up of SSMT Power Private Limited*                       | -                       | 1.20                    |
| Nil equity shares (March 31, 2024: 950 equity shares) of INR 10/- each fully paid up of Puvaneshwari Enterprises Private Limited #              | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 950 equity shares) of INR 10/- each fully paid up of Sarojarajan Green Power Energy Private Limited #        | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 970 equity shares) of INR 10/- each fully paid up of AFCM Wind Farms Private Limited#                        | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 970 equity shares) of INR 10/- each fully paid up of AJSM Green Energy Private Limited #                     | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 780 equity shares) of INR 10/- each fully paid up of APGL Green Energy Private Limited #                     | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 780 equity shares) of INR 10/- each fully paid up of Jaichander Wind Farms Private Limited #                 | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 780 equity shares) of INR 10/- each fully paid up of Sushmitha Titiksha Green Energy Private Limited #       | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 2,440 equity shares) of INR 10/- each fully paid up of Premchander Wind Farms Private Limited #              | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 2,440 equity shares) of INR 10/- each fully paid up of Premchander Green Energy Private Limited #            | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 2,440 equity shares) of INR 10/- each fully paid up of Jayanthi Wind Farms Private Limited #                 | -                       | 0.00                    |
| Nil equity shares (March 31, 2024: 2,440 equity shares) of INR 10/- each fully paid up of Jayanthi Green Energy Private Limited #               | -                       | 0.00                    |
| <b>Total Investments</b>  | <b>0.61</b>             | <b>1.83</b>             |
| <b>Aggregate value of unquoted investments</b>  | <b>0.61</b>             | <b>1.83</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 which were not considered as associates.

# represents amount below INR 50,000/-

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

## 6A Loans

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good, unless stated otherwise) (at amortised cost) |                         |                         |
| Loan to employees   | 0.03                    | 0.04                    |
| <b>Total loan to employees</b>  | <b>0.03</b>             | <b>0.04</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<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| (Unsecured considered good)                                       |                         |                         |
| Security deposits   | 15.17                   | 14.87                   |
| Bank deposits with remaining maturity of more than twelve months* | 0.09                    | 0.09                    |
| <b>Total other non-current financial assets</b>                   | <b>15.26</b>            | <b>14.96</b>            |

\* Margin money held with banks against Letter of Credits and Bank guarantees.

## 7 Other-non current assets

| Particulars                              | As at March<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| (Unsecured considered good)              |                         |                         |
| Balances with statutory authorities      | 25.65                   | -                       |
| Capital advances                         | 8.36                    | 12.73                   |
| Corporate social responsibility prespent | 1.33                    | -                       |
| <b>Total other non current assets</b>    | <b>35.34</b>            | <b>12.73</b>            |

## 8 Inventories

| Particulars  | As at March<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| Inventories valued at lower of cost and net realisable value             |                         |                         |
| Raw materials  | 209.81                  | 253.60                  |
| [includes in transit INR 19.27 crores (March 31, 2024: INR 9.41 crores)] |                         |                         |
| Work-in-progress   | 25.35                   | 24.76                   |
| Stock-in-trade   | -                       | 0.08                    |
| Finished goods   | 57.82                   | 65.85                   |
| [includes in transit INR 8.93 crores (March 31, 2024: INR 10.29 crores)] |                         |                         |
| Stores and spares  | 2.21                    | 3.04                    |
| <b>Total inventories</b>   | <b>295.19</b>           | <b>347.33</b>           |

As at year end, the above inventories are net of provision on account of net realisable value of INR Nil crores (March 31, 2024: INR 16.93 crores).

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, 2025  
(INR in crores unless specified otherwise)

## 9 Trade receivables

| Particulars       | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-------------------|-------------------------|-------------------------|
| Trade receivables | 117.29                  | 117.12                  |
|                   | <b>117.29</b>           | <b>117.12</b>           |

### Break-up for security details

| Particulars                  | As at March<br>31, 2025 | As at March<br>31, 2024 |
|------------------------------|-------------------------|-------------------------|
| <b>Trade Receivables</b>     |                         |                         |
| - Secured, considered good   | 45.21                   | 55.46                   |
| - Unsecured, considered good | 72.08                   | 61.66                   |
| - Credit impaired            | 0.64                    | 0.41                    |
|                              | <b>117.93</b>           | <b>117.53</b>           |

### Impairment Allowance (allowance for bad and doubtful debts)

|                   |               |               |
|-------------------|---------------|---------------|
| - Credit impaired | (0.64)        | (0.41)        |
|                   | <b>(0.64)</b> | <b>(0.41)</b> |

### Total trade receivables

**117.29** **117.12**

### Trade Receivables Ageing Schedule :

#### As at 31st March 2025

| Particulars  | Outstanding for following periods from due date of payment |                       |                      |           |           |                      | Total         |
|--|--|-----------------------|----------------------|-----------|-----------|----------------------|---------------|
|  | Current but<br>Not Due                                     | Less than<br>6 months | 6 months -<br>1 year | 1-2 years | 2-3 years | More than<br>3 years |               |
| Undisputed Trade Receivables - considered good                                   | 79.07  | 38.01                 | 0.21                 | -         | -         | -                    | 117.29        |
| Undisputed Trade Receivables - which have<br>significant increase in credit risk | -  | -                     | -                    | -         | -         | -                    | -             |
| Undisputed Trade receivable - credit impaired                                    | -  | -                     | 0.18                 | -         | -         | 0.46                 | 0.64          |
| Disputed Trade receivables - considered good                                     | -  | -                     | -                    | -         | -         | -                    | -             |
| Disputed Trade receivables - which have<br>significant increase in credit risk   | -  | -                     | -                    | -         | -         | -                    | -             |
| Disputed Trade receivables - credit impaired                                     | -  | -                     | -                    | -         | -         | -                    | -             |
|  | <b>79.07</b>   | <b>38.01</b>          | <b>0.39</b>          | <b>-</b>  | <b>-</b>  | <b>0.46</b>          | <b>117.93</b> |

#### As at 31 March 2024

| Particulars  | Outstanding for following periods from due date of payment |                       |                      |             |           |                      | Total         |
|--|--|-----------------------|----------------------|-------------|-----------|----------------------|---------------|
|  | Current but<br>Not Due                                     | Less than<br>6 months | 6 months -<br>1 year | 1-2 years   | 2-3 years | More than<br>3 years |               |
| Undisputed Trade Receivables - considered good                                   | 80.76  | 36.36                 | -                    | -           | -         | -                    | 117.12        |
| Undisputed Trade Receivables - which have<br>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<br>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> |

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.

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

Set out below is the movement in the allowance for expected credit losses of trade receivables:

|  | March 31, 2025 | March 31, 2024 |
|--|----------------|----------------|
| <b>Opening Balance</b>                                     | 0.41           | -              |
| Addition pursuant to Scheme of Arrangement (Refer Note 41) | -              | 0.37           |
| Impairment loss on trade receivables                       | 0.23           | 0.04           |
| <b>Closing Balance</b>                                     | <b>0.64</b>    | <b>0.41</b>    |

**10A Cash and cash equivalents**

| Particulars                            | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Balances with bank                     |                         |                         |
| - On current accounts                  | 2.20                    | 10.29                   |
| Cash on hand                           | 0.02                    | 0.01                    |
| <b>Total cash and cash equivalents</b> | <b>2.22</b>             | <b>10.30</b>            |

**10B Bank balances other than cash and cash equivalents**

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| - On account of margin money deposited*                         | 2.74                    | 1.66                    |
| - On unpaid dividend account                                    | 0.10                    | -                       |
| <b>Total bank balances other than cash and cash equivalents</b> | <b>2.84</b>             | <b>1.66</b>             |

\* Margin money held with banks against Letter of Credits and bank guarantee.

