

December 14, 2023

मार्गशीर्ष - शुक्ल पक्ष, द्वितीया  
विक्रम संवत्, २०८०

**National Stock Exchange of India Limited**

“Exchange Plaza”  
Bandra – Kurla Complex,  
Bandra (E), Mumbai – 400 051  
**NSE Code: GHCLTEXTIL**

Dear Sir/Madam,

**Sub: Clarification with regard to financial results for the Quarter ended September 30, 2023**

**Ref: Your email dated December 14, 2023**

This refers to your email dated December 14, 2023 with respect to quick result submitted to the Exchange, through which you have observed discrepancies in Quarterly results for the quarter ended September 30, 2023. Details of your observation and our submission is as follows:

<b>Observations</b>	<b>Our submission / clarification</b>
<p>1. Machine Readable Form / Legible copy of Financial Results not submitted.</p> <p>2. Financial results not signed by authorized signatory/ies.</p>	<p>We would like to inform you that in compliance of Regulation 33(2)(b) of the Listing Regulations, 2015, the Financial results of the Company for the quarter ended September 30, 2023, submitted with Stock Exchange was signed by Directors of the Company i.e. Mr. R S Jalan and Mr. Raman Chopra, who are duly authorised by the Board in their meeting held on November 03, 2023. Certified true copy of Board resolution is attached herewith as Annexure-1.</p> <p>Copy of Financial Results also attached herewith as Annexure -2 for your reference and record.</p>

Kindly take note of the same.

Thanking you

Yours faithfully

**For GHCL Textiles Limited**



**Lalit Narayan Dwivedi**  
**Company Secretary and Compliance officer**

GHCL Textiles Limited (Formerly Sree Meenakshi Mills)

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

CIN : L18101GJ2020PLC114004, E-mail : info@ghcltextiles.co.in, Website : www.ghcltextiles.co.in

**Certified True Copy****EXTRACTS OF THE RESOLUTION PASSED AT MEETING OF THE BOARD OF DIRECTORS OF GHCL TEXTILES LIMITED HELD THROUGH WEBEX ON FRIDAY, NOVEMBER 03, 2023 AT 10:30 A.M.****APPROVAL OF REVIEWED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2023.**

“RESOLVED that pursuant to requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with other applicable provisions, if any, the reviewed un-audited financial results of the Company for the quarter / period ended September 30, 2023 is taken on record and approved by the Board and any directors i.e. Mr. R S Jalan and / or Mr. Raman Chopra and /or Mr. Neelabh Dalmia, be and are hereby severally authorized to sign the said financial results as required by the Listing Regulations and the Board noted the compliance certificate jointly signed by Mr. R. Balakrishnan, CEO and Mr. Gaurav V, CFO of the Company.”

“RESOLVED further that Mr. R. Balakrishnan, CEO and/or Mr. Gaurav V, CFO and /or Mr. Lalit Narayan Dwivedi, Company Secretary be and are hereby severally authorized to comply with other relevant requirements relating thereto.”

**For GHCL TEXTILES LIMITED****Lalit Narayan Dwivedi  
Company Secretary and Compliance officer**

GHCL Textiles Limited (Formerly Sree Meenakshi Mills)

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

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

1. We have reviewed the accompanying statement of unaudited financial results of GHCL Textiles Limited (the "Company") for the quarter ended September 30, 2023 and year to date from April 01, 2023 to September 30, 2023 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. **Emphasis of Matter**

We draw attention to note 2 to the financial results, which indicates that the demerger has been accounted on April 01, 2023, being the appointed date mentioned in the Scheme of Arrangement ('the Scheme') i.e. date of filing of certified true copy of the National Company Law Tribunal ('NCLT') order along with the sanctioned Scheme with the Registrar of Company, instead of accounting of demerger in the previous year from the beginning of the previous year i.e. April 01, 2022, since the substantial conditions relating to transfer of demerged undertaking were met during the previous year, as required under applicable Indian Accounting Standards prescribed under Section 133 of the Act. Accordingly, accounting treatment in respect of the demerger has been



# **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

carried out in these financial results, as the approved Scheme would prevail over the applicable Indian Accounting Standards.

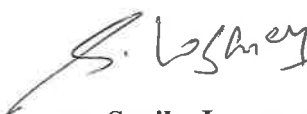
Our conclusion is not modified in respect of this matter.