**Changes in liabilities arising from financing activities**

| Particulars  | Current                 |                         |
|--|-------------------------|-------------------------|
|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
| Opening balance of current borrowings  | 42.64                   | -                       |
| Pursuant to Scheme of Arrangement (refer note 41)                                | -                       | 25.17                   |
| Proceeds of short-term borrowings  | 36.73                   | 17.30                   |
| Current Maturities of Non-Current Borrowings classified under Current Borrowings | (18.92)                 | -                       |
| Foreign exchange fluctuation   | 0.06                    | 0.09                    |
| Others #   | 0.10                    | 0.08                    |
| <b>Closing Balance of current borrowings</b>                                     | <b>60.60</b>            | <b>42.64</b>            |

### Changes in liabilities arising from financing activities

| Particulars  | Non-Current             |                         |
|--|-------------------------|-------------------------|
|  | As at March<br>31, 2025 | As at March<br>31, 2024 |
| Opening Balance of non-current borrowings  | 29.18                   | -                       |
| Pursuant to Scheme of Arrangement (refer note 41)                                | -                       | 53.42                   |
| Repayment of Long term borrowings including Current maturities                   | (45.43)                 | (24.35)                 |
| Current Maturities of Non-Current Borrowings classified under Current Borrowings | 18.92                   | -                       |
| Foreign exchange fluctuation   | 0.03                    | 0.02                    |
| Others #   | 0.03                    | 0.09                    |
| <b>Closing Balance of non-current borrowings</b>                                 | <b>2.73</b>             | <b>29.18</b>            |

# includes the effect of interest accrued but not due on borrowings.

### 11A Loans

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good, unless stated otherwise) |                         |                         |
| Loan to employees                                     | 0.15                    | 0.17                    |
| <b>Total Loans</b>                                    | <b>0.15</b>             | <b>0.17</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<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| Loans (Refer Note 6A & 11A)  | 0.18                    | 0.21                    |
| Security deposits (Refer Note 6B)  | 15.17                   | 14.87                   |
| Bank deposits with remaining maturity of more than twelve months (Refer Note 6B) | 0.09                    | 0.09                    |
| Trade receivables (Refer Note 9)   | 117.29                  | 117.12                  |
| Cash and cash equivalents (Refer Note 10A)                                       | 2.22                    | 10.30                   |
| Bank balances other than cash and cash equivalents (Refer Note 10B)              | 2.84                    | 1.66                    |
| Other current financial assets (Refer Note 11B)                                  | 20.21                   | 8.99                    |
| <b>Total financial assets carried at amortised cost</b>                          | <b>158.00</b>           | <b>153.24</b>           |

### 11B Other current financial assets

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good, unless stated otherwise)               |                         |                         |
| Export incentives and other receivables from government authorities | 18.38                   | 6.70                    |
| Interest receivable   | 0.97                    | 0.83                    |
| Other receivable*   | 0.86                    | 1.46                    |
| <b>Total Other current financial asset</b>                          | <b>20.21</b>            | <b>8.99</b>             |

\* includes receivables from vendor.

Notes to the Financial Statements as at and for the year ended March 31, 2025  
(INR in crores unless specified otherwise)

## 12 Income tax and deferred tax

### Non Current tax assets (net)

| Particulars  | As at March<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| Advance Income tax including TDS (net of provisions) | 0.39                    | 1.15                    |
| <b>Total</b>   | <b>0.39</b>             | <b>1.15</b>             |

### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2025 and March 31, 2024:

| Particulars  | As at March<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| Accounting profit before tax   | 63.29                   | 34.55                   |
| At India's statutory income tax rate of 25.168%  | 15.92                   | 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                    | 0.00                    |
| - Change in indexed cost of acquisition on fair valuation gain of land                             | (8.88)                  | (0.29)                  |
| - Items of capital nature  | 0.05                    | 0.18                    |
| - CSR expenses   | 0.14                    | -                       |
| - Others   | -                       | 0.91                    |
| At the effective income tax rate of 11.42% (March 31, 2024: 27.51%)                                | <b>7.23</b>             | <b>9.50</b>             |
| Current tax expense reported in the statement of profit and loss                                   | 4.17                    | -                       |
| Deferred tax expense reported in the statement of profit and loss                                  | 3.06                    | 9.50                    |
| <b>Total tax expenses</b>  | <b>7.23</b>             | <b>9.50</b>             |

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| <b>Deferred tax expense/(income) relates to the following:</b>                                    |                         |                         |
| Property, plant and equipment   | 1.41                    | (12.22)                 |
| Unamortised borrowing costs   | 0.02                    | 0.02                    |
| Other comprehensive income  | (0.14)                  | (0.49)                  |
| Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961 & on other items | (1.01)                  | 1.03                    |
| Items under Section 35 DDA of Income Tax Act, 1961  | (3.64)                  | 3.64                    |
| Provision for Doubtful debts  | 0.06                    | -                       |
| Provision for Onerous contract  | -                       | (1.97)                  |
| <b>Deferred tax (credit)/expenses</b>   | <b>(3.29)</b>           | <b>(9.99)</b>           |

### Disclosed as follows:

|   |             |             |
|---|-------------|-------------|
| Deferred tax expenses recognised in Other Comprehensive Income                                  | 0.14        | 0.49        |
| Deferred tax expenses for earlier years recognised statement profit and loss under tax expenses | 0.09        | -           |
| Deferred tax expense recognised statement profit and loss under tax expense                     | 3.06        | 9.50        |
| <b>Total deferred tax expense</b>   | <b>3.29</b> | <b>9.99</b> |

**Deferred tax relates to the following:**

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| <b>Deferred tax liabilities on:</b>   |                         |                         |
| Property, plant and equipment   | 131.76                  | 133.17                  |
| Unamortised borrowing costs   | 0.00                    | 0.02                    |
| Other comprehensive income  | 0.63                    | 0.49                    |
| <b>Deferred tax assets on:</b>  |                         |                         |
| Expenditure allowable on payment basis under Section 43B of Income Tax Act, 1961 & on other items | (0.52)                  | (1.53)                  |
| Unabsorbed depreciation   | -                       | (3.64)                  |
| Provision for Doubtful debts  | (0.06)                  | -                       |
| <b>Net deferred tax liabilities</b>   | <b>131.81</b>           | <b>128.51</b>           |

**Reflected in the balance sheet as follows:**

|                                     |               |               |
|-------------------------------------|---------------|---------------|
| Deferred tax assets                 | (0.58)        | (5.17)        |
| Deferred tax liabilities            | 132.39        | 133.68        |
| <b>Net deferred tax liabilities</b> | <b>131.81</b> | <b>128.51</b> |

Pursuant to removal of indexation benefit and change in tax rate on long term capital gain on enactment of the Finance Act 2024, the Company has reassessed deferred tax liabilities which has resulted in reversal of deferred tax liability of INR 8.62 crores which has been recorded for the year ended March 31, 2025.

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.

### 13 Other current assets

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| (Unsecured, considered good unless stated otherwise)                    |                         |                         |
| Balances with statutory authorities                                     | 19.66                   | 42.03                   |
| Advances to vendors   | 6.58                    | 2.46                    |
| Prepaid expenses  | 0.40                    | 0.38                    |
| Corporate social responsibility prespent                                | 0.65                    | -                       |
| Gratuity plan asset (net of defined benefit obligation) (Refer Note 32) | -                       | 0.76                    |
| Others*   | -                       | 0.72                    |
| <b>Total other current assets</b>                                       | <b>27.29</b>            | <b>46.35</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 recoverable on account for sale of wind banking units.



Notes to the Financial Statements as at and for the year ended March 31, 2025  
(INR in crores unless specified otherwise)

## 14 Share capital

### Authorised share capital

| Particulars  | Number of Shares<br>(of INR 10 each) | Amount       |
|--|--------------------------------------|--------------|
| <b>As at April 01, 2023</b>                                | 7,50,000                             | 0.15         |
| 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> |
| Increase/(Decrease) during the year                        | -                                    | -            |
| <b>As at March 31, 2025</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 ensuing 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 2 each issued, subscribed and fully paid</b>         |                    |              |
| <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>As at March 31, 2024</b>  | <b>9,55,85,786</b> | <b>19.12</b> |
| Changes during the year  | -                  | -            |
| <b>As at March 31, 2025</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<br>31, 2025 | As at March<br>31, 2024 |
|---------------------------|-------------------------|-------------------------|
| Promoter & Promoter Group | 19.16%                  | 19.15%                  |

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)

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

**Details of shares held by promoters as at March 31, 2025:**

| 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%             | 0.00%                    |
| 2            | Gems Commercial Company Limited                               | 29,40,207                              | -                      | 29,40,207                     | 3.08%             | 0.00%                    |
| 3            | Banjax Limited  | 27,89,700                              | -                      | 27,89,700                     | 2.92%             | 0.00%                    |
| 4            | Hexabond Limited  | 27,18,200                              | -                      | 27,18,200                     | 2.84%             | 0.00%                    |
| 5            | Oval Investment Private Limited                               | 25,88,848                              | -                      | 25,88,848                     | 2.71%             | 0.00%                    |
| 6            | Lhonak Enternational Private Limited                          | 13,65,599                              | -                      | 13,65,599                     | 1.43%             | 0.00%                    |
| 7            | Anurag Dalmia HUF   | 6,05,124                               | -                      | 6,05,124                      | 0.63%             | 0.00%                    |
| 8            | Carissa Investment Private Limited                            | 4,81,752                               | -                      | 4,81,752                      | 0.50%             | 0.00%                    |
| 9            | Harvatex Engineering And Processing Company Limited           | 4,15,723                               | -                      | 4,15,723                      | 0.43%             | 0.00%                    |
| 10           | Wgf Financial Services Limited                                | 3,78,807                               | -                      | 3,78,807                      | 0.40%             | 0.00%                    |
| 11           | Anurag Trading Leasing And Investment Company Private Limited | 2,87,200                               | -                      | 2,87,200                      | 0.30%             | 0.00%                    |
| 12           | Dalmia Finance Limited  | 2,00,244                               | -                      | 2,00,244                      | 0.21%             | 0.00%                    |
| 13           | Archana Trading And Investment Company Private Limited        | 1,32,848                               | -                      | 1,32,848                      | 0.14%             | 0.00%                    |
| 14           | Anurag Dalmia   | 1,40,225                               | 5,000                  | 1,45,225                      | 0.15%             | 3.57%                    |
| 15           | Neelabh Dalmia  | 1,68,150                               | 501                    | 1,68,651                      | 0.18%             | 0.30%                    |
| 16           | Bharatpur Investment Limited                                  | 38,842                                 | -                      | 38,842                        | 0.04%             | 0.00%                    |
| 17           | Sanjay Trading Investment Company Private Limited             | 29,100                                 | -                      | 29,100                        | 0.03%             | 0.00%                    |
| 18           | General Exports And Credits Limited                           | 17,000                                 | -                      | 17,000                        | 0.02%             | 0.00%                    |
| 19           | Golden Tobacco Limited  | 16,578                                 | -                      | 16,578                        | 0.02%             | 0.00%                    |
| 20           | Pashupatinath Commercial Private Limited                      | 15,000                                 | -                      | 15,000                        | 0.02%             | 0.00%                    |
| 21           | Sovereign Commercial Private Limited                          | 6,000                                  | -                      | 6,000                         | 0.01%             | 0.00%                    |
| 22           | Dalmia Housing Finance Limited                                | 5,707                                  | -                      | 5,707                         | 0.01%             | 0.00%                    |
| 23           | Trishul Commercial Private Limited                            | 5,100                                  | -                      | 5,100                         | 0.01%             | 0.00%                    |
| 24           | Swastik Commercial Private Limited                            | 3,700                                  | -                      | 3,700                         | 0.00%             | 0.00%                    |
| 25           | Alankar Commercial Private Limited                            | 2,600                                  | -                      | 2,600                         | 0.00%             | 0.00%                    |
| 26           | Ricklunsford Trade And Industrial Investment Limited          | 1,960                                  | -                      | 1,960                         | 0.00%             | 0.00%                    |
| 27           | Chirawa Investment Limited                                    | 1,860                                  | -                      | 1,860                         | 0.00%             | 0.00%                    |
| 28           | Mourya Finance Limited  | 1,860                                  | -                      | 1,860                         | 0.00%             | 0.00%                    |
| 29           | Lakshmi Vishnu Investment Limited                             | 1,860                                  | -                      | 1,860                         | 0.00%             | 0.00%                    |
| 30           | Sikar Investment Company Limited                              | 1,800                                  | -                      | 1,800                         | 0.00%             | 0.00%                    |
| 31           | Antarctica Investment Private Limited                         | 768                                    | -                      | 768                           | 0.00%             | 0.00%                    |
| 32           | Comosum Investment Private Limited                            | 701                                    | -                      | 701                           | 0.00%             | 0.00%                    |
| 33           | Lovely Investment Private Limited                             | 645                                    | -                      | 645                           | 0.00%             | 0.00%                    |
| 34           | Altar Investment Private Limited                              | 318                                    | -                      | 318                           | 0.00%             | 0.00%                    |
| 35           | Ilac Investment Private Limited                               | 217                                    | -                      | 217                           | 0.00%             | 0.00%                    |
| 36           | Dear Investment Private Limited                               | 55                                     | -                      | 55                            | 0.00%             | 0.00%                    |
| <b>Total</b> |   | <b>1,83,09,035</b>                     | <b>5,501</b>           | <b>1,83,14,536</b>            | <b>19.16%</b>     |                          |

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

**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%                   |
| 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).

## 15 Other equity

| Particulars                   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|-------------------------------|-------------------------|-------------------------|
| Capital reserve (Note 15A)    | (238.00)                | (238.00)                |
| Securities premium (Note 15B) | 1,578.16                | 1,578.16                |
| Retained earnings (Note 15C)  | 78.10                   | 26.48                   |
| <b>Total</b>                  | <b>1,418.26</b>         | <b>1,366.64</b>         |

### Movement, nature and purpose of reserves:

#### 15A Capital reserve

| Particulars   | Amount in<br>crores |
|---|---------------------|
| <b>As at April 01, 2023</b>                               | -                   |
| Created pursuant to Scheme of Arrangement (Refer note 41) | (238.00)            |
| <b>As at March 31, 2024</b>                               | <b>(238.00)</b>     |
| Changes during the year                                   | -                   |
| <b>As at March 31, 2025</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, 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> |
| Changes during the year                                    | -               |
| <b>As at March 31, 2025</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, 2023</b>                                 | (0.01)       |
| Profit for the year   | 25.05        |
| Other comprehensive income                                  |              |
| - Re-measurement gain on defined benefit plans (net of tax) | 1.44         |
| <b>As at March 31, 2024</b>                                 | <b>26.48</b> |
| Profit for the year   | 55.97        |
| Other comprehensive income                                  |              |
| - Re-measurement gain on defined benefit plans (net of tax) | 0.43         |
| Dividend paid during the year                               | (4.78)       |
| <b>As at March 31, 2025</b>                                 | <b>78.10</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, 2024</b> | <b>1,366.64</b> |
| <b>Total as at March 31, 2025</b> | <b>1,418.26</b> |

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

**Distributions made and proposed**

| Particulars  | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| <b>Cash dividends on equity shares declared and paid:</b>  |                                   |                                   |
| Final dividend for the year ended March 31, 2024: INR 0.50 per equity share (March 31, 2023: NIL)                              | 4.78                              | -                                 |
|  | <b>4.78</b>                       | <b>-</b>                          |
| <b>Proposed dividends on equity shares:</b>  |                                   |                                   |
| Proposed dividend for the year ended on March 31, 2025: INR 0.50 per equity share (March 31, 2024: INR 0.50 per equity share ) | 4.78                              | 4.78                              |
|  | <b>4.78</b>                       | <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, 2025 | As at March 31, 2024 |
|---|----------------------|----------------------|
| <b>16A Non-current borrowings</b>                                   |                      |                      |
| <b>Term loans (secured)</b>   |                      |                      |
| <b>From banks</b>   |                      |                      |
| - Rupee term loans  | 2.84                 | 41.03                |
| <b>From financial institutions</b>                                  |                      |                      |
| - Rupee term loans  | 4.31                 | 5.88                 |
| - Foreign currency term loan  | -                    | 5.67                 |
| <b>Total non-current borrowings (including current maturities)</b>  | <b>7.15</b>          | <b>52.58</b>         |
| Less: Current maturities of non-current borrowings (refer note 16B) | 4.42                 | 23.40                |
| <b>Total non-current borrowings</b>                                 | <b>2.73</b>          | <b>29.18</b>         |

**16.1 Term loans from Banks / institutions have been secured against:**

- Rupee term loans aggregating to INR 7.15 crores (March 31, 2024: INR 46.91 crores) is secured by exclusive charge on the specific property, plant and equipment created out of the proceeds of the loan for Company's units situated in Tamil Nadu. The said loans carry interest rates ranging from 8.65% to 8.95% p.a. The remaining tenure of the loans is 1 to 3 years.
- Foreign currency term loan aggregating to INR Nil (March 31, 2024: INR 5.67 crores) was 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 is fully repaid during the year. The said loans had interest rates ranging from 6.66% to 7.65% p.a.
- Out of all the aforesaid secured Loans appearing in Note 16.1(a) to 16.1(b) totalling INR 7.15 crores (March 31, 2024: INR 52.58 crores), an amount of INR 4.42 crores (March 31, 2024: INR 23.40 crores) is due for payment in next 12 months and accordingly reported under Note 16(B) under the head "current borrowings" as "current maturities of non-current borrowings".