6. The accompanying Statement includes the results for the quarter & period ended September 30, 2022 which have not been subjected to a review or audit by us or by any other auditor and are approved by Board of Directors of the Company.

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

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

  
per Sonika Loganey  
Partner  
Membership No.: 502220



UDIN: 235022208GYHS03540

Place: Gurugram

Date: November 03, 2023

GHCL Textiles Limited (CIN : L18101GJ2020PLC114004)

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

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

Statement of Unaudited Standalone Financial Results for the Quarter and Six months ended September 30, 2023

Rs. In Crore

S. No.	Particulars	Quarter Ended			Six Months Ended		Year Ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Unaudited	Unaudited	Unaudited (Refer Note No.5)	Unaudited (Refer Note No.5)		Audited
<b>1</b>	<b>Income from operations</b>						
	(a) Revenue from operations	260.03	263.28	-	523.31	-	-
	(b) Other income	1.15	1.47	-	2.62	-	-
	<b>Total Income</b>	<b>261.18</b>	<b>264.75</b>	<b>-</b>	<b>525.93</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Expenses</b>						
	a) Cost of materials consumed	179.53	170.35	-	349.88	-	-
	b) Purchase of stock-in-trade	1.47	0.83	-	2.30	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	1.15	16.56	-	17.71	-	-
	d) Power, fuel and water expense	15.65	21.74	-	37.39	-	-
	e) Employee benefits expense	15.04	15.08	-	30.12	-	-
	f) Depreciation and amortisation expense	11.49	10.53	-	22.02	-	-
	g) Finance Costs	1.74	1.60	-	3.34	-	-
	h) Other expenses	26.74	22.42	0.00	49.16	0.00	0.01
	<b>Total Expenses</b>	<b>252.81</b>	<b>259.11</b>	<b>0.00</b>	<b>511.92</b>	<b>0.00</b>	<b>0.01</b>
<b>3</b>	<b>Profit before tax (1-2)</b>	<b>8.37</b>	<b>5.64</b>	<b>(0.00)</b>	<b>14.01</b>	<b>(0.00)</b>	<b>(0.01)</b>
<b>4</b>	<b>Tax expenses</b>						
	(a) Current tax	0.02	0.07	-	0.09	-	-
	(b) Deferred tax charge	2.20	1.41	-	3.61	-	-
	<b>Total tax expenses</b>	<b>2.22</b>	<b>1.48</b>	<b>-</b>	<b>3.70</b>	<b>-</b>	<b>-</b>
<b>5</b>	<b>Net Profit after tax (3-4)</b>	<b>6.15</b>	<b>4.16</b>	<b>(0.00)</b>	<b>10.31</b>	<b>(0.00)</b>	<b>(0.01)</b>
<b>6</b>	Other Comprehensive Income net of tax - not to be reclassified subsequently to profit & loss	-	-	-	-	-	-
<b>7</b>	<b>Total Comprehensive Income comprising profit after tax and other Comprehensive income (5+6)</b>	<b>6.15</b>	<b>4.16</b>	<b>(0.00)</b>	<b>10.31</b>	<b>(0.00)</b>	<b>(0.01)</b>
<b>8</b>	Other Equity as per the audited balance sheet						(0.01)
<b>9</b>	Paid up Equity Share Capital (face value of Rs.2/- each)	19.12	19.12	0.01	19.12	0.01	0.01
<b>10</b>	<b>Earnings per share (face value of Rs.2/- each)</b>	(Not Annualised)			(Not Annualised)		
	<b>Basic and diluted</b>	0.64	0.44	(0.10)	1.08	(0.15)	(1.37)

*Ramesh Chops* *[Signature]*

S.R. Batliboi & Co. LLP, Gurugram

for Identification



**Notes to the Statement of Unaudited Financial Results for the Quarter and six months ended September 30, 2023**

1. The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 03, 2023. These unaudited financial results have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The Statutory Auditors of the Company have conducted a limited review of these unaudited financial results of the Company for the quarter and period ended September 30, 2023, in accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and expressed an unmodified review conclusion on these unaudited results.

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

As per the Scheme, the accounting in respect of the Scheme has been carried out on April 01, 2023 being the Appointed date and effective date i.e. the date on which the Company filed the Certified True Copy of the NCLT order along with the sanctioned Scheme with the ROC.

Accordingly, the Spinning division (along with all assets and liabilities thereof as at the appointed date stated in the Scheme) have been transferred to the Company on a going concern basis at a book value of Rs. 1,359.28 crores. As a consideration for the Demerger, the Company has issued 9,55,85,786 equity shares of Rs. 2 each amounting Rs. 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 Rs. 2 each has been issued by the Company for every one equity share of Rs. 10 each held in Demerged company at a premium of Rs. 1,578.16 crores. The difference of Rs. 238.00 crores being the difference between the book value of assets received and the equity share capital issued including securities premium has been debited to capital reserve.

Being a transaction of transfer of the spinning business from demerged company, Indian Accounting Standards notified under Section 133 of the Act, under the Companies (Indian Accounting Standard) Rules, 2015, as amended from time to time (Ind AS) and generally accepted accounting principles in India required the Company to account for such transfer of spinning business in the previous year ended March 31, 2023 by restating the financial information in respect of the prior period from the beginning of the preceding year i.e April 01, 2022 as the substantial conditions for the transfer of demerged undertaking were met during the previous year ended March 31, 2023.

Since the Certified True Copy of the NCLT order along with the sanctioned Scheme with the ROC has been filed on April 01, 2023 accounting effect in respect of the Scheme has been given in these financial results during the previous quarter, as the approved scheme will prevail over the applicable Indian Accounting Standards.

The Company has listed its equity shares on Bombay Stock Exchange and National Stock Exchange as required by the Scheme w.e.f June 12, 2023.

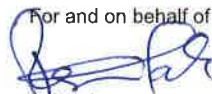
3. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company is in the process of assessing the impact of the code and will record the same, if any, in the period the Code becomes effective.

4. The Company is engaged in the business of "Textiles" activity and hence has only one reportable operating segment as per IND AS 108-Operating Segment.

5. Since, the Company has accounted for demerger transaction w.e.f April 01, 2023 (refer note 2 above) therefore, the current quarter and year to date period results are not comparable with corresponding quarter/ period since the Company did not have any operations till March 31, 2023. Further, the comparative figures in the Statement for the quarter and six months ended September 30, 2022 have not been subjected to a review or audit by any auditor and have been approved by the board of directors of the Company.

6. In line with the requirements of Regulation 47(2) of the Listing Regulations, 2015, the results are available on the website of BSE Limited (URL: [www.bseindia.com/corporates](http://www.bseindia.com/corporates)), the National Stock Exchange of India Limited (URL: [www.nseindia.com/corporates](http://www.nseindia.com/corporates)) and on the company's website (URL: <http://ghcltextiles.co.in/investors/performance-reports/>).

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



R.S. Jalan  
Director  
DIN: 00121260



Raman Chopra  
Director  
DIN: 00954190



Noida  
November 03, 2023  
S.R. Batlibol & Co. LLP, Gurugram

for identification

## Statement of Assets &amp; Liabilities

Particulars		Rs. In Crore	
		As at	
		30.09.2023 Unaudited	31.03.2023 Audited
<b>I</b>	<b>Assets</b>		
	<b>Non-current assets</b>		
a	Property, plant and equipment	1,018.38	-
b	Capital work-in-progress	56.44	-
c	Other Intangible assets	0.14	-
d	Financial assets		
	(i) Investments	1.83	-
	(ii) Loans	0.10	-
	(iii) Other non-current financial assets	14.96	-
e	Non current tax assets (net)	0.67	-
f	Other-non current assets	15.97	-
	<b>Total Non-Current Assets</b>	<b>1,108.49</b>	<b>-</b>
	<b>Current assets</b>		
a	Inventories	287.88	-
b	Financial assets		
	(i) Investments	47.66	-
	(ii) Trade receivables	89.09	-
	(iii) Cash and cash equivalents	2.99	0.00
	(iv) Bank balances other than cash and cash equivalents	1.14	-
	(v) Loans	0.15	-
	(vi) Other current financial asset	9.51	-
c	Other current assets	68.47	-
	<b>Total Current Assets</b>	<b>506.89</b>	<b>0.00</b>
	Assets held for sale	0.36	-
	<b>Total Assets</b>	<b>1,615.74</b>	<b>0.00</b>
<b>II</b>	<b>Equity and Liabilities</b>		
	<b>Equity</b>		
a	Equity share capital	19.12	0.01
b	Other equity	1,350.47	(0.01)
	<b>Total Equity</b>	<b>1,369.59</b>	<b>0.00</b>
	<b>Liabilities</b>		
	<b>Non-current liabilities</b>		
a	Financial liabilities		
	(i) Borrowings	40.40	-
b	Deferred tax liabilities (net)	122.13	-
	<b>Total Non- Current Liabilities</b>	<b>162.53</b>	<b>-</b>
	<b>Current liabilities</b>		
a	Financial liabilities		
	(i) Borrowings	26.70	-
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	8.03	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	33.10	0.00
	(iii) Other current financial liabilities	6.08	-
	(iv) Derivative instruments	0.03	-
b	Provisions	1.88	-
c	Other current liabilities		
	(i) Contract liabilities	1.60	-
	(ii) Other current liabilities	6.20	-
	<b>Total Current Liabilities</b>	<b>83.62</b>	<b>0.00</b>
	<b>Total Equity and Liabilities</b>	<b>1,615.74</b>	<b>0.00</b>