## 16B Current borrowings

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| <b>Secured</b>  |                         |                         |
| <b>Loans repayable on demand</b>                              |                         |                         |
| Bank overdraft  | 5.93                    | 5.07                    |
| Export packing credit loan                                    | 25.00                   | -                       |
| Working capital demand loans from banks                       | 15.54                   | 14.00                   |
| Buyer's credit foreign currency loan                          | 9.58                    | -                       |
| Current maturities of non-current borrowings (refer note 16A) | 4.42                    | 23.40                   |
| Interest accrued but not due on borrowings                    | 0.13                    | 0.17                    |
| <b>Total short term borrowings</b>                            | <b>60.60</b>            | <b>42.64</b>            |

16.2 **Current 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 property, plant and equipment of the Company situated at Paravai & Manaparai, Tamil Nadu; and borrowed as under:

- Credit Facilities in Indian Rupees:** The facilities availed by way of bank overdraft, working capital demand loan and Export Packing Credit are repayable on demand and carries interest rate ranging between 7.40% to 9.40% p.a.
- Credit facilities in foreign currency :** The Company has availed Foreign Currency loan by way of Buyer's credit which is payable on demand and carries interest rate ranging between 3.14% to 3.25% p.a. (without Forward Premium).
- 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, 2025 the Company has available INR 243.95 crores (As at March 31, 2024: INR 280.93 crores) of undrawn committed borrowing facilities.

## 17 Provisions

| Particulars                            | As at March<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| Provision for compensated absences     | 1.85                    | 2.01                    |
| Provision for Gratuity (Refer Note 32) | 0.05                    | -                       |
| <b>Total Provisions</b>                | <b>1.90</b>             | <b>2.01</b>             |

## 18 Trade Payables

| Particulars  | As at March<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| Trade payables   |                         |                         |
| - Total outstanding dues of micro enterprises and small enterprises (refer note 18B)     | 4.73                    | 4.08                    |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 37.04                   | 21.45                   |
|  | <b>41.77</b>            | <b>25.53</b>            |
| Trade payables to related parties (refer note 34)  | 0.38                    | 0.24                    |
| Trade payables other than related parties  | 41.39                   | 25.29                   |
|  | <b>41.77</b>            | <b>25.53</b>            |

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

**18A Trade Payables Ageing Schedule :**

**As at 31st March 2025**

| 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                      | -  | 4.73         | -                | -           | -           | -                 | 4.73         |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 14.06  | 16.89        | 5.67             | 0.09        | 0.27        | 0.06              | 37.04        |
| Disputed dues of micro enterprises and small enterprises                               | -  | -            | -                | -           | -           | -                 | -            |
| Disputed dues of creditors other than micro enterprises and small enterprises          | -  | -            | -                | -           | -           | -                 | -            |
| <b>Total</b>   | <b>14.06</b>   | <b>21.62</b> | <b>5.67</b>      | <b>0.09</b> | <b>0.27</b> | <b>0.06</b>       | <b>41.77</b> |

**As at 31 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 | 8.95   | 7.26         | 4.32             | 0.15        | 0.27        | 0.50              | 21.45        |
| Disputed dues of micro enterprises and small enterprises                               | -  | -            | -                | -           | -           | -                 | -            |
| Disputed dues of creditors other than micro enterprises and small enterprises          | -  | -            | -                | -           | -           | -                 | -            |
| <b>Total</b>   | <b>8.95</b>  | <b>11.34</b> | <b>4.32</b>      | <b>0.15</b> | <b>0.27</b> | <b>0.50</b>       | <b>25.53</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, 2025 | As at March 31, 2024 |
|--|----------------------|----------------------|
| 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 6.03 crores (March 31, 2024: INR 0.39 crores)  | 10.76                | 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   | -                    | -                    |
| 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<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| <b>Derivative instruments at fair value through profit or loss</b> |                         |                         |
| Derivatives not designated as hedges                               |                         |                         |
| Foreign exchange forward contracts*                                | 0.00                    | 0.00                    |
| <b>Total derivative instruments</b>                                | <b>0.00</b>             | <b>0.00</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<br>31, 2025 | As at March<br>31, 2024 |
|--|-------------------------|-------------------------|
| <b>Other financial liabilities at amortised cost</b> |                         |                         |
| Capital creditors*                                   | 11.62                   | 4.80                    |
| Employee benefit related payable                     | 5.36                    | 3.35                    |
| Unpaid dividend                                      | 0.10                    | -                       |
| <b>Total Other financial liabilities</b>             | <b>17.08</b>            | <b>8.15</b>             |

\* includes outstanding dues of micro and small enterprises of INR 6.03 crores (March 31, 2024: INR 0.39 crores) (refer note 18B)

## 20 Other liabilities

| Particulars                        | As at March<br>31, 2025 | As at March<br>31, 2024 |
|------------------------------------|-------------------------|-------------------------|
| Statutory dues                     | 1.32                    | 1.37                    |
| Liability on advance authorisation | 6.71                    | 4.69                    |
| Others                             | 0.05                    | -                       |
| <b>Total other liabilities</b>     | <b>8.08</b>             | <b>6.06</b>             |

Notes to the Financial Statements as at and for the year ended March 31, 2025  
(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:

| Particulars  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| <b>Revenue from contracts with customers</b>       |                                      |                                      |
| - Sale of manufactured products                    | 1,147.15                             | 1,040.39                             |
| - Sale of traded products                          | 3.88                                 | 4.67                                 |
| <b>Total Sale of products</b>                      | <b>1,151.03</b>                      | <b>1,045.06</b>                      |
| <b>Other operating revenue</b>                     |                                      |                                      |
| - Sale of Scrap                                    | 1.17                                 | 1.22                                 |
| - Export benefits                                  | 8.96                                 | 7.59                                 |
| <b>Total other operating revenue</b>               | <b>10.13</b>                         | <b>8.81</b>                          |
| <b>Revenue from operations</b>                     | <b>1,161.16</b>                      | <b>1,053.87</b>                      |
| <b>Type of goods</b>                               |                                      |                                      |
| <b>Sale of manufactured products</b>               |                                      |                                      |
| - Yarn   | 1,018.14                             | 938.13                               |
| - Fabric   | 94.63                                | 64.10                                |
| - Waste  | 34.38                                | 38.16                                |
| <b>Sale of traded products</b>                     |                                      |                                      |
| - Fabric   | 3.88                                 | 4.67                                 |
| <b>Total revenue from contracts with customers</b> | <b>1,151.03</b>                      | <b>1,045.06</b>                      |
| India  | 967.06                               | 889.83                               |
| Outside India                                      | 183.97                               | 155.23                               |
| <b>Total revenue from contracts with customers</b> | <b>1,151.03</b>                      | <b>1,045.06</b>                      |
| <b>Timing of revenue recognition</b>               |                                      |                                      |
| Goods transferred at a point in time               | 1,151.03                             | 1,045.06                             |
| <b>Total revenue from contracts with customers</b> | <b>1,151.03</b>                      | <b>1,045.06</b>                      |

### 2) Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers

| Particulars                 | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|-----------------------------|--------------------------------------|--------------------------------------|
| Trade receivables *         | 117.29                               | 117.12                               |
| Contract liabilities        |                                      |                                      |
| - Advances from customers** | 1.49                                 | 5.02                                 |

**Set out below is the amount of revenue recognised from:**

|   | March 31, 2025 | March 31, 2024 |
|---|----------------|----------------|
| Amounts included in contract liabilities at the beginning of the year                               | 5.02           | -              |
| Amounts included in contract liabilities acquired pursuant to scheme of arrangement (Refer note 41) | -              | 3.80           |
| Revenue recognised during the year  | 5.02           | 3.80           |
| Amounts included in contract liabilities at the end of the year                                     | 1.49           | 5.02           |

\* 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<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Revenue as per contracted price             | 1,153.88                             | 1,049.39                             |
| <b>Adjustments :</b>                        |                                      |                                      |
| Sales return                                | (1.54)                               | (2.99)                               |
| Discounts                                   | (1.31)                               | (1.34)                               |
| <b>Revenue from contract with customers</b> | <b>1,151.03</b>                      | <b>1,045.06</b>                      |

**4) The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are, as follows:**

| Particulars                              | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Advance from Customers (Within one year) | 1.49                                 | 5.02                                 |
|  | <b>1.49</b>                          | <b>5.02</b>                          |

Management expects that the entire transaction price allotted 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<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| (a) Interest income from financial assets measured at amortised cost |                                      |                                      |
| (i) from Bank deposits   | 0.32                                 | 0.24                                 |
| (ii) Others  | 0.79                                 | 0.90                                 |
| (b) Other non-operating income                                       |                                      |                                      |
| Gain on foreign exchange (net)                                       | 2.23                                 | 1.64                                 |
| Profit on sale of current investments                                | 2.76                                 | 1.94                                 |
| Liabilities written back   | 0.49                                 | -                                    |
| Interest on Income tax refund  | 0.05                                 | -                                    |
| Gain on sale/disposal of property, plant and equipment (net)         | 0.10                                 | 0.89                                 |
| Miscellaneous income   | 0.22                                 | 0.02                                 |
|  | <b>6.96</b>                          | <b>5.63</b>                          |

Notes to the Financial Statements as at and for the year ended March 31, 2025  
(INR in crores unless specified otherwise)

## 23 Cost of raw materials consumed

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Inventory at the beginning of the year                                    | 253.60                               | -                                    |
| Add: Inventory acquired pursuant to Scheme of Arrangement (Refer Note 41) | -                                    | 263.22                               |
| Add: Purchases  | 729.69                               | 722.05                               |
|   | 983.29                               | 985.27                               |
| Less: Inventory at the end of the year                                    | (209.81)                             | (253.60)                             |
| <b>Cost of raw material consumed</b>                                      | <b>773.48</b>                        | <b>731.67</b>                        |

## 24 (Increase)/Decrease in inventories of finished goods, stock-in-trade and work-in-progress

| Particulars                               | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
|   | 7.52                                 | (6.94)                               |
| <b>Opening stock</b>                      |                                      |                                      |
| Finished goods                            | 65.85                                | 45.51                                |
| Work in progress                          | 24.76                                | 38.24                                |
| Stock-in-trade                            | 0.08                                 | -                                    |
|   | <b>90.69</b>                         | <b>83.75</b>                         |
| <b>Closing stock</b>                      |                                      |                                      |
| Finished goods                            | 57.82                                | 65.85                                |
| Work in progress                          | 25.35                                | 24.76                                |
| Stock-in-trade                            | -                                    | 0.08                                 |
|   | <b>83.17</b>                         | <b>90.69</b>                         |
| <b>(Increase)/decrease in inventories</b> |                                      |                                      |
| Finished goods                            | 8.03                                 | (20.34)                              |
| Work in progress                          | (0.59)                               | 13.48                                |
| Stock-in-trade                            | 0.08                                 | (0.08)                               |

## 25 Employee benefit expenses

| Particulars                               | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Salaries, wages and bonus                 | 57.57                                | 46.55                                |
| Contribution to provident and other funds | 5.14                                 | 4.57                                 |
| Gratuity expenses (Refer Note 32)         | 1.56                                 | 1.98                                 |
| Staff welfare expenses                    | 10.15                                | 8.80                                 |
|   | <b>74.42</b>                         | <b>61.90</b>                         |

## 26 Finance costs

| Particulars               | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---------------------------|--------------------------------------|--------------------------------------|
| a) Interest expenses :    |                                      |                                      |
| Interest on borrowings    | 1.88                                 | 5.68                                 |
| Interest on others        | -                                    | 0.28                                 |
| b) Other borrowing costs* | 0.86                                 | 1.39                                 |
|                           | <b>2.74</b>                          | <b>7.35</b>                          |

\* includes commitment charges and loan processing charges

## 27 Depreciation and amortization expense

| Particulars  | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Depreciation of property, plant and equipment (Refer Note 3) | 50.53                                | 47.30                                |
| Amortization of intangible assets (Refer Note 4)             | 0.12                                 | 0.06                                 |
|  | <b>50.65</b>                         | <b>47.36</b>                         |

## 28 Other expenses

| Particulars                            | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Consumption of stores and spares       | 27.93                                | 26.45                                |
| Packing expenses                       | 19.06                                | 17.56                                |
| Job work charges                       | 18.30                                | 12.19                                |
| Freight and forwarding charges         | 16.20                                | 12.80                                |
| Commission on sales                    | 9.24                                 | 7.58                                 |
| Other selling expenses                 | 3.52                                 | 2.78                                 |
| Travelling and conveyance              | 1.95                                 | 2.09                                 |
| Other manufacturing expenses           | 0.75                                 | 1.60                                 |
| Rent                                   | 0.49                                 | 0.45                                 |
| <b>Repairs and maintenance :</b>       |                                      |                                      |
| - Plant and machinery                  | 8.75                                 | 12.15                                |
| - Buildings                            | 0.58                                 | 0.17                                 |
| - Others                               | 0.25                                 | 0.61                                 |
| Rates and taxes                        | 0.93                                 | 1.73                                 |
| Insurance                              | 3.01                                 | 3.50                                 |
| Commission to Non Whole time Directors | 0.42                                 | 0.25                                 |
| Communication expenses                 | 0.28                                 | 0.32                                 |
| Legal and professional expenses        | 2.03                                 | 1.83                                 |
| Payment to Auditors (refer note 28A)   | 0.59                                 | 0.51                                 |

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

| Particulars                          | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Bank charges                         | 1.03                                 | 0.57                                 |
| CSR Expenditure (refer note 28B)     | 0.55                                 | -                                    |
| Impairment loss on trade receivables | 0.23                                 | 0.04                                 |
| Advances written off                 | 0.03                                 | 0.07                                 |
| Miscellaneous expenses               | 2.66                                 | 2.22                                 |
|                                      | <b>118.78</b>                        | <b>107.47</b>                        |

**28A Payment to Auditors :**

| Particulars                         | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| <b>To Statutory Auditors:</b>       |                                      |                                      |
| Audit fee                           | 0.20                                 | 0.18                                 |
| Limited reviews                     | 0.33                                 | 0.30                                 |
| <b>In other capacity</b>            |                                      |                                      |
| Other services (certification fees) | 0.02                                 | 0.02                                 |
| Reimbursements of expenses          | 0.04                                 | 0.01                                 |
|                                     | <b>0.59</b>                          | <b>0.51</b>                          |

**28B Details of CSR expenditure :**

| Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| <b>a Gross amount required to be spent by the Company during the year</b> | 0.16                                 | -                                    |
| <b>b Amount approved by the Board to be spent during the year</b>         | 0.55                                 | -                                    |
| <b>c Amount spent during the year ending on 31st March, 2025:</b>         | <b>Total</b>                         | <b>Total</b>                         |
| i) Construction / acquisition of any asset                                | -                                    | -                                    |
| ii) On purpose other than (i) above                                       | 0.55                                 | -                                    |
| <b>d Amount spent during the year ending on 31st March, 2024:</b>         | <b>Total</b>                         | <b>Total</b>                         |
| i) Construction / acquisition of any asset                                | -                                    | -                                    |
| ii) On purpose other than (i) above                                       | -                                    | -                                    |
| <b>e Details related to spent / unspent obligations:</b>                  |                                      |                                      |
| i) Contribution to Public Trust   | 0.55                                 | -                                    |
| ii) Contribution to Charitable Trust                                      | -                                    | -                                    |
| iii) Unspent amount in relation to:                                       |                                      |                                      |
| - Ongoing project   | -                                    | -                                    |
| - Other than ongoing project  | -                                    | -                                    |

## 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>For the year ended March 31, 2025</b>   |                   |
| Re-measurement gain on defined benefit plan (net of tax)                               | 0.43              |
| <b>Total</b>   | <b>0.43</b>       |
| <b>For the 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>       |

## 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.

| The following reflects the income and share data used in computation of Basic EPS and Diluted EPS: | For the year ended March 31, 2025 | For the year ended March 31, 2024 |
|--|-----------------------------------|-----------------------------------|
| Profit attributable to the equity holders of the Company   | 55.97                             | 25.05                             |
| Weighted average number of equity shares for Basic EPS and Diluted EPS                             | 9,55,85,786                       | 9,55,85,786                       |
| Basic and Diluted earnings per share (Face value of INR 2/- per equity share)                      | 5.86                              | 2.62                              |

## 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.



**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

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.

**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.

Notes to the Financial Statements as at and for the year ended March 31, 2025  
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## 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<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Employer's contribution to provident fund/pension scheme excluding administration charges | 3.84                                 | 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, 2025. 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.

### Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at March 31, 2025 :

|                                      | Gratuity cost charged to profit or loss |  |              |                                |                                   |               | Re-measurement (gains) / losses in other comprehensive income              |   |                        |                          |                           |                      |
|--------------------------------------|---|--|--------------|--------------------------------|-----------------------------------|---------------|--|---|------------------------|--------------------------|---------------------------|----------------------|
|                                      | As at April 01, 2024                    | 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 / Demographic Assumptions | Experience adjustments | Subtotal included in OCI | Contributions by employer | As at March 31, 2025 |
| Defined benefit obligation           | 9.85                                    | -  | 1.62         | 0.70                           | 2.32                              | (0.79)        | -  | -   | (0.08)                 | (0.08)                   | -                         | 11.30                |
| Fair value of plan assets            | 10.61                                   | -  | -            | (0.76)                         | (0.76)                            | (0.46)        | (0.48)   | -   | -                      | (0.48)                   | (0.14)                    | 11.25                |
| <b>Benefit (assets)/ Liabilities</b> | <b>(0.76)</b>                           |  |              |                                | <b>1.56</b>                       |               |  |   |                        | <b>(0.57)</b>            |                           | <b>0.05</b>          |

**Changes in the defined benefit obligation and fair value of plan assets (in respect of gratuity fund) as at 31st March 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) | Actuarial changes arising from changes in financial assumptions | Experience adjustments | Subtotal included in OCI | Contributions by employer | As at March 31, 2024 |
| Defined benefit obligation           | -                                       | 10.52  | 1.32         | 0.66                           | 1.98                              | (0.81)        | -  | -   | (1.84)                 | (1.84)                   | -                         | 9.85                 |
| Fair value of plan assets            | -                                       | 10.52  | -            | -                              | -                                 | -             | (0.09)   | -   | -                      | (0.09)                   | -                         | 10.61                |
| <b>Benefit (assets)/ Liabilities</b> | <b>-</b>                                |  |              |                                | <b>1.98</b>                       |               |  |   |                        | <b>(1.93)</b>            |                           | <b>(0.76)</b>        |

The major categories of plan assets of the fair value of the total plan assets are as follows:

| Particulars    | As at March 31, 2025 | As at March 31, 2024 |
|----------------|----------------------|----------------------|
| Insurance fund | 11.25                | 10.61                |

The principal assumptions used in determining gratuity are:

| Mortality table - LIC                   | As at March 31, 2025                           | As at March 31, 2024                           |
|---|--|--|
|   | Indian Assured Lives Mortality 2012-14 (Urban) | Indian Assured Lives Mortality 2012-14 (Urban) |
| Discount rate                           | 6.65%  | 7.19%  |
| Estimated rate of return on plan assets | 6.65%  | 7.19%  |
| Estimated future salary growth          | 9.00%  | 9.00%  |
| Rate of employee turnover               | 11.00%   | 11.00%   |

A quantitative sensitivity analysis for significant assumption as at March 31, 2025 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 | (0.14)            | 0.15        | 0.70        | (0.63)      | (0.64)        | 0.73        |

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        |

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
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The following payments are projected benefits payable in future years from the date of reporting from the fund:

|  | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| Within the next 12 months (next annual reporting year) | 1.70                    | 1.57                    |
| 2nd Following Year                                     | 1.13                    | 0.96                    |
| 3rd Following Year                                     | 1.19                    | 1.10                    |
| 4th Following Year                                     | 1.09                    | 1.11                    |
| 5th Following Year                                     | 1.14                    | 0.93                    |
| Sum of Years 6 to 10                                   | 4.53                    | 4.04                    |
| Sum of Years 11 and above                              | 8.06                    | 7.16                    |
| <b>Total expected payments</b>                         | <b>18.84</b>            | <b>16.88</b>            |

Expected contribution in the next year is INR 1.69 crores (March 31, 2024: INR 0.67 crores)

The average duration of the defined benefit plan obligation at the end of the reporting year is 7 years (March 31, 2024: 7 years).

**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<br>March 31, 2025 | As at<br>March 31, 2024 |
|--|-------------------------|-------------------------|
| <b>a) Commitments :</b>  |                         |                         |
| Estimated value of contracts remaining to be executed on Capital Account and not provided for (net of advance) | 49.02                   | 153.42                  |
| <b>b) Contingent liabilities :</b>   |                         |                         |
| - Unpaid labour dues#  | -                       | 1.57                    |
| - Other claims##   | 6.15                    | 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 had 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 year of closure under the lockdown. Subsequently, on the petitions 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 negotiation and settlement with workers for wages payment during the lockdown year. The aforesaid notification stood withdrawn w.e.f May 18, 2020. In the meanwhile, the Company had made payments to its workers and decided to do the final settlement, if any as per the final order of the Hon'ble Supreme Court of India. During the current year, the Hon'ble Supreme Court has vide its order dated May 17, 2024 dismissed all the civil writ petitions filed by the employers challenging the Notification dated March 29, 2020, issued under the National Disaster Management Act 2005, by reserving or leaving the rights of both, the employers and the workmen to be decided by the forum having appropriate jurisdiction if, and when such issues are agitated before such forum. There are no such issue are agitated till date.

## 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 theses 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.

|   |       |       |
|---|-------|-------|
| <b>(c) EPCG Commitment (Value of Exports) -</b> The Company has export obligations to the extent INR 287.10 crores (as at March 31, 2024: INR 156.55 crores) 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. | 47.85 | 26.09 |
|---|-------|-------|

Notes to the Financial Statements as at and for the year ended March 31, 2025  
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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  
Mr. Gaurav V - Chief Financial officer (upto March 31, 2025)  
Mr. Lalit Narayan Dwivedi - Company Secretary

**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  
Mr. Raman Chopra - Non- Executive Director  
Mr. Neelabh Dalmia - Non- Executive Director (Promoter)  
Mrs. Vijaylaxmi Joshi - Non-Executive Independent Director (upto March 06, 2025)  
Dr. Manoj Vaish - Non-Executive Independent Director (upto March 06, 2025)  
Mr. Arun Kumar Jain - Non-Executive Independent Director (upto March 06, 2025)  
Justice (Retd.) Ravindra Singh - Non-Executive Independent Director (w.e.f. April 01, 2024)  
Mr. C.R. Rajagopal- Non-Executive Independent Director (w.e.f. March 01, 2025)  
Mr. V.K. Jeyakodi - Non-Executive Independent Director (w.e.f. March 01, 2025)  
Mrs. Sudha Pillai - Non-Executive Independent Director (w.e.f. March 01, 2025)

**C) Relative of Key Managerial Personnel**

Mrs. Banu B , w/o Mr. R Balakrishnan  
Mr. Gnanendra Dadhich relative of Mr Gaurav V (upto March 31, 2025)

**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<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <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  | 0.03                    | 0.02                    |
| Mr. Gnanendra Dadhich relative of Mr Gaurav V   | 0.02                    | 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 - received  | 0.81                    | 0.60                    |
| - Business Support Services - given   | 0.17                    | -                       |
| - Reimbursement in respect of group insurance policy  | -                       | 0.80                    |
| GHCL Textiles Employees Group Gratuity Scheme   | 0.67                    | -                       |



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, 2025, and 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<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Mr. R Balakrishnan                                      | 0.80                                 | 0.87                                 |
| Mr. Gaurav V  | 0.32                                 | 0.29                                 |
| Mr. Lalit Narayan Dwivedi                               | 0.14                                 | 0.13                                 |
| <b>Total compensation to Key Management Personnel #</b> | <b>1.26</b>                          | <b>1.29</b>                          |

# includes leasing and hire purchase transaction entered with their respective relatives as mentioned in (c) above.

| e) Particulars   | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Short-term employee benefits                               | 1.07                                 | 1.10                                 |
| Post-employment gratuity and medical benefits              | 0.19                                 | 0.19                                 |
| <b>Total compensation paid to Key Management Personnel</b> | <b>1.26</b>                          | <b>1.29</b>                          |

**f) Transactions with Non-whole-time Directors**

| Particulars            | For the year ended<br>March 31, 2025 |              | For the year ended<br>March 31, 2024 |              |
|------------------------|--------------------------------------|--------------|--------------------------------------|--------------|
| Name                   | Sitting Fees                         | Commission   | Sitting Fees                         | Commission   |
| Dr. Manoj Vaish        | 0.029                                | 0.053        | 0.01                                 | 0.042        |
| Mrs. Vijay laxmi Joshi | 0.030                                | 0.053        | 0.01                                 | 0.042        |
| Mr. Arun Kumar Jain    | 0.034                                | 0.053        | 0.01                                 | 0.042        |
| Mr. R. S. Jalan        | 0.015                                | 0.053        | -                                    | 0.042        |
| Mr. Raman Chopra       | 0.015                                | 0.053        | -                                    | 0.042        |
| Mr. Neelabh Dalmia     | 0.015                                | 0.053        | -                                    | 0.042        |
| Dr. Anurag Dalmia      | 0.015                                | 0.053        | -                                    | -            |
| Justice Ravindra Singh | 0.012                                | 0.053        | -                                    | -            |
|                        | <b>0.165</b>                         | <b>0.424</b> | <b>0.03</b>                          | <b>0.252</b> |

| g) Particulars                                 | For the year ended<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| <b>Trade payable</b>                           |                                      |                                      |
| Sitting Fee payable                            | -                                    | 0.01                                 |
| Commission payable to Non-whole time Directors | 0.38                                 | 0.23                                 |
|  | <b>0.38</b>                          | <b>0.24</b>                          |