S.R. Batliboi &amp; Co. LLP, Gurugram

for Identification

**GHCL Textiles Limited**  
**Statement of Cash Flows for the period ended September 30, 2023**  
**(INR in crores)**

Particulars	For the period ended	For the period ended
	September 30, 2023	September 30, 2022
	Unaudited	Unaudited
<b>Operating activities</b>		
Profit before tax	14.01	(0.00)
<b>Adjustments to reconcile profit before tax to net cash flows :</b>		
Depreciation and amortisation expenses	22.02	-
Fair value (gain) on investments and profit on sales of investments (net)	(0.63)	-
(Reversal) of provision for onerous contract	(7.84)	-
Provision for doubtful debts	0.04	-
(Gain) on sale/disposal of property, plant and equipment (net)	(0.85)	-
Interest income	(0.64)	-
Finance costs	3.13	-
Unrealised exchange gain (net)	(0.25)	-
<b>Operating profit before working capital changes</b>	<b>28.99</b>	<b>(0.00)</b>
<b>Changes in working capital</b>		
<b>Adjustments for (Increase)/decrease in Operating assets:</b>		
Trade receivables	0.12	-
Inventories	68.00	-
Other current financial assets	(3.53)	-
Other current assets	(5.86)	-
Non-current financial assets	(0.85)	-
Other non-current assets	0.09	-
<b>Adjustments for Increase/(decrease) in Operating liabilities:</b>		
Contract liabilities	(2.20)	-
Trade payables	(3.39)	-
Other current financial liabilities	(0.11)	-
Other current liabilities	0.30	(0.00)
Provisions	0.02	-
<b>Cash generated from operations</b>	<b>81.57</b>	<b>(0.00)</b>
Income tax paid (net)	(0.76)	-
<b>Net cash generated from operating activities (A)</b>	<b>80.81</b>	<b>(0.00)</b>
<b>Cash flow from investing activities</b>		
Payment for purchase of Property, plant and equipment, capital work in progress and intangible assets	(53.63)	-
Proceeds from sale of Property, plant and equipment and Assets held for sale	1.39	-
Proceeds from sales of current investments	228.76	-
Purchase of non-current investments	(0.60)	-
Purchase of investments	(275.80)	-
Bank deposits not considered as cash and cash equivalents - matured	0.55	-
Bank deposits not considered as cash and cash equivalents - placed	(1.69)	-
Interest received	0.68	-
<b>Net cash (used in) investing activities (B)</b>	<b>(100.33)</b>	
<b>Cash flow from financing activities</b>		
Repayment of long-term borrowings	(11.57)	-
Interest paid	(3.13)	-
<b>Net cash (used) in financing activities (C)</b>	<b>(14.70)</b>	
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(34.24)</b>	<b>(0.00)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>37.23</b>	<b>0.01</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>2.99</b>	<b>0.00</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.01	-
- On current accounts	2.98	0.00
<b>Total cash and cash equivalents</b>	<b>2.99</b>	<b>0.00</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".



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*(Handwritten signature)*

S.R. Batliboi & Co. LLP, Gurugram

for Identification