Notes to the Financial Statements as at and for the year ended March 31, 2025  
(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<br>March 31, 2025 | For the year ended<br>March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Revenue from contract with customers                  |                                      |                                      |
| - India   | 967.06                               | 889.83                               |
| - Outside India                                       | 183.97                               | 155.23                               |
| <b>Total revenue per statement of profit and loss</b> | <b>1,151.03</b>                      | <b>1,045.06</b>                      |

##### Non-Current Operating Assets

| Particulars     | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|-----------------|-------------------------|-------------------------|
| - India         | 1,025.13                | 1,065.03                |
| - Outside India | -                       | -                       |
| <b>Total</b>    | <b>1,025.13</b>         | <b>1,065.03</b>         |

#### Notes:

- The revenue information above is based on the locations of the customers.
- Non-current assets for this purpose consist of Property, plant and equipment and Intangible assets.
- 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 39.

#### 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, 2025  
(INR in crores unless specified otherwise)

| Particulars                  | Currency | Unhedged Exposure                |                  | Unhedged Exposure                |                  |
|------------------------------|----------|----------------------------------|------------------|----------------------------------|------------------|
|                              |          | As at March 31, 2025             |                  | As at March 31, 2024             |                  |
|                              |          | Amount<br>in Foreign<br>Currency | Amount<br>in INR | Amount<br>in Foreign<br>Currency | Amount in<br>INR |
| <b>Financial Assets</b>      |          |                                  |                  |                                  |                  |
| Trade Receivables            | USD      | 0.19                             | 13.48            | 0.51                             | 42.75            |
|                              | EURO     | 0.06                             | 5.58             | -                                | -                |
| <b>Financial Liabilities</b> |          |                                  |                  |                                  |                  |
| Borrowings                   | USD      | -                                | -                | 0.07                             | 5.78             |
| Trade Payables               | USD      | 0.00                             | 0.33             | 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<br>value | Fair<br>value     | Carrying<br>value | Fair value        |
|--|-------------------|-------------------|-------------------|-------------------|
|  | March 31,<br>2025 | March 31,<br>2025 | March 31,<br>2024 | March 31,<br>2024 |
| <b>Financial assets measured at Fair value through profit and loss</b> |                   |                   |                   |                   |
| Investments in unquoted equity instruments (Refer Note 5)              | 0.61              | 0.61              | 1.83              | 1.83              |
| <b>Financial assets measured at amortised cost</b>                     |                   |                   |                   |                   |
| Security deposits (refer note 6B)                                      | 15.17             | 15.17             | 14.87             | 14.87             |
| Loan to employees (refer note 6A & 11A)                                | 0.18              | 0.18              | 0.21              | 0.21              |
| Others (refer note 11B)  | 20.21             | 20.21             | 8.99              | 8.99              |
| <b>Financial liabilities at fair value</b>                             |                   |                   |                   |                   |
| Derivative instruments ( refer note 19A)                               | 0.00              | 0.00              | 0.00              | 0.00              |
| <b>Financial liabilities not measured at amortised cost</b>            |                   |                   |                   |                   |
| Term loans (refer note 16A)  | 7.15              | 7.15              | 52.58             | 52.58             |
| Short term borrowings (refer note 16B)                                 | 56.18             | 56.18             | 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 Capital creditors and Employee benefit related payable and unpaid dividend, 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, 2025  
(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, 2025:

| 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) |
| Financial assets measured at Fair value through profit and loss    |                   |                 |   |   |   |
| Investments in unquoted equity instruments (refer note 5)          | March 31, 2025    | 0.61            |   |   | 0.61                                      |
|  | March 31, 2024    | 1.83            |   |   | 1.83                                      |
| Financial assets measured at amortised cost                        |                   |                 |   |   |   |
| Security deposits (refer note 6B)                                  | March 31, 2025    | 15.17           |   |   | 15.17                                     |
|  | March 31, 2024    | 14.87           |   |   | 14.87                                     |
| Loan to employees (refer note 6A & 11A)                            | March 31, 2025    | 0.18            |   |   | 0.18                                      |
|  | March 31, 2024    | 0.21            |   |   | 0.21                                      |
| Others (refer note 11B)  | March 31, 2025    | 20.21           |   |   | 20.21                                     |
|  | March 31, 2024    | 8.99            |   |   | 8.99                                      |
| Financial liability measured at fair value through profit and loss |                   |                 |   |   |   |
| Derivative instruments ( refer note 19A) *                         | March 31, 2025    | 0.00            |   | 0.00                                    |   |
|  | March 31, 2024    | 0.00            |   | 0.00                                    |   |
| Financial liabilities not measured at fair value                   |                   |                 |   |   |   |
| Floating rate borrowings (refer note 16)                           | March 31, 2025    | 63.33           |   |   | 63.33                                     |
|  | March 31, 2024    | 71.82           |   |   | 71.82                                     |
| * represents amount less than INR 50,000/-                         |                   |                 |   |   |   |

\* represents amount less than INR 50,000/-

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 |
| <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, 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, 2025 and March 31, 2024. 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.

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

**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.

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, 2025 | + / (-).50%                       | '(-) / + 0.32 |
| Particulars    | Increase/decrease in basis points | Effect on PBT |
| March 31, 2024 | + / (-).50%                       | '(-) / + 0.36 |

**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, 2025 | + / (-)1%          | '(-) / + 0.13       |
| Particulars    | Change in USD rate | Effect on PBT in Rs |
| March 31, 2024 | + / (-)1%          | '(-) / + 0.37       |
| Particulars    | Change in CHF rate | Effect on PBT       |
| March 31, 2025 | + / (-)1%          | -                   |
| Particulars    | Change in CHF rate | Effect on PBT       |
| March 31, 2024 | + / (-)1%          | '(-) / + 0.00       |
| Particulars    | Change in EUR rate | Effect on PBT       |
| March 31, 2025 | + / (-)1%          | '(-) / + .006       |
| Particulars    | Change in EUR rate | Effect on PBT       |
| March 31, 2024 | + / (-)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, 2025 and March 31, 2024 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.



**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments :

| <b>As at March 31, 2025</b> | <b>On Demand</b> | <b>0 to 12 months</b> | <b>1 to 5 years</b> | <b>&gt; 5 years</b> | <b>Total</b>  |
|-----------------------------|------------------|-----------------------|---------------------|---------------------|---------------|
| Borrowings                  | 56.18            | 4.42                  | 2.73                | -                   | 63.33         |
| Trade payables              | -                | 41.77                 | -                   | -                   | 41.77         |
| Other financial liabilities | -                | 17.08                 | -                   | -                   | 17.08         |
|                             | <b>56.18</b>     | <b>63.27</b>          | <b>2.73</b>         | <b>-</b>            | <b>122.18</b> |

| <b>As at March 31, 2024</b> | <b>On Demand</b> | <b>0 to 12 months</b> | <b>1 to 5 years</b> | <b>&gt; 5 years</b> | <b>Total</b>  |
|-----------------------------|------------------|-----------------------|---------------------|---------------------|---------------|
| Borrowings                  | 19.24            | 23.40                 | 29.18               | -                   | 71.82         |
| Trade payables              | -                | 28.88                 | -                   | -                   | 28.88         |
| Other financial liabilities | -                | 8.15                  | -                   | -                   | 4.80          |
|                             | <b>19.24</b>     | <b>60.43</b>          | <b>29.18</b>        | <b>-</b>            | <b>105.50</b> |

#### 40 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities 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, trade and other payables, less cash and cash equivalents.

| <b>Particulars</b>                           | <b>As at March 31, 2025</b> | <b>As at March 31, 2024</b> |
|--|-----------------------------|-----------------------------|
| Borrowings (including short term borrowings) | 63.33                       | 71.82                       |
| Trade payables                               | 41.77                       | 28.88                       |
| Other financial liabilities                  | 17.08                       | 8.15                        |
| Less: Cash and cash equivalents              | 2.22                        | 10.30                       |
| <b>Net debt</b>                              | <b>119.96</b>               | <b>98.55</b>                |
| Equity                                       | 1,437.38                    | 1,385.76                    |
| <b>Capital and net debt</b>                  | <b>1,557.34</b>             | <b>1,484.31</b>             |
| Gearing ratio                                | 7.70%                       | 6.64%                       |

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, 2025 and March 31, 2024.

#### 41 Accounting for Scheme of Arrangement - Spinning Division:

During the previous year, the Company had given effect of the demerger of spinning business from GHCL Limited ("Demerged Company") into GHCL Textiles Limited ("Resulting Company"/"Company") as per the order of National Company Law Tribunal ("NCLT"), Ahmedabad, dated February 08, 2023 for the approval of Scheme of Arrangement.

The Company has given effect to the aforesaid demerger during the year ended March 31, 2024 in accordance with the accounting treatment prescribed in the Scheme and relevant accounting standard.

Accordingly, the Spinning division (along with all assets and liabilities thereof as at the appointed date April 01, 2023 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.

#### 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 (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.

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

**9. Ratio Analysis and its elements**

| Particulars                                  | Numerator   | Denominator   | March<br>31, 2025 | March<br>31, 2024 | Variation | Reason for variance   |
|--|---|---|-------------------|-------------------|-----------|---|
| (a) Current Ratio (times)                    | Current Assets  | Current Liabilities   | 3.55              | 5.95              | -40%      | On account of decrease in inventories and higher borrowings during the year, there is significant decline in the ratio.       |
| (b) Debt-Equity Ratio (times)                | Total Debt  | Shareholders Equity   | 0.04              | 0.05              | -12%      | -   |
| (c) Debt Service Coverage Ratio (times)      | Earnings for debt service = Net profit after taxes + Non-cash operating expenses + Interest | Debt service = Interest + Principal Repayments                              | 2.29              | 2.53              | -9%       | -   |
| (d) Return on Equity Ratio (%)               | Net Profits after taxes – Preference Dividend (if any)                                      | Average Shareholder's Equity  | 3.97%             | 1.83%             | 117%      | On account of higher Net profit earned during the year, there is significant improvement in the ratio.                        |
| (e) Inventory turnover ratio (times)         | Cost of goods sold  | Average Inventory   | 2.44              | 2.09              | 17%       | -   |
| (f) Trade Receivables turnover ratio (times) | Net credit sales = Gross credit sales - sales return  | Avg. Trade Receivables  | 9.82              | 10.14             | -3%       | -   |
| (g) Trade payables turnover ratio (times)    | Net credit purchases = Gross credit purchases - purchase return                             | Average Trade Payables  | 21.80             | 26.89             | -19%      | -   |
| (h) Net capital turnover ratio (times)       | Net sales = Total sales - sales return  | Working capital = Current assets – Current liabilities                      | 3.44              | 2.37              | 45%       | On account of higher sales in the current year, there is significant improvement in the ratio.                                |
| (i) Net profit ratio (times)                 | Net Profit  | Net sales = Total sales - sales return                                      | 4.86%             | 2.38%             | 104%      | On account of higher profit earned during the year, there is significant improvement in the ratio.                            |
| (j) Return on Capital employed (%)           | Earning before interest and taxes   | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability | 4.20%             | 2.71%             | 55%       | On account of higher earning before interest and taxes earned during the year, there is significant improvement in the ratio. |
| (k) Return on investment-Mutual fund (%)     | Profit on sale of current investments   | Investment  | 6.27%             | 6.82%             | -8%       | -   |
| (l) Operating profit Margin (%)              | Earning before interest and taxes   | Revenue from operations   | 5.69%             | 3.98%             | 43%       | On account of higher earning before interest and taxes earned during the year, there is significant improvement in the ratio. |
| (m) Return on Net Worth (%)                  | Total comprehensive income for the year, net of tax   | Net worth   | 3.92%             | 1.91%             | 105%      | On account of higher total comprehensive income earned during the year, there is significant improvement in the ratio.        |

### 43 Assets held for Sale

| Particulars                                   | As at<br>March 31, 2025 | As at<br>March 31, 2024 |
|---|-------------------------|-------------------------|
| <b>(a) Assets classified as held for Sale</b> |                         |                         |
| Plant and Equipments (refer note (i))         | 5.52                    | -                       |
| Freehold Land (refer note (ii))               | 0.36                    | 0.36                    |
|   | <b>5.88</b>             | <b>0.36</b>             |

- (i) During the year ended March 31, 2025, the Board of Directors, at their meeting held on February 03, 2025, approved the discontinuation of production at the outdated Kaveri section of the Manapparai Unit. This decision was primarily driven by the high repair and maintenance costs associated with the ageing machinery. The proceeds from the sale of the section's assets will be strategically reinvested in modernizing other parts of the unit, with a focus on enhancing value-added product lines. Production activities at the Kaveri section were officially discontinued with effect from March 24, 2025. The Company has assessed the impact of this discontinuation and confirms that there is no significant effect on its financial results or overall operations.

| Particulars   | As at March<br>31, 2025 | As at March<br>31, 2024 |
|---|-------------------------|-------------------------|
| Opening balance                                     | -                       | -                       |
| Add: Transferred from Property, plant and Equipment | 5.52                    | -                       |
| Less: Sold/Disposed                                 | -                       | -                       |
| <b>Closing balance</b>                              | <b>5.52</b>             | <b>-</b>                |

- (ii) The management has balance excessive and surplus land of 0.72 acres (March 31, 2024: 0.72 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, 2025 |             | As at March 31, 2024 |             |
|--|----------------------|-------------|----------------------|-------------|
|  | Acres                | Amount      | Acres                | Amount      |
| Opening balance  | 0.72                 | 0.36        | -                    | -           |
| Add: Addition pursuant to scheme of arrangement<br>(Refer note 41) | -                    | -           | 0.47                 | 0.23        |
| Add: Transferred from Property, plant and<br>Equipment             | -                    | -           | 0.25                 | 0.13        |
| Less: Sold/Disposed  | -                    | -           | -                    | -           |
| <b>Closing balance</b>   | <b>0.72</b>          | <b>0.36</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

**Notes to the Financial Statements as at and for the year ended March 31, 2025**  
(INR in crores unless specified otherwise)

the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights in respect of other software used by the Company to maintain payroll records. Further, no instance of audit trail feature being tampered with was noted in respect of above said software except in regard to privileged access users as mentioned above.

#### 45 Reclassification in the Balance sheet

During the year, the Company has reassessed presentation of outstanding employee salaries and wages, which were previously presented under 'Trade Payables' within 'Current Financial Liabilities'. In line the recent opinion issued by the Expert Advisory Committee (EAC) of the Institute of Chartered Accountants of India (ICAI) on the "Classification and Presentation of Accrued Wages and Salaries to Employees", the Company has concluded that presenting such amounts under 'Other Financial Liabilities', within 'Current Financial Liabilities', results in improved presentation and better reflects the nature of these obligations. Accordingly, amounts aggregating to INR 5.36 crores as at March 31, 2025 (INR 3.35 crores as at March 31, 2024), previously classified under 'Trade Payables', have been reclassified under the head 'Other Financial Liabilities'. Both line items form part of the main heading 'Financial Liabilities'.

The above changes do not impact recognition and measurement of items in the financial statements, and, consequentially, there is no impact on total equity and/ or profit for the current or any of the earlier periods. Considering the nature of changes, the management believes that they do not have any material impact on the balance sheet at the beginning of the comparative period and, therefore, there is no need for separate presentation of third balance sheet.

- 46** The management has evaluated the likely impact of prevailing uncertainties relating to imposition or enhancement of reciprocal tariffs and believes that there are no material impacts on the financial statements of the Company for the year ended March 31, 2025. However, the management will continue to monitor the situation from the perspective of potential impact on the operations of the Company.

#### 47 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

Sd/-  
per Sonika Loganey  
Partner  
Membership No. 502220  
Place : Noida  
Date: May 05, 2025

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

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

Sd/-  
Anurag Dalmia  
Chairman  
DIN: 00120710

Sd/-  
C. R. Rajagopal  
Director  
DIN: 008853688  
Place : Noida  
Date: May 05, 2025

Sd/-  
R Balakrishnan  
(Chief Executive officer)

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



**“GHCL House”**

**Opp. Punjabi Hall, Navrangpura  
Ahmedabad -380009 (Gujarat)